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CERTIFICATE

I certify that the thesis entitled, “Customer Preferences for Banking Services on Selected Banks in Mizoram”, written and submitted by Mrs. Esther Malsawmkimi towards the fulfillment of the requirements for the degree of Doctor of Philosophy in Management is a genuine record of research done by her under my supervision and guidance.

To the best of my knowledge the thesis has not been submitted before to any other university/institution for any research degree.

(Prof. Elangbam Nixon Singh)

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

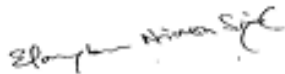
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September, 2020

DECLARATION

I **Esther Malsawmkimi**, hereby declare that the subject matter of this thesis is the record of work done by me, and the content of this thesis did not form basis of 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.



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ACKNOWLEDGEMENT

In my long journey of this thesis work where different experience had been faced, this thesis would not have been completed without many people. I take this opportunity to extend my true appreciation and gratefulness to all those who made my journey a success.

I would like to thank God the Almighty, for all his blessings and guidance that made it possible to complete my work.

*First and foremost, I would like to express my sincere gratitude to my guide **Prof. Elangbam Nixon Singh**, Department of Management, Mizoram University for his endless support, advice and encouragement.*

*I express my heartfelt gratitude to **Dr. Amit Kumar Singh**, Head, Department of Management, Mizoram University, **Prof. L. S. Sharma** and the entire faculty for their endless support and encouragement. I thank the office staffs who were always ready to give their timely help whenever required.*

My special words of thanks should go to my parents, my brothers and sisters and my grandmother, who continuously support and encourage me through their love and prayer.

*I owe my deepest gratitude to my better half **Mr. J. Vanlalhruaia** for his eternal support, love and endless prayer. His patience and sacrifice will remain my inspiration throughout my life.*

Nonetheless, I extend my gratitude to all the respondents, who had shared their valuable time in my work. I also thank the staff of Regional Office, Mizoram Rural Bank, HR Cell, Aizawl Regional office, State Bank of India and Staff of Axis Bank, Chanmari for providing me all the information and helping me to complete my work.

Dated:

Esther Malsawmkimi

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List Of Abbreviations

1	ATM	Automated Teller Machine
2	BC	Bank Creditability
3	BOOT	Build, Own, Operate And Transfer
4	BSNL	Bharat Sanchar Nigam Limited
5	C	Convenient
6	CBS	Core Banking Solution
7	CD	Credit Deposit
8	CP	Customer Preferences
9	DP	Documentation Process
10	GF	Geographical Flexibility
11	GSDP	Gross State Domestic Product
12	HSLC	High School Leaving Certificate
13	HSSLC	Higher Secondary School Leaving Certificate
14	IT	Information Technology
15	KCC	Kisan Credit Card
16	KMO	Kaiser-Meyer-Olkin
17	LIC	Life Insurance Corporation Of India
18	MRB	Mizoram Rural Bank
19	MUCO	Mizoram Urban Co-Operative Development Bank Limited
20	NEFT	National Electronic Funds Transfer
21	NHFDC	National Handicap Development Finance Corporation
22	RBI	Reserve Bank Of India
23	RD	Rural Development
24	RRB	Regional Rural Bank

25	RT	Repayment Time
26	RTGS	Real Time Gross Settlement
27	S	Security
28	SAO	Services And Offers
29	SBI	State Bank Of India
30	SHG	Self Help Group
31	SP	Service Provision
32	SPSS	Statistical Package For Social Sciences
33	T	Technology
34	TW	Trustworthy
35	UF	User Friendliness
36	UF	User Friendly
37	UTI	Unit Trust Of India
38	YMA	Young Mizo Association

1. Introduction

Preferences can be thought of as the mentality of a person with regard to a large number of articles, usually reflected in a basic express leadership process (Lichtenstein and Slovic, 2006). The word 'preference' can be translated as evaluative judgment in the feeling of loving or disdaining an object. On the other hand, the word "preference" could be translated as "evaluative choice in the feeling of preferring an article" (Scherer, 2005).

The customer chooses by spreading their income among all imaginable revenue, so as to obtain the best possible fulfilment. Formally, it is said that customers increase their utility subject to a limitation of expenditure. Utility is characterized as the achievement that the customer gets from the use of the products. The value of the customer is estimated based on the relative utilities between the goods; these reflect the preferences of the customer.

Customer service is not just about meeting the needs of the customer. Considering a customer's needs is as important as responding. Knowing and understanding your customers' preferences before buying, allow you to get involved much more deeply. While a customer's preferences can be taken care of, one should also take a look at this customer service opportunity by adapting to these preferences, disregard and all the exceptional solicitations that a customer can have.

A bank is a financial institution that acknowledges stores and channels those stores into loaning the cash in order to achieved profits.

Banking goes about as a spine of monetary improvement for the nation. Banking framework is an organization that helps on the economy and influences its

exhibition regardless. They go about as improvement factor drawing in and are the wellspring of expectation and goal for the individuals. As a financial base, banks should be all the more legitimately and emphatically identified with the presentation of the economy.

Banks likewise act as specialists for the advancement of the nation. New systems must be included for improvement, both in small and large scale areas and, as opposed to restricting to the conventional method for solid and dispersion account of a shortage, formative fund and term loaning must be taken up by business banks. Additionally opening of branches in rural and urban territory, productive customer services have accepted extraordinary significance.

The accomplishment of any money related foundation (bank) relies on the service of the bank and on the satisfaction of the customers. The subjective improvement gives up push in the achievement of the financial business and is the need of great importance in the present time of vicious challenge and to give consumer loyalty. Collin Clark in his book 'States of Economic Progress' concurs that there is a warm connection between improvement of the economy on one hand and word related structure on the other and financial advancement is intently connected with certain particular vital and unsurprising changes in the word related structure.

1.1 Origin of the Word "Bank"

There appears to be no uniformity among the financial proficient about the source of the word 'Bank'. As per a few creators the word 'Bank', itself comes from the word 'Bancus' or 'Banque' that is a seat. The Jews who are the early financiers, in Lombardy, executed their business on seats in the commercial center, when, an investor fizzled, his 'Banco' was separated by the individuals; it was called

'Bankrupt'. Whatever be the starting point of the word 'Bank' as Professor Ram Chandra Rao says, 'It would follow the historical backdrop of banking in Europe from the medieval times'. (Kaptan 2003)

As a matter of fact importance of bank isn't indicates in any guideline or act. In India, various individuals have diverse sort of importance for bank. Ordinary pay worker knows methods for bank that it is a sparing foundation, for current record holder or representative knows bank as a monetary establishments and numerous other. Bank isn't revenue driven making, it makes sparing action in pay worker.

1.2 Banking System in India

The financial framework assumes a significant job in the monetary improvement of any nation. It contains the financial organizations working in the nation and it incorporates from the national bank to all financial foundations which are working and giving money related offices to any formative area like horticulture, businesses, exchange, lodging and so on. Under the Indian financial structure, national bank for the sake of the Reserve Bank of India (RBI) manages, coordinates and controls the financial foundations. Separate organizations are working to meet the money related necessity of various areas of the economy. Indigenous investors and moneylenders do overwhelm the disorderly division. Territorial Rural Banks are meeting the prerequisites of the country populace. Agreeable banks are attempting to address the issues of medium, short and long haul credit of the horticulture division. Improvement banks are meeting the business and modern prerequisites. In this manner, the Indian financial framework has a worldwide framework which can meet the monetary prerequisites of the globalized world. The Indian financial structure

has a wide and extensive structure. Peak foundations through financial establishments are assuming significant job in the nation (Shahi, 2013).

1.3 Development of Banking in India

In old India, during the Maurya service (321BC - 185 BC), an instrument called 'adesha' was used for requesting on a broker yearning him to pay the cash to a third person, which relates to the meaning of a 'bill of trade' as today is known. During the Buddhist time, there was impressive consumption of these instruments. Shippers in enormous towns gave 'letters of credit' to each other. Exchange societies went about as financiers, both accepting stores and issuing advances. There were numerous expert financiers and moneylenders. Local banking was experiencing rural cash loaning with specific people utilizing their private assets for this reason (Aggarwal and Sharma, 2005).

The English brokers who came to India in the seventeenth century couldn't use local financiers as there was a language barriers as well as the local people are not aware of the European exchange. Along these lines, the English Agency Houses in Calcutta and Mumbai had started their direct financial business. The Europeans with fitness of business curiosity composed these organization houses. The essential worry of these organization houses was exchange, yet in order to encourage the actions of their principle business, they extend into banking as aside line. The English office houses, that started to fill in as brokers toward the East India Company had no capital of their own, and relied upon stores for their assets. They financed developments of yields, issued paper cash and set up joint stock banks. Soonest of these was Hindustan Bank, built up by one of the organization houses in Calcutta in 1770 (Kapila and Kapila, 2001).

Banking in India started in the early of the eighteenth century. The primary banks were The General Bank of India, which started in 1786 and Bank of Hindustan, which had started in 1790. The most settled bank in existence in India is the State Bank of India. It was started in the Bank of Calcutta in June 1806 and was later named the Bank of Bengal. It was one of the three Presidency Banks, where the other two were the Bank of Bombay and the Bank of Madras. All of the three banks were set up under the British East India Company. The Presidency Banks for sometimes runs as semi national banks. The three banks converged in 1921 to shape the Imperial Bank of India, which, upon India's freedom, turned into the State Bank of India (SBI) (Raut and Das, 1996).

1.4 Literature Review

Quantities of studies have been directed to survey the expectation on customers' preferences of banking services. A portion of the investigations are as per the following:

Ghosh et al. (1981) studied six nationalized bank of Bangladesh covering 25 branches. Their respondents were bank executives, borrowers and depositors. The authors used Spearman's rank correlation test and Kendell-tau test in their analysis. They found that quality of bank management, location of branch, reputation of the bank, and personal relationship with the bank employees are important determinants. Along with these, they found that the ranking of borrowers and depositors are positively correlated, while the ranking is inversely correlated in case of executives. It reveals that the executives have little idea about factors that influence the choice of banks by borrowers and depositors.

Hebber (1985) has dissected the issue of Regional Rural Banks and has called attention to specific imperatives in the viable working of Regional Rural Banks. The primary focal point of the examination paper is on the most proficient method to make the Regional Rural Banks practically effective.

Clarkson et al. (1990) found that the attributes and money related service prerequisites of buyers fluctuate with age, and that these distinctions could be utilized in creating showcasing methodologies for banking services.

Biswa (1990) uncovered that the services have been improved in the parts of time required to store money and acquire receipt, time required for accumulation of nearby checks, time required for gathering of outstation checks, though the services have disintegrated in the parts of time taken to encash a fixed store receipt, time taken to buy a bank draft and time taken to get settlements through transmitted exchange. As to proficiency of staff, there has been an improvement in the decrease of mistakes in passages and counts; and deferral in different exchanges and yet, the customers experienced disappointment due to the merciless conduct of the staff.

Gorden and Tenence (1994) discovered two particular portions in retail banking. To serve the presentation portion, money related foundations should concentrate on giving preparing and emotionally supportive networks that empower specialist co-operations to offer mistake free exchanges. To serve the comfort section, it should concentrate on the area parts of their methodology and making individual experiences increasingly receptive to speed.

Boyd et al. (1994) uncovered that the notoriety, intrigue charged on credit, and sparing records are considered as more significant than other criteria, for example, amicability of representatives, present day offices, and drive in service.

Roger's (1995) innovation diffusion model that used attributes such as compatibility, complexity, relative advantage was used in the study. The results show that compatibility, relative advantage, eases of use have a significant effect on the attitude to adopt mobile banking. He suggests that by reducing the complexity in operating the mobile banking will lead to positive belief and hence the customers will favour to adopt the mobile banking.

Meidan (1996) looks at the components influencing the conduct of money related item buyers are separated into inward (mental, for example, inspiration, recognitions, and individual, for example, life cycle, age, passion, monetary status, character), outside (social and social), and acquiring methodology.

Stafford (1996) is likewise of the assessment that there is a critical connection between statistic attributes and service quality observation aside from salary where the test measurements were not noteworthy.

Stewart (1998) presumed that the respondents see their dealings with the bank as a progression of discrete exchanges as well as a relationship. Proof for this lies in the leave procedure - the kind of issues considered, moves made, feelings experienced and the effects on the procedure. Staffs and the executives target has its own job in some exhibition levels in connection to customer exit. The board of customer connections has a pre-essential of an advertising diagram.

Mookerji (1998) found that Internet banking is fast getting to be famous in India and it is in its developmental stage. Constantly 2005, a huge advanced and exceptionally alert that internet banking business sector will be form. Practically every one of the banks working in India are having their sites however just a couple of banks give value-based Internet Banking.

Talaga and Buch (1998) investigated the procedure by which the customers pick among money related organizations and found extra expenses pursued by number of focuses as the most significant factors to the respondents.

Joseph M. et al (1999), the examination explores job of innovation on Australian financial part and 300 customers were overviewed. The discoveries recommended that aside from comfort precision and proficiency e banking services didn't coordinate with significance rating determined by customers.

Sathye (1999), in his paper cites that Electronic banking is a high-request build, which comprises of a few conveyance channels. It ought to be noticed that electronic banking is a superior stage than simply banking through the internet. Notwithstanding, the most broad kind of electronic banking, will be banking through Internet, as such Internet banking.

Kumar (1999) revealed the bank customers' day of work in steadfastness happening for the accompanying reasons: low quality of services gave in bank offices, deregulation of totally or mostly controlled economy managing to progressively decision, section of new rivals in banking and coming of new advancements in banking.

Wanjiru (2000) examined the components that impact profitability of credit officials in microfinance organizations. The investigation built up that efficiency of the officials relies upon the compensation and different advantages acquired from their activity obligations. In certain establishments the officials were compensated dependent on the fruitful credit the board.

Gronroos (2000) characterized management as, "A service is a procedure comprising of a progression of pretty much elusive exercises that ordinarily, yet not

really consistently, occur in associations between the customer and service workers or potentially physical assets or merchandise as well as frameworks of the specialist organization, which are given as answers for customer issues".

Walfried, et. al. (2000) characterized "service as a lot of attributes that address the customers' issues, fortify the connections between the association and them, and improve the customers' an incentive also."

Ravi and Paul (2001) had considered that in each industry, E-trade is reforming the manner in which business is led. This investigation inspects investors' perspectives on giving financial services to customers utilizing the internet. The outcomes demonstrated that Internet banking is in its early organize—just few banks offer online banking to customers and the full advantages of Internet banking are still to be acknowledged by numerous banks.

Verma and Hema (2001) uncovered that they chose business banks are impressively advertise arranged. The private part banks and the remote banks have more prominent rate of exercises speaking to advertise direction than the open area banks. The knowledge age is the most elevated in the remote banks, with the private-part banks not a long ways behind them. The responsiveness of the open segment banks isn't as effective as that of both. The open division banks are likewise delayed to react to changes in the customer's preferences.

Gross (2001) had studied that better functioning financial system relieve the external financing constraints that hamper firm and industrial expansion, financial intermediaries settle on the rules for allocating funds and as such they play an important role in determining the type of investment activities, the level of job creation and the distribution of income.

Sharma et. al., (2002) recognized the significant item characteristics in banks which are accommodation, effortlessness, satisfactory and need based auspicious and snappy offices. The value factor comprises of sensible, appealing, satisfactory and inspiring character. The spot comprises of access and sufficient staff. The advancement comprises of appealing, creative and educative methodologies in nature.

Devlin (2002) in his examination finds that picking a home advance organization based on expert council is the most often picked basis, intently pursued by loan costs. In any case, contrasts in the significance of decision criteria as for gender, class, salary, training, ethnicity, and budgetary development are obvious.

Jain et al., (2003) concentrated on social components of the connections. It short recorded things numbering thirty three which were grouped into ten factors to be specific frame of mind, getting desires, quality observations, dependability, correspondence, customization, acknowledgment, keeping guarantees, fulfillment review and maintenance.

Ton et. al., (2003) found that there is an immediate connection between the apparent quality and hierarchical execution. In any case, there is a negative relationship between's social things and recognitions on service and coordinating quality. The consumer loyalty depends more on two significant angles to be specific service quality and coordinating quality.

Lee and Marlow (2003) saw that buyer esteem accommodation is one of the most significant choices stamping criteria, their meanings of comfort shift crosswise over shoppers.

Looy et. al., (2003) "Customer conduct described by a positive purchasing behavior during an all-encompassing period (estimated by methods for rehash buy, recurrence of procurement, wallet share or different markers) and driven by an uplifting disposition towards the organization and its items or services. At the point when the service quality surpasses the desires, the specialist organization has won a pleased customer. Disappointment will happen when the apparent in general service quality doesn't meet desires".

Singh (2004) assessed customer services of PSBs and presumed that the degree of customer services and fulfillment is dictated by the branch area, plan, assortment of services , rates and changes, frameworks and techniques , dispositions and reactions. His investigation is simply worried about the customers of PSBs.

Zhou (2004), this investigation broke down effect of service quality in banks on consumer loyalty in china's retail banking and it was discovered that unwavering quality and affirmation were the essential drivers of consumer loyalty. It was additionally discovered that there were critical varieties in desires and recognitions in customers.

Sin et. al., (2004) found the significant components impacting the business execution of service ventures are their correspondences, compassion, share esteem, trust, holding, correspondence, contender direction, customer direction and between practical co-appointment. The market direction in service enterprises has a more noteworthy effect than relationship promoting direction on business execution.

Shankar (2004) distinguished that exceeding expectations and overseeing customer connections is the eventual fate of any business or everyone's the same old thing.

Customer centering isn't to be seen as similarly as business technique yet should turn into a commercial mission.

Hasanbanu (2004) uncovered that customers in banks anticipate, speed, kindness and worry from the bank. The push of the study demonstrates that the framework followed in banks needs an audit for improving the different standards and procedures for authorizing of advances. The profoundly positioned service parts are affable service, bank premises, brief service, precision and presentation and installment on term store, though the inadequately seen services are advancement of new conspires, individual compatibility with customers and credit offices to little scale businesses.

Manoj (2004) recognized that the general needs of customers from banking are budgetary security, speedy service, comfort, alluring yield, minimal effort advance, customized service, exhortation/directing, simple access, straightforward method, appealing bundle, benevolent methodology and assortment of item. The various kinds of item accessible are stores, credits and advances. The store plans can be gathered based on method of store, method of reimbursement, extra advantage and utilization of amassed assets, computation and installment of intrigue and requirement for liquidity, security and development.

Sodhi (2004) distinguished that the items in retail banking are lodging credits, advance for customer merchandise, individual advances for marriage, instruction advances, vehicle advances, gold advances, celebration advances, protection items, advances to experts and ladies business visionaries. The significant effect of retail banking is that the customers have turned into the sovereigns.

Kumar and Gupta (2003) inferred that any monetary association, as a corporate native, justifies its reality not simply to make benefits yet additionally has a social obligation to offer to its customers with valuable items that redesigns their life models, give budgetary security and accommodation to lead their exchanges at satisfactory expense.

Pati (2005) in his investigation of RRBs in Liberalized Environment, finds that, as provincial financing organization, RRBs reasonability has likewise gone under consistent weight. The obligation of taking into account the need of rustic masses and simultaneously contending with other business banks, have placed them in an interesting circumstance. The poor recuperation of country credits and developing working consumption are the fundamental hindrances for their development in productivity. He recommended that there is in this way a need to improve the well established practice and principles and RRBs ought to reorient their concentration to market related contemplations.

Ho (2005) studied that although the flexibility of production with respect to bank credit has fluctuated over time and exhibited a downward trend in its credit delivery. His study provided a possible channel by which the banking industry could make numbers of contribution to the economy.

Debashis and Mishra (2005) examines consumer loyalty in branch services given by nationalized banks in northern India and the study revealed that automation, care in interactions, attitude of staff and openness of staff influenced consumer loyalty.

Lee (2005) examines have uncovered that sexual orientation, instruction, pay and age separate the purchasers' data search process. Men are more outlandish than

ladies to whine when they are disappointed with a decent or service in contrast with ladies they don't spread verbal exchange and they are essentially more

Kumar (2005) uncovered that the fulfilled customers are the best ensure for dependability and development. Customers will be fulfilled just when the banks give the redo and inventive items and services at sensible expenses. Creative banking in customer care is e-banking, ATMs, and anyplace banking. The financial division should begin underscoring on its customer support part and actualize the idea of customer relationship the executives in their foundations.

Chinedu (2005) recognized the variables impacting customer's decision of retail banks which are security, condition, size and financing quality, speed of conveyance, liquidity and wellbeing of store; and exactness. The distinguished significant services offered by the banks are depositary/treasury services, remote trade services, reserves move and bank references/enquiry. The significant components distinguished by the customers to draw in customers are improvement in nature of service, exact records the executives, upgrading customer relationship, and improvement in the speed of service.

Clement (2005) distinguished that the service quality hole can be investigated by the executives recognitions, service quality technique, service structure and service quality, service holes, quality steady money related capacity, inward correspondence, coordination, co-appointment of other individuals, service conveyance, outer interchanges, faculty's impression of customers' desires, human component, service quality assessment and contact work force's view of customers' encounters.

Mohanty (2005) uncovered that wastefulness of authorities and a subsequent undue impact of exchange has sent signals to people that the work or service isn't significant which has declined into mass indiscipline, discourteousness, rudeness, decayed dependability, unreliable conduct and difficult frame of mind among the bank representatives. There is a solid requirement for productive and successful complaint handling to take care of customer related issues.

Nalini (2006) distinguished the key components for consumer loyalty in business banks as center factor, value factor, services factor, situational factor, ecological factor and innovation factor. The most significant components are circumstance, cost and service factors. The standard activity factor of open segment banks is low which implies that the customers are disappointed with the operational effectiveness of banks. Correspondence hole is the main driver of all the financial ills in open division banks.

Mylonaki (2007) in his examination discoveries demonstrated that other than the home loan item blend and some cost components (financing cost, prepayment punishment), other significant compelling elements, for example, the different ideas of banks, the bank's notoriety, existing collaboration, just as bank staff develop.

James (2007) examined the credit proportioning by miniaturized scale money and its impact on the activities of the little and smaller scale endeavors. The investigation built up that, credit proportioning is an instrument utilized by smaller scale account establishments to fence the impacts of default by the borrowers. As a measure, the investigation set up that the foundations require some type of guarantee before giving credits. The impacts of this apportioning dependent on insurance, the

investigation set up, has denied numerous little and miniaturized scale undertakings access to the money related services required for development.

Gupta (2008), target of this investigation was to discover the conduct of customers as for internet banking opposite traditional banking. The investigation discovered that internet banking was observed to be simpler and speedier than ordinary banking and trust, exactness and privacy were the most significant factors here.

Uppal (2008) has investigated the nature of e-banking services in the changing condition and the study revealed that the vast majority of the customers of e - banking are happy with the diverse e – channels and their services. It is additionally seen through the reactions of respondents that the eventual fate of e-banking services is splendid and that will help in the change of banking in a positive way.

Asgarian (2009) looks at that the Private Banks which came to presence inside the most recent ten years with the target to restrict the service mediation in banks, make a decent attempt to get consumer loyalty even after a brief time of presence. As indicated by an overview the outcome demonstrates that private segment banks are more prevalent to get consumer loyalty than the open segment banks.

Yang (2009), in his empirical study investigated the factors associated with adopting mobile banking in Taiwan. The study found that security and cost connection to the internet was a barrier to the adoption of mobile banking services amongst students in Taiwan.

Malhotra and Singh (2009) paper depicts the present territory of Internet banking in India and talks about its suggestions for the Indian financial industry. Especially, it looks to inspect the effect of Internet putting money on banks' exhibition and hazard. Utilizing data drawn from the review of 85 planned business bank's sites, during the

time of June 2007, the outcomes demonstrate that about 57 percent of the Indian business banks are giving value-based Internet banking services. The univariate examination shows that Internet banks are bigger banks and have better working productivity proportions and benefit when contrasted with non-Internet banks. Internet banks depend more intensely on center stores for financing than non-Internet banks do. In any case, the different relapse results uncover that the benefit and offering of Internet banking doesn't have any noteworthy relationship, then again, Internet banking has a huge and negative relationship with hazard profile of the banks.

Safeena (2010) decides the customer's discernment on internet banking selection. The investigation demonstrates that apparent helpfulness, saw convenience, buyer mindfulness and sees hazard are the significant determinants of internet based financial reception and have solid and beneficial outcome on customer to acknowledge internet based financial framework.

Mittal and Jain (2010) had done a writing survey of banking industry and impact of IT put together benefits with respect to consumer loyalty. The examination features consumer loyalty levels among youthful customers in banking industry. A review demonstrates the holes between customer's desires and observation regarding IT based financial services. Discoveries demonstrated need to improve the IT based services for upgrading consumer loyalty

Dixit et. al., (2010) have in their paper explored the variables that are influencing the acceptance of e-banking services among the grown-up customers and still exhibit the level of apprehension with respect to precautions and protection issues in Indian

setting. The discoveries of the investigation portray numerous elements like security and protection, trust, imaginativeness, commonality, mindfulness level increment the acknowledgment of e – banking services among the Indian customers.

Richards (2011) found that publicizing social establishments, cost, customer pay, and accessible substitutions are the factor influencing buyer preferences.

Joshua and Koshy (2011) looks at different utilization examples of innovation empowered financial self services, for example, ATM services, internet banking services, tele-banking services and portable financial services. Just if the customers start utilizing a wide range of services inside the ambit of the electronic banking would the selection of these services would be finished and the customers would then get greatest profit by these electronic financial channels.

Kumbhar (2011) analyzed the connection between the socioeconomics and customers' fulfillment in internet banking. It additionally discovered connection between service quality and customers' fulfillment just as fulfillment in internet banking service given by the open part bank and private area banks. The examination discovered that general fulfillment of representatives, agents and experts are higher in internet banking service. Additionally it was discovered that there is critical contrast in the customers' observation in internet banking services given by general society and private's segment banks.

Singh and Arora (2011) displayed a paper on a similar investigation of banking services and consumer loyalty in broad daylight, private and outside banks of Delhi and this examination demonstrates that the customers of nationalized banks were not happy with the worker conduct and foundation, while respondents of private and remote banks were not happy with high charges, openness and correspondence.

Tiwary (2011) found that the customers of open area banks have communicated high fulfillment. However, concerning the time taken for opening a record and for withdrawal process alongside time taken for store of cash, it creates the impression that customers have communicated moderate fulfillment.

Gbadeyan and Akinyosoye (2011) in their examination have demonstrated the different advantages gathering to Internet banking; and that numerous individuals are progressively utilizing this service. The paper thusly, prescribes the accompanying measures to subside the present degree of debauchery and trouble being knowledgeable about the use of e-banking services in our money related organizations and banking industry.

Kumar et. al., (2011) in his examination found that fulfillment of customers is the most significant forecaster of service nature of banking area. The executives of banks ought to affirm that the financial environment should concentrate on snappy and reasonable services to their customers. Open area banks are contributing more credit office to anglers and ranchers than private banks and the State Government declaration of giving the agrarian advance has given more fulfillments to the shoppers of open banks.

Safeena et. al., (2012) considered the four factors namely, perceived usefulness, perceived ease of use, consumer awareness about mobile banking and perceived risks associated with mobile banking. The findings of this study revealed that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the dominant determinants of mobile banking adoption. The Study concluded that majority of customers accept online banking because of many favorable factors. The analysis concluded that usefulness, ease of use of the system awareness about

mobile banking and risks related to it are the main influencing factors to accept online banking system. These factors exercise a strong and positive effect on customers to accept mobile banking system.

Swarna (2012) found that man and ladies act in an unexpected way, they need a range of items and they are going to have various methods for enjoying and getting these. Gender has a significant job in customer practices. Since, the contrasts among people about desire, need, need, way of life and so forth reflect to their utilization practices.

Siddique (2012), using a survey of private commercial banks (PCBs) and nationalized commercial banks (NCBs) in the city of Rajshahi in Bangladesh, the study found that effective and efficient customer services, speed and quality services; image of the bank, online banking, and well management are the most important factors influencing customers for selecting a private commercial bank. On the other hand, low interest rate on loan, convenient branch location, safe investment (accountability of the govt.), and variety of services offered and low e-service charges are the most important factors for choosing a nationalized commercial bank.

Clemes et. al., (2012) conducted an empirical study on the main factors that influence on customer's decisions to adopt Internet banking. The findings revealed that a user-friendly website, market connections, seeming risks, price, and internet familiarity have an impact on customers' decisions to implement internet banking. The results also revealed that consumers in young age and the high-income groups are more likely to adopt Internet banking.

Ayana (2012) conducted research on factors affecting adoption of E-banking System in Ethiopian Banking industry. The study indicated that security risk, lack of trust, lack of legal and regulatory framework, Lack of infrastructure and absence of competition between local and foreign banks are the major barriers Ethiopian banking industry faces in the adoption of Electronic banking.

Prateek and Mehta (2012) empirically validated the model which was developed after considering a number of dimensions from other studies that have a mediating effect on user's acceptance of self-service technology. The results portrayed the effect of the proposed factors where perceived ease of use, intrinsic motivation and perceived behaviour control were found to have strong influence of attitude towards self-service technology. Complexity is found to be strongly but negatively affect attitude towards SST's.

Parvin and Perveen (2012), find that trouble-free account opening is the most important factor. They also observe that responsiveness is the most significant factor to customers. Special services such as loan and deposit schemes, supporting the customer in awful point have also been found important. Convenience, assurance, reliability and safety factors are also of considerable importance to customers to choose a bank.

Ravi and Basavaraj (2013) in their examination estimates the customers' preference and fulfillment levels for two essential services offered by private and open bank in Shivamogga locale. Business and vehicle credits are quick moving than different services and by and large fulfillment came about at half. Further, by and large fulfillment on bank store plans came about emphatically while different services of

banking still should be given consideration by concentrating on customer issues. New inventive plans, techniques to take into account non-customers different services must be received.

Singh (2013) look into paper was engaged to recognize the variables that are the obstructions for the use of internet banking services and furthermore to consider the impression of customer about internet banking. The investigation was exploratory in nature and test size considered for the examination was 100 respondents, those were having account in that bank, which give the Internet Banking office, yet they are not utilizing it. The essential information was broke down by factor investigation and distinguish the nine elements for example cost, dependability, handling boundaries, security issues, mechanical incontinence, absence of framework, traditional methodology, hazard and obstruction, which were the hindrances in the use of Internet Banking services in the semi-urban territories. To expand the utilization of Internet banking in semi-urban zones, a fundamental learning of PCs and the Internet is required, which restrains the quantity of individuals willing to benefit this office as till date 60% of India populace still remain in town where internet improvement is moving at relentless rate subsequently it is most critical to create Internet Banking services in remote zones of India.

Doddaraju (2013) displayed a study on consumer loyalty towards open and private area banking services. The study revealed that the banks should give special consideration to "Human Resource Development" by giving appropriate preparation to the workers to improve their performance.

Mehta (2013) analyzed that the achievement of the bank for the most part relies upon its customers. Being an service industry, all banks should target fulfilling the

customers' needs by giving most extreme highlights in their services. Whole investigation of customer desire and real ser-indecencies ought to be completed consistently to gauge the present level consumer loyalty. Banks are falling behind in presenting current tweaked items, for example, ventures and assessment Advisory Services, money the board service, etc. Development of electronic store move (EFT) ongoing gross plan and portable financial services are exceptionally poor. Present day innovation and up close and personal correspondence are fundamental for the banks to prevail upon customers.

Dawar (2013) on her examination discovered variables influencing fulfillment are staff learning, conduct, internet based banking, e-channel the executives and emotionally supportive network, sum charges, and language data.

Alabar (2012) has concentrated on e-banking and consumer loyalty in Nigeria, and presumed that there is an effect of e-relying upon fulfillment of the customer of the banks in Nigeria.

Kumar and Bose (2013), studied the intention and attitude of management students towards self service technologies. The result of the study revealed that the facts ease of use & convenience influenced the students. The cost and time benefit were dominant in attracting the students towards adoption and use of self service technologies. Ease of use, internet interface and security influence the behavioral intention.

Ongori (2013) explored the relative impact of SST on Customer satisfaction. The study was conducted among Kenyan customers and included Mobile banking, Internet banking and ATMs. The questionnaire was designed using SERVQUAL

model and Multiple Linear Regression was adopted for the study. The results revealed that Tangibility, Clear communication and responsiveness influenced the customers to a greater extent and suggested that the banks should exercise care towards these dimensions in Self Service technologies.

Dimitrios et. al (2013) examined the critical factors that affect the customers' online banking experience. Responses were collected from 213 Greek respondents about Perceived usefulness, ease of use, Enjoyment, quality of internet connection, Perceived risk and Intention to use on Likert's Five point scale. Exploratory factor analysis, Confirmatory factor analysis and Structural Equation Modelling were used for analysing the data. The analysis revealed that Perceived usefulness bore a significant impact on Intention to use. Perceived enjoyment also had a significant association. The Security concerns negatively affect the customers' intention to use.

Azzam (2013) assessed Managers' attitude in accepting Self-service Technologies and impact of Perceived risk on Jordanian bank managers. Perceived risk was taken as independent factor and managers' attitude towards adopting Technology Based Self Services. Time risk, Technical risk and Psychological Risk were considered as highest risk factors and they negatively influenced the bank managers' attitude in accepting TBSS the study suggested to conduct special orientation sessions for managers and to understand the risk from customers' perspective too.

Takele and Sira (2013) analysed the factors influencing the customers' intention towards adoption of e-banking. Six variables were extracted from Theory of Planned Behaviour, Technology Acceptance Model and other related literature. Correlation and multiple regression analysis revealed that perceived ease of use, usefulness,

attitude, perceived behavioural control significantly impacted the readiness to adopt SSTs.

Kumar and Raju (2013) investigated the services of new generation banks and the technology development in banking sector. The researcher found that the new generation banks offer various modern services such as ATM, E- banking, Home banking, RTGS, NEFT, EFT, Magnetic cards, off shore banking etc.

Mishra (2013) study revealed that service orientation, diligence, adherence, value for money and amiability are the services that are chosen by the nationalized banks and for the private banks, service quality, reliability, competence, efficient process, customization, ATM facility, vision, vigilance, simplicity of system and brand image were being given importance.

Mazhar and Rizwan (2014) attempted to examine the factors enabling successful adoption of Internet and Mobile banking in Pakistani rural area. Through application of regression analysis, it was found that Security being the prime concern, impacts significantly and also the Culture played a dominant role in influencing the adoption of Technology though Usefulness of such banking was duly acknowledged.

Goyal (2014) studied that the primary target of the paper is to think about the development of virtual banking in India and its prominence among the Indians. According to the Overview State bank of India is as yet the biggest open part banks having greatest number of financial balances. The consequence of the investigation depends on essential overview portraying that E-banking has turned out to be continuously significant among the Indians as it efficient, helpful and solid.

Utharaja and Kumar (2014) studied the inspirational attitude and aim to utilize mobile banking channel. It will likewise help the bankers in adjusting or advancing mobile banking channel separated from understanding these necessities of the extraordinary customers. The data sourced through this research will give contribution to banking services plan and procedure that will incorporate extraordinary section while additionally helping approach choices.

Narolia and Gupta (2015) this paper plans to break down the present situation of Internet banking in India and the real hazard regions and difficulties looked by banking area with the use of Information innovation. It additionally attempts to accentuation on the qualities and shortcomings of the Internet banking and the feasible arrangements that could be received to conquer the shortcomings.

Khushboo et. al. (2015) feels that banks are spine of any economy. With the presentation of worldwide private division banks, banking part is confronting hardened challenge and an ache to improve their service quality so as to increase an aggressive edge over their customers. Open area banks are confronting solid difficulties from the private division banks and are under colossal strain to adapt up to the offices given by the worldwide banks. While open area banks have a bit of leeway of discernment and solid provincial system private part banks have better services and luxuries. The examination targets looking at open area and private segment on the criteria of open recognition, essential conveniences customer driven services and there seat quality.

Iberahim et. al., (2015) investigated the relationship between the reliability and responsiveness of ATM services with customer satisfaction and aimed to verify the determinants for service enhancement. The study suggested that banks need to focus

on the needs to be placed to the consistency, dependability and timeliness of ATMs services in tandem with the development and introduction of other types of banking services and variation in transaction modes.

Kumar and Mittal (2015) conducted an empirical study where primary data has been collected and the study aimed to evaluate the service quality of selected government owned banks, based on different levels of 'customers' perception regarding service quality. The results offered practical application to measure service quality perception within technology based banking sectoring India. The findings indicated that the service quality dimensions of Customization, Design, Assurance and functionality jointly influence customer behavioral intentions towards Technology Based Banking Services (TBBS).

Nasir et. al., (2015) examined the factors determining the Internet banking adoption among customers in a UK city. The data collected was analysed through linear regression. The findings revealed that Usefulness and Ease of use positively affect the preference towards internet banking while financial risk, Security risk and Privacy risk negatively affected the intention. Psychological barriers exercise negative effect on the adoption of Technology Based Banking.

Sindwani and Goel (2015) investigated the relationship between the factors of Technology based Banking and customers' satisfaction by applying SEM among 414 retail banking customers in India. It was found that convenience and personalization have a positive relationship while reliability factor was not so significant. The study suggested concentrating on key factors to enhance customer satisfaction.

Cudjoe et. al., (2015) investigated the determinants of Mobile banking adoption among Ghanaian customers. 150 responses were elicited, and the factors awareness, usefulness, ease of use, compatibility, credibility, social influence and cost were considered for the research. Security, privacy and financial cost were the major drawbacks / barriers. Usefulness, compatibility, self efficacy, social influence and trust were the main factors that drew customers towards mobile banking. The researcher suggested that banks need to create awareness rather to just and should concentrate on Security and Privacy features to encourage the customers to adopt technology enabled banking methods.

Charles (2015) in his study focused on establishing determinants that influence consumer towards the usage of self-service banking technologies. The successful usages of self service banking technologies will be cost and convenience beneficial for all stakeholders in the financial sector enhance improving their performance. The model developed in the research proposed an extension to the already existing technology acceptance models and the Unified theory of acceptance and use of technology. This represented a shift from fragmented view of information technology acceptance to a unified integrated single theory that accounts for use of self service banking technology. The domains that were taken for the study were ease of use, facilitating condition, need for interaction, and perceived risk. These factors significantly associated with use of self service banking technology exception of ease of use.

Osei et al (2015) investigated the customer service preference in Technology Enabled Banking and associated attributes. 250 responses were collected, and

Percentages, Product Moment Correlation and Regression were applied to draw inferences. It was found that High facilitating conditions, service Accessibility and social Influence significantly affect the preference of customers. The low-cost feature of SST attracts the customers towards it. It was suggested that Customer – Compatible systems need to be designed to suit their lifestyle.

Khanna et. al., (2015) explored the customers' perception about the technologies used in public sector banks for financial services. Five major factors namely Acceptability, safety, availability, User friendliness and Accessibility were taken for the study among 304 respondents. Factor analysis and association test were applied and the analysis revealed that latest technology is the most preferred factor followed by safety and security. Availability and User friendliness followed the suit. It was suggested that innovative technologies should be adopted.

Saputro and Achmad (2015) motivation behind this examination is to analyze factors impacting singular conviction to the selection of electronic banking. The exploration led most extreme like-hood with basic model test as the examination method. The outcome produces, the conduct which affirms the cooperative energy between belief, attitude, and intention are theoretically proved.

Sharma (2016) examined the progress of Internet banking in India. The researcher stated that conventional banking to convenience banking has interested the inaccessibility of services.

Gokila and Rajini (2016) attempted to assess the customer preference towards technology enabled banking in Coimbatore. Responses from 500 respondents were

sought on variables such as Convenient location, Accessibility, and Time saving. Reliability analysis and factor analysis were exploited to analyze the data. The study concluded that the benefits of self -service technologies positively affect the customers' preference towards use of SSTs.

Kaur (2017) studied the growth of e- banking in India and the producer offered in e-banking. ATM, credit and debit cards, NEFT were the popular facilities. The study revealed that these services have seen as upward trend in recent years. 24X7 facility, reduced cost, No geographical barrier were the benefits of e –banking. Privacy risk, Technical difficulties, and lack of customer education were the barriers.

Hugh (2017) investigated the impact of e – banking on Indian banking Industry, capacity of infrastructure facilities and changing customer expectations. The study analysed secondary data collected using percentage, trend analysis etc. The result states that E-banking has no impact on productivity of banks.

In perspective on the above referred to writing, it might be called attention to that writing on customers' preferences for banking services in Mizoram, in Aizawl specifically is extremely constrained. In that capacity, the study would contribute information in this specific field of customer preferences in choosing banks and its services.

1.5 Significance and Scope of the Study

In a developing country like India, bank will keep on playing an extremely important job in the monetary advancement. One third of the public looks for better execution from them due to the immense measure of their cash being put resources

into those banks. One of the primary goals of banking services is to extend a decent open picture of banking as a service industry and grow great advertising. As a service association, the banks need to perceive the significance of purchaser preferences.

Numerous researchers have directed research in the field of customers' preferences. The data in regards to customer preferences for banking services concerning Aizawl has not been found or concentrated up until now. Subsequently, this study may explore the factors that played significant role in customers' preferences for banking services.

The study of "Customer Preferences for Banking Services in Selected Banks in Mizoram" finds out the customers need in choosing banks and its financial services in Aizawl specifically. The findings of this study will make the concerned banks mindful with respect to the preferences of customers in the different financial services they give. In this way, further improvement can be made by the banks/money related foundations so as to have a subjective service and give most extreme advantages/decision to their customers.

1.6 Statement of the Problem

There were just five banks in Mizoram till 1983 and numerous private and open banks have come up today. The market for banking is flooding. Individuals will in general know about the services being given by these banks so as to settle on the correct decision.

Various banks have various types of services which could meet the prerequisites of customers. The biggest challenge of the financial institution isn't from its exchange yet in gathering the rising any desires for their customers.

Today, the vast majority of the triumphant organizations are concentrating on satisfying their customers' desires. In the event that banks know about the degree of consumer loyalty, at that point it is simple for investors to hold or pleasure them for longer periods, subsequently getting productivity.

Yet, by and large, customers are not happy with the services rendered by open banks as they are viewed as not worried about consumer loyalty since their connection with customers doesn't have impact on their working condition.

This study tries to examine the socio-economic profile of the respondents, particularly from the state capital, Aizawl. It also tries to examine the preferences of customers who are getting the banking services from the selected banks through the sample survey. Preference of the customers fluctuates and the variety might be because of a few reasons.

Preference might be a result of areas of the banks, advantageous services, financing costs on credit and stores, execution of the bank representatives, and so forth. The study is expected to investigate customer preferences towards banking services in Aizawl.

1.7 Objectives of the Study

The following are the objectives of the present study:

1. To study the demographic profile of the respondents;
2. To find out the customer preferences of the banking services provided by the selected banks;
3. To analyse the factors influencing customer preferences for banking services;
4. To offer suggestions for improvement in banking services.

1.8 Hypotheses

The following hypotheses are tested in the study:

1. General banking services provided by the selected banks have positive influence on customer preferences;
2. Loan services have positive influence on customer preferences
3. Internet banking services have positive influence on customer preferences

1.9 Research design

- i.* Population: Bank account holders who are availing the different services of the selected banks are the population of the study.
- ii.* Sample size determination: The Cochran formula is being adopted to calculate an ideal sample size given a desired level of precision, desired confidence level and the estimated proportion of the attribute present in the

population. Cochran's formula is well thought-out especially in situations with large populations. The Cochran formula is:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

- e is the desired level of precision (i.e. the margin of error)
- p is the (estimated) proportion of the population which has the attribute in question,
- q is 1 – p.
- To get the desired sample and assuming 95% confidence, and at least 5 percent—plus or minus—precision. A 95 % confidence level gives us Z values of 1.96, per the normal tables, so we get

$$((1.96)^2 (0.5) (0.5)) / (0.05)^2 = 385.$$

So a sample of 385 or more in our target population should be enough to give us the confidence levels we need. Therefore, 450 respondents i.e. 150 each from the selected banks were used as the sample size.

iii. Sample design: In the study, as the state capital, 4,00,309 of the state population is held by Aizawl which holds more than 35% of the entire population, it is sufficient to represent the state which is the reason why Aizawl has been selected for the study area. Three banks where one Public Sector Bank i.e. State Bank of India, one Private Sector Bank i.e. Axis Bank and one Regional Rural Bank i.e. Mizoram Rural Bank are selected for the study. Customers who are having bank account on any of the

selected banks are included in the sample. The total sample size is 450 (150 bank account holder each from the three selected banks) where convenient sampling is used to collect the required data.

iv. Data Collection: Data were collected from primary sources as well as secondary sources. The study used customer survey as a tool of collecting primary data. A comprehensive questionnaire was designed and administered to the banks customers and they were contacted at banks, home and their shops based on their convenience.

In addition to primary data, the secondary data are gathered from books, journals, reports, governmental organizations, magazine and websites.

1.10 Analysis of Data

The data were analyzed by using appropriate statistical tools. Results and conclusions were drawn on the basis of analysis of data. For analyzing the data, the statistical tools employed in the study includes simple techniques such as frequencies, percentages and averages as well as advanced statistical tools such as factor analysis, correlation, regression and Henry Garrett ranking method which were briefly explain below:

a. Factor analysis

Factor analysis is a statistical mechanism used for the reduction of a set of observable variables in terms of a small number of latent factors. The basic purpose of this analysis is to structure factors of variables which are independent of each other. Principal component analysis was employed for extracting the factors. The inter-operability of factors can be improved through rotation of the matrices.

Symmetrical turn varimax was run believing every one of the components to be free from every other factor. To guarantee the reasonableness of information for factor examination, both the KMO (Kaiser-Meyer-Olkin) proportion of inspecting ampleness and Bartlett's Test of Sphericity were utilized. The KMO trial of examining sufficiency thinks about the extent of the watched connection coefficients to the size of the incomplete relationship coefficients. The KMO measure the examining sufficiency of the information and its insights shifts somewhere in the range of 0 and 1. A worth near 1 show the examples of relationship are moderately reduced and thus the information is fitting for factor investigation and useful for testing. Bartlett's Test of Sphericity was likewise directed to check the general hugeness of lattices.

b. Coefficient of correlation

Pearson correlation coefficient was utilized in the examination to decide level of connections between at least two factors. The connection between's two factors is spoken to by the letter r whose qualities ought to differ in the middle of -1 and $+1$. At the point when the worth falls in $+1$ territory in the scale, it is a consummately positive relationship while -1 demonstrates a superbly negative relationship and 0 demonstrates no connection. In a superbly positive connection, the expansion in one variable causes relating increment in the other variable while consummately negative relationship shows the lessening in one variable causes the comparing decline in the other variable. Karl Pearson's connection coefficient otherwise called straightforward connection is one the most well known technique for deciding the degree of connection between two factors. It depends on the following assumptions:
Karl Pearson's Correlation coefficient is given by

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{n \cdot \sigma_x \sigma_y}$$

where,

x_i = ith value of x variable

\bar{x} = mean of x

y_i = ith value of y

\bar{y} = mean of Y

n = Number of pairs of observations of x and y

σ_x = standard deviation of x

σ_y = standard deviation of y

c. Regression analysis

Regression was used in the study to determine the cause and effect relationship between two variables which indicates that the change in the value of an independent variable also causes a change in the value of the dependent variable. It is presented in the form of an algebraic equation whereby the value of one variable (dependent) is predicted or estimated based on the value of the other variable (independent).

Simple regression is presented by, $Y = a + bX$.

While multiple regressions is represented by the equation, $Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$

Where Y = dependent variable, X = independent variable, X_1 to X_n = independent variables, a = constant and b_1 to b_n = regression coefficients of X_1 to X_n .

d. Henry Garrett's ranking method

To find out the most preferred banking services among the respondents, Henry Garrett's ranking technique is employed. In this study the respondents were asked to rate the different banking services from their perception to find out which services is rated as 'Rank 1, Rank 2 up to Rank 6' by the respondents. Likewise, the respondents rated the services as 'Rank 1, Rank 2 up to Rank 6'. The ranking is calculated as percentage score and the scale value is obtained by employing Scale Conversion Table given by Henry Garrett. The percentage score is calculated as follows;

$$\text{Percent Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = Rank given for the i th variable by the j th respondents

N_j = Number of variable ranked by the j^{th} respondents.

1.11 Chapter outline

Chapter 1: Introduction

This chapter deals with the introduction of customer preferences, banking, banking system in India, evolution of commercial bank behaviour, development of banking in India, literature review, significance and scope of the study, research design, objective, hypotheses, research methodology, analysis of data and chapter outline of the thesis.

Chapter 2: Socio-economic profile of the respondents

The second chapter focuses on the socio-economic profile of the respondents where the profile of the state Mizoram and the profile of the respondents were specifically analyzed. It brings out the geography, climate, culture, economy, service, physiography, infrastructure, education, media and communication of the state. It also analyzes respondent's gender, age, religion, occupation, income, caste, type of family, qualification and marital status.

Chapter 3: Customer preferences in banking services

This chapter studies the selected banks with their services and identifies the preferences of banking services by the respondents on the basis of gender, age, income, occupation. This chapter also examines the respondent's ranking of the banking services with Henry Garrett ranking method. Also kinds of service being availed by the respondents were also studied.

Chapter 4: Factors affecting customer's preferences

The fourth chapter analyse the factors that influence the customer preferences based on general banking service, loan service and internet banking services. Furthermore, the relationship between customer preferences and various banking services of the respondents was discussed in the latter part of the chapter.

Chapter 5: Conclusion

An effort is made to provide the summary of findings based on the logical conclusions drawn from the previous chapters. Suggestions were made for the selected banks on the basis of the findings.

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2.1 Introduction

This chapter attempts to look into the profile of the study area as well as the respondents. It starts with an overview of Mizoram which includes the information related to its geography, economy, education, commerce and industry, demography, climate, culture, service, physiographic, infrastructure and banks. The demographic profile of the respondents is discussed latter in this chapter.

2.2 Profile of the Study Area: Mizoram

2.2.1 Geography of the state

Mizoram is arranged in the southernmost piece of the North Eastern India. Before it transformed into the 23rd condition of the Indian Union in twentieth February 1987, it was one of the regions of Assam till 1973 when it transformed into a Union Territory. Mizoram, the fifth smallest state of India with 21,087 km² (8,142 sq.m) shares international boundaries with Myanmar for 404 km and Bangladesh for 318 km in the southern part. It is arranged at a longitude of 92°15E to 93°29 E° and scope of 21 ° 58 N to 24°35 N°.

By far most of the towns and towns are arranged on the incline which exhibits that the state scene is generally verified by moving slants, conduits, valleys and lakes. There are 21 essential incline ranges or apexes of different height which covers the length and broadness of the state. The inclines are steep and are ordinarily crossed by a conduit and shining course spilling in the middle towards the northern or southern bit of the state. The typical stature of the slants in the west is around 1000 meters which is replaced by 1300 meters in the east while the most important top in

the state Phawngpui (Blue Mountain) arranged in the south-eastern part assessed as much as 2,210 meters high.

The topographical territory of the state is secured by woods (75.17 %), not accessible for development (4.32%), infertile and un-cultivable land (0.39%), other uncultivated land (4.05%), and decrepit land (9.87%) and net planted zone (6.16%). As indicated by Geological Survey of India, Mizoram territory is a youthful geography and it lies in the most astounding danger region of tremor and its relative movement (seismic zone v) alongside the other north eastern states (India Meteorological Department).

2.2.2 Demography of the state

The number of inhabitants in Mizoram remained at 1097206 which record just 0.09% of the India's populace 121019342 according to Census, 2011. Out of the complete populace 1097206, 555,339 are male and 541,867 are female individually. The populace rate has accomplished an expansion from figure of 8.89 Lakh in 2001 statistics. Despite the fact that the populace remained at a low rate the state has accomplished the third most noteworthy decadal development rate among the conditions of the North East India for the time of 2001-2011 which was 23.48% while the nation's decadal development rate was 17.64%. The populace thickness of Mizoram is 52 people for every sq.km as against 382 people for each Sq.km. The populace is dispersed more than 8 locale, 26 squares and 817 towns. Among the eight areas, Aizawl locale has the most astounding populace thickness with 112 people for each Sq.km while Mamit region has the least populace thickness with 29 people for every Sq.km. The statistic profile of Mizoram as far as number of

regions, number of populaces, populace total and number of rate were introduced in Table 2.1.

Table 2.1: District- wise population of Mizoram

Sl No	District	2001 Census	Population Density Per km ²	Population %age	2011 Census	Population Density Per km ²	Population %age
1	Mamit	62785	21	7.07	86364	29	7.87
2	Kolasib	65960	48	7.42	83955	61	7.65
3	Aizawl	325676	91	36.65	400309	112	36.48
4	Champhai	108,392	34	12.20	125,745	39	11.46
5	Serchhip	53,861	38	6.06	64,937	46	5.92
6	Lunglei	137223	30	15.44	161428	36	14.71
7	Lawngtlai	73,620	29	9.86	117894	46	10.74
8	Saiha	61,056	44	5.30	56,574	40	5.16
	Total	888573	-	100.00	1097206	-	100.00

Source: *Census, 2011*

The gender proportion of the state, according to Census 2011, is recorded as 976 which demonstrate an improvement from 935 of every 2001 census. As far as region shrewd, Aizawl has the most noteworthy gender proportion at 1009 while Mamit demonstrates the least with 927 females for each 1000 guys. The state has developed as the third most elevated proficient state in India (91.33%) with male education rate 93.35% and female education rate 86.72 %. Serchhip region recorded the most noteworthy education pace of 97.91 while Lawngtlai locale recorded the least at 65.88% among the eight areas of Mizoram. As per Census 2011, Mizoram has the most astounding convergence of ensured ancestral individuals in all conditions of India which are delegated booked clan. Upwards of 1036115 populace (95% of complete populace) has a place with booked clan station and this statistic grouping has been given to Mizoram clan since 1950's.

A favored lead as far as reservation and additional assets on government occupations and instructions were furnished to rush their combination with the standard society. Mizoram populace comprise of a few ethnic clans which are on the whole known as the 'Mizo' (hillmen) who are connected together either by cultural or phonetic exercises. Various clans and sub-clans existed among the Mizo and these clans more often than not addition their spellbinding given names.

Aside from the Mizo clan, other ethnic gatherings, for example, Nepali Gorkhas were settled in Mizoram since the British Colonial time frame. For correspondence, the authority language Mizo just as English, being significant for instruction, organization, customs and service, are broadly utilized. The Mizo have a decent confidence in religion and larger part of the population (87%) belongs to Christianity, where the maximum of them are Presbyterian.

Table 2.2: Gender-wise Distribution of Population

Census Year	District	Male	Female	Persons
2011	Mamit	44828	41536	86364
	Kolasib	42918	41037	83955
	Aizawl	199270	201039	400309
	Champhai	63388	62357	125745
	Serchhip	32851	32086	64937
	Lunglei	82891	78537	161428
	Lawngtlai	60599	57295	117894
	Saiha	28594	27980	56574
Mizoram,2011		555339	541867	1097206

Source: *Mizoram Economic Survey (2017-2018)*

2.2.3 Climate of the state

The atmosphere of Mizoram is charming contrasting with different pieces of the nation. The tropic of malignant growth went through the heart so it has a moderate atmosphere during the time which is commonly cool in summer and not very cold in winter. Winter in Mizoram is a downpour free atmosphere with an unmistakable awesome blue skies and brown haze were shaped between the slopes which gives an amusing perspective on wide stretches of a tremendous pool of cloud, the temperature changes normally from 11°C to 21°C. In any case, during summer, the temperature shifts from 20 to 29 ° C. Overwhelming tempests were normal during the period of March and April just previously or during summer in most piece of the state. The whole region is straightforwardly impacted by monsoon. The overwhelming precipitation normally secured the territory during the long stretch of June to August. The normal precipitation in Mizoram is 254 cm and especially, Aizawl locale has a normal precipitation of 208 cm while Lunglei has a normal precipitation of 350 cm. The atmosphere of Mizoram has its unobtrusive best during the autumn season for example September to October when the temperature shifts between 19 to 24°C.

2.2.4 Culture of the state

The public activities of Mizo have experienced a wonderful change in the course of recent years which can be followed back since the entry of Christianity in the late 1890's. Christianity has brought a ton of changes in terms of improvement in training, public activity and the prosperity of the general public just as the town. The man centric Mizo society carefully pursues the code of morals 'Tlawmngaihna', an

untranslatable term that underlines on each person to be friendly, kind, liberal, unselfish and supportive to others regardless of their station and conviction. Tlawmngaihna is a convincing good power which discovers articulation in generous, self-denying and doing what an event requests unselfishly and without worry for burden caused, for the services of others. The social qualities and traditions among the state youth are done by the Young Mizo Association (YMA) which is intended to goes about as a primary body in saving social qualities inside each town of the state, independent of their remote area. The whole public activity and point of view of the Mizo have been changed and guided by Christian church association as far back as the entry of Christianity, where the individuals were charmed to their freshly discovered conviction with so much commitment and accommodation. The Mizo society is shut weave with no partiality and no class minor departure from grounds of gender. The town exists like a major family wherein 90% are taking part in development. In birth of the kid, marriage in the town and demise of the individual in the town or network, feast masterminded by individuals from the town are a significant event with which the entire society is concerned.

As far back as Christianity hold a spot in a mind-blowing core and makes permanent impacts on the state culture, the Mizo celebrate distinctive Christian celebrations, for example, Christmas Day, New Year Day, Good Friday and Easter Sunday consistently. Also, Chapchar Kut (festivity in the wake of clearing of Jungles for Jhum Cultivation) is the greatest conventional celebration that the festival is prop up once in a while. Pawlkut (festivity after the gather when the storehouse is full in December) and Mimkut (celebration devoted to the separated soul after the maize

collect in September) were incorporated into the greatest celebration which have been by one way or another supplanted by the new celebration, for example, Anthurium Festival and Thalfavang Kut that are generally commended during harvest time.

2.2.5 Economy of the state

Mizoram being offering worldwide limits to Bangladesh and Myanmar it is a significant port state for South East Asian import to India just as fare from India. So as to fortify the universal exchange with different nations, the state has built up the Kolodyne waterway in the southern part. The state is associated with an absolute length of 4,300 kilometers of street of which 927 kilometers are excellent national roadways and 700 kilometers of state interstates. As far as Gross State Domestic Product, services part, industry division, agribusiness and partnered segment were the three noteworthy supporters for the development of Gross State Domestic Product. The Gross State Domestic Product (GSDP) of the state has been continuously becoming throughout the years with an exceptional rate. Gross State Domestic Product (GSDP) at factor cost at steady (2011-2012) costs is relied upon to accomplish a measure of 1365534 Lakhs in 2016-2017 against the temporary assessments of 1248773 Lakhs for the year 2015-2016 which shows 9.35% development over the earlier years. The normal development pace of GSDP at steady (2011-2012) costs during the money related years 2011-2012 to 2016-2017 stands at 12%.

For the financial Year 2016-2017, 6.49% increase in GSDP at factor cost at current price is projected that is 1633414 Lakhs over the previous years (2015-2016) figure of Rs 1533925 Lakhs.

2.2.6 Service of the state

The political history of Mizoram goes back to 1950s. At that point, it has a place with Assam as one of the locale and was known as Lushai Hills District which was later changed into Mizo area in 1954 by the Act of Parliament. It is around this time, the individuals had requested the status of the state and rebel against government. After the upheaval proceeded for three decades, at last Mizoram accomplished the status of state on twentieth February, 1987. Like every other territory of India, Mizoram is administered by the main Minister and chambers of Minister who were responsible to a chosen assembly and the Governor of Mizoram is the leader of the state. The Mizoram Legislative Assembly has 40 seats and political decision was held for at regular intervals. The ethnic clans in the southern piece of the state in particular the Lai, Chakma and Mara have a different Autonomous District Council. The administration of the state is partitioned into eight districts to be specific Mamit, Kolasib, Aizawl, Champhai, Serchhip, Lunglei, Lawngtlai and Saiha. Each area is represented by the District Commissioner who goes about as the in charge of organization.

2.2.6.1 Mamit District

Mamit District spread over a zone of 3026Km² involved by an all out populace of 86,364. The populace thickness represents 29 person for every Km² which is the

least among the eight locale. The area covers 4 Rural Development (RD) Blocks and 3 Legislative Assembly bodies electorate with the central command situated in Mamit town.

2.2.6.2 Kolasib District

Kolasib District is situated in the outrageous north of the state and its central command is situated in Kolasib town. It covers the land region of 1382Km². The absolute populace of the area is 83,054 with a populace thickness of 61 people for every Km². The area has two Rural Development Blocks and three Legislative Assembly Constituencies.

2.2.6.3 Aizawl District

Aizawl locale has its base camp situated in Aizawl which is additionally the capital of the State. It covers a zone of 3577Km². It is considered as the most crowded locale of Mizoram with an absolute populace of 400,309 and 112 people for each Km² populace thickness. The region covers five Rural Development squares and fourteen Legislative Assembly electorates.

2.2.6.4 Champhai District

Champhai District has its central command situated in Champhai town. It covers the land zone of 3186 Km² and the all out populace remains at 125,745 with a populace thickness of 39 for every Km². The locale contains four Rural Development square and five Legislative Assembly supporters which possessed eighty eight towns.

2.2.6.5 Serchhip District

Serchhip locale has its central command situated in Serchhip town. It covers the geological region of 1422 Km² with a complete populace of 64,875 and populace thickness of 46 for every Km². The area has three sub-divisions and three Legislative Assembly bodies electorate.

2.2.6.6 Lawngtlai District

Lawngtlai locale has its central command situated in the town of Lawngtlai. It covers the topographical zone of 2557 Km² with a complete populace of 117,444 and populace thickness of 46 Km². The region involved two Autonomous District Council in particular Chakma and Lai Autonomous District Council, four Rural Development Blocks, three Legislative Assembly voting demographics and one hundred and fifty eight towns.

2.2.6.7 Saiha District

Saiha region has its central command situated in the town of Saiha. It covers topographical region of 1400 Km² with a complete populace of 56,366 and populace thickness of 40 perKm². The region involved Mara Autonomous District Council, three Rural Development Blocks and three Legislative Assembly voting demographics.

Table 2.3: Districts of Mizoram showing Sub division and RD Blocks

Sl. No	District	Headquarters	Area(Sq Km)	Population	No. of sub-div	No. RD block
1	Aizawl	Aizawl	3576	398604	3	5
2	Lunglei	Lunglei	4536	166864	3	3
3	Champhai	Champhai	3185	130372	3	1
4	Saiha	Saiha	1399	76513	2	2
5	Kolasib	Kolasib	1382	81859	3	4
6	Lawngtlai	Lawngtlai	2557	98766	3	3
7	Serchhip	Serchhip	1421	67009	3	2
8	Mamit	Mamit	3025	78840	3	2

Source: *Mizoram Economic Survey (2017-2018)*

2.2.7 Physiography of the state

Mizoram is an uneven state with streams and lakes in the middle. There are twenty one noteworthy slopes ranges or pinnacles, which are of various statures, dissipated over the state. Phawngpui otherwise called The Blue Mountain is the most noteworthy pinnacle of Mizoram. The normal tallness of the slope in the west side of the state generally estimated 1000 meters and rising upto 1,300 meters toward the east. Be that as it may, in certain territories, there are ranges which estimated up to 2000 meters high.

The state has been honored with quantities of streams and lakes streaming across the mountains. In spite of numerous waterways and lake channel the slope, the most noteworthy waterways in Mizoram are Tlawng, Tut, Tuivawl, Tuirial that lobe through the northern pieces of the state and in the end joint the Barak River in Cachar District. The Chhimtuipui River otherwise called Kolodyne is the longest stream in the state and is a noteworthy stream in the southern piece of the state. Like the streams, numerous lakes were likewise dissipated in each piece of the state yet the most important lake are Palak Dil which is the biggest lake inside the state and

arranged in Saiha locale, Tam Dil (otherwise called pool of Mustard Plant) which is a significant vacation destination and occasion resort and arranged close by Aizawl (85km), Rung Dil and Reng Dil.

2.2.8 Infrastructure of the state

Framework offices of Mizoram aren't agreeable in spite of the fact that the essential markers of advancement have uncovered the small improvement in this field. The basic markers, for example, vitality, transport, postal and broadcast communications are discussed below:

2.2.8.1 Energy foundation

The vitality infrastructure of Mizoram can be depicted by methods for the introduced diesel hydel 29.35 MW with power age 57.11MU from Hydro MU. The state is encountering insufficient inventory of intensity assets. By and by, the scene of Mizoram hydroelectric assets is charming for power ventures. Half of the potential hydroelectric intensity of Mizoram is adequate to supply the resident for day in and day out over gaining pay from India's national matrix. Therefore, the state has foreseen undertakings to grab the eye of private speculations on Build, Own, Operate and Transfer (BOOT) premise by method for money related help with restoring its residents were they to be influenced by the task.

2.2.8.2 Transport framework

The principle key to accomplish framework development in Mizoram is improvement of street organize in perspective on the way that street transport and helicopter service are the main method of vehicle inside the state. According to the

Mizoram state street insights 2018, the absolute length of a wide range of streets in Mizoram as on 2018 is 7548.029 km and 2,12,241 enrolled vehicles were accessible for that year. Pawan Has gives helicopter benefits inside the state which associates the Aizawl with Lunglei, Lawngtlai, Saiha, Khawzawl, Champhai, Chawngte, Serchhip, Kolasib and Hnahthial. Also, Airport, Railways and Waterways were utilized as the principle method of outland transport.

2.2.8.3 Postal and Telecommunication framework

Postal services were furnished inside the state with an absolute number of 389 Post Offices involving 1 Head Post Office, 38 Sub-post Offices and 344 Branch Post Offices for the year 2018. All the while, media transmission services were provided through in excess of a couple of specialist co-op explicitly BSNL, Airtel, Aircel, Jio, Vodafone and Idea. As on 31st March, 2018, there are 10,76,319 phone associations in the state. Airtel has most of endorsers with 4,40,861 associations pursued by BSNL with 2,08,915 associations.

2.2.9 Education of the state

A formal system of Education has been actualized in Mizoram for a serious long time. The instructive system ranges from rudimentary to college training and preparing to specialized courses. The rationale in the back high proficiency pace of the express that is 91.85% is considered because of the thriving usage of the formal instruction framework. Continuously 2018, upwards of 4394 schools are worked over the express that might be claimed secretly, somewhat or completely administered by the Government. Of the current schools, 42% are openly possessed

and overseen by Central/State governments, 28% are private without government sponsorships, 21% are private with government endowments, and the rest are essential and center schools that are government financed kept running by three Autonomous District Councils of Mizoram. The service of Education cares for the universities, colleges and other instructive organizations of the state.

2.2.10 Media and correspondence of the state

Media in the state is developing at a quick pace. With the presentation of cell phones and better information system, for example, 3G and 4G, the entire network got to web for each sort of direction, for example, instructive, proficient, office works, person to person communication, and so on. Broadband access is accessible through various services like BSNL, Airtel, Vodafone, Netsurf, Zipro, NextCom and so on. For Broadcast media, Doordarshan and All India Radio communicate programs which are appended to local culture and neighborhood news. Additionally, Private TV link channels for example LPS and Zonet are eminent in Aizawl just as in various pieces of the state. For Print Media, nearby paper including Vanglaini, The Zozam Times, The Evening Post, Aizawl Post and so forth are great stock of Information which certification print Journalism stays a respected news medium in Mizoram.

2.2.11 Banking of the State

The total bank as on 31.03.2017 was 201 against 185 bank offices as on 31.03.2016 which is an expansion of 8.65%. The population (according to 2011 Census) served per branch comes to 5459. Notwithstanding, the area of branches in the State has

been slanted in urban communities and urban focuses. There are as yet numerous towns without banking services even with a range of 80-100 kms. The primary reason is setting up of dissipated town with modest number of family units which makes branch banking unviable. The Credit Deposit (CD) Ratio for the most part gives a thought regarding the degree to which store assets have been privately sent to push the economy. However, in itself, it has its own constraints, by the by it provides some insight with respect to the credit ingestion limit of the nearby economy gave different things stay ideal.

The stores, advances and CD Ratio of Commercial Banks, Mizoram Rural Bank, Mizoram Cooperative Apex Bank and MUCO (Mizoram Urban Co-Operative Development Bank Limited) Bank in the State are given underneath:

Table 2.4: Types of banks with Advances, CD ratio and Deposits

Agency		2015-16 (as on 31.03.2016)		2016-17 (as on 31.03.2017)		
Deposits	Advances	CD Ratio	Deposits	Advances		CD Ratio
Commercial Banks	4270.58	1543.51	36.14	5303.43	1741.34	32.83
Mizoram Rural Bank	1517.12	865.36	57.04	1824.44	954.43	52.31
MCAB Ltd.	59.20	400.39	67.63	724.06	423.08	58.43
MUCO Bank Ltd.	43.46	29.35	67.54	50.51	32.28	63.90
Total	6423.18	2838.61	44.19	7902.44	3151.13	39.88

Source: *Mizoram Economic Survey (2017-2018)*

2.2.12 State Bank of India

The largest and oldest bank still in existence is the State Bank of India (S.B.I). It had laid its root in the first decade of the nineteenth century when the Imperial bank of India was formed in 1921 where the three Presidency Banks (Bank of Bengal, Bank

of Bombay and Bank of Madras) were merged to form the Imperial Bank of India. After India's independence, it then became the State Bank of India in 1955.

State Bank of India is the largest bank in India with 5 associates' bank and has over 15000 branches throughout the country. It provided various services like different kinds of savings accounts, fixed deposits, Government Schemes, Stock and Securities. It also provides various kinds of loan with different cards for its customers and also internet banking facilities where it make the life of its customers much easier. It had stated an app called 'no queue app' where the customers can access this app from home and save time in standing a long queue.

State Bank of India started operating in Mizoram since 1971 where the main branch of SBI was started in 29th December, 1971 at Zodin. Since then, the bank started to grow enormously were now there are total of 44 branches in the state with 378 employees where 147 officers, 163 associates and 48 sub-ordinates. The facilities which can be availed within the state branches are all banking facilities along with investment portfolio and all the insurance business. Since the customers are not aware of most of the services, there are numbers of services which had not been availed by any of the customers.

2.2.13 Axis Bank

Axis bank is the third largest bank in the private sector in India. There are around 4050 branches in India and 11,801 ATM booths across the country. There are nine international offices with branch at Hong Kong, Singapore, Dubai (at the DIFC), Colombo and Shanghai; representative offices at Dubai, Abu Dhabi and Dhaka, also,

overseas subsidiary at London, UK. The international offices deals mainly with corporate lending, investment banking, trade finance, liability businesses and syndication.

Axis bank was started its operation in 1994 but was promoted in 1993 by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), General Insurance Corporation of India (GIC), Life Insurance Corporation of India (LIC), National Insurance Company Ltd., The Oriental Insurance Company Ltd., The New India Assurance Company Ltd., and United India Insurance Company Ltd.

Axis bank provides different kinds of services to its customers like different kinds of savings account where the customers are having a wide range of choice. Deposits and loans along with Forex facilities where the customers can access international fund transfer, online currency converter along with various kinds of insurance and investments.

Axis Bank is the first private bank to set up office in Mizoram where the bank began its services in Chanmari, Aizawl in the year 2003. Currently there are 5 branches in Mizoram where 3 branches are in Aizawl, 1 in Lunglei and 1 in Champhai. Totally there are around 41 employees in Mizoram.

2.2.14 Mizoram Rural Bank

Mizoram Rural Bank is the only bank in Mizoram which has spread in all the districts and blocks of the state. It was established on 27th September 1983. It is the second largest bank in the state next to State Bank of India which is its sponsor bank. The bank as the name suggests, it focus on the rural region where in the rural

area, it has gain many customers since branches had been opened in the very remote area f the state.

Currently Mizoram Rural Bank has 85 branches all over the state where 49 branches are located in rural area, 17 branches in semi-urban and 19 in the urban area. It has its head office at Zarkawt, Aizawl. Aizawl branch which is operating at Zarkawt is the first amongst the other branches.MRB is having 418 employees out of which 216 are officers. The bank is being lead by board of directors where one chairman and two members each nominated by the central government, SBI and State government and one member each nominated by Reserve Bank of India and NABARD.

Mizoram Rural Bank has won many customers especially in the rural area by its savings account of ‘no frills account’ where the customers can open account with ‘nil’ or very low amount. It had been providing many services like savings account, different deposits schemes and different kinds of loan and micro-finance for their customers. The bank had also started internet banking where the customers can access through their account very easy and conveniently.

2.3 Profile of the respondents

This segment means to talk about the profile of the respondents based on age, sexual orientation, religion, conjugal status, capability, occupation and pay.

2.3.1 Gender of the respondents

Gender is a significant variable in an Indian social situation which is vigorously influenced by any financial or social viewpoint and globalization isn't an exemption

to it. Human conduct contrasts as per statistic qualities, for example, age and sexual orientation. In particular, age assumes a noteworthy job in characterizing individual conduct just as the factor that impacts his conduct. Individuals of various ages have various needs and needs which make them purchase various items over their lifetime (Flynn and Giraldez, 1995). Kamalveni et al. (2008) has explained that the period of customers when contrasted with salary fundamentally affected their decisions. The importance of the elements which impact their preferences fluctuate as indicated by age. Consequently the variable gender was explored for this examination.

Age of the respondents is clearly important for the studies as depending on the age of the respondents, the preferences for the banking services could also differ. Table 2.5 represents the gender wise- caste and religion of the respondents.

Table 2.5: Gender-wise Caste and Age of the Respondents

Gender of the Respondents	Caste of the Respondents	Age of the Respondents				
		18-30yrs	31-43yrs	44-56yrs	57yrs And Above	Total
Male	General	3	0	7	1	11
	SC	1	11	17	6	35
	ST	54	84	46	29	213
	Total	58 (22.4%)	95 (36.7%)	70 (27%)	36 (13.9%)	259 (100%)
Female	General	2	4	3	0	9
	SC	4	7	12	2	25
	ST	61	45	38	13	157
	Total	67 (35.1%)	56 (29.3%)	53 (27.7%)	15 (7.9%)	191 (100%)

Source: *Field Survey*

From table 2.5, it can be observed that there are 259 male respondents where as there are 191 female respondents.

Also, among the male respondents, it can be seen that schedule tribe consist the maximum number (213 respondents) and the age group between 31-43 years consist 95 respondents (36.7%) and there are no male respondents from the general caste from the age group of 31-43 years of age. From the female respondents, it can be seen that there are no respondents of 57 years and above in the general category whereas there are 61 respondents from the age group of 18-30 years of age.

2.3.2 Religion of the respondents

Christianity, the primary religion of Mizoram, assumes a significant job in deciding the socio social existence of the individuals of the state. The Mizo's are the solid supporters of Christianity and the prominence of this religion can be comprehended from the way that over 80% of the all out populace is following Christianity by confidence. Furthermore, the presence of as much as 3,216 houses of worship in 2016 over the state through various categories uncovered that Christianity holds a spot in the core of the life of the individuals. Of all categories in the express, the biggest groups are Presbyterian Church, Baptist Church of Mizoram. Aside from Christianity, there are likewise some minority religions, for example, Buddhism, Judaism, Hinduism and Islam supporters in the state. But Judaism, these minority religions in Mizoram is generally trailed by outcasts who made due with occupation obligations.

Table 2.6: Religion wise Gender and Occupation of the respondents

Religion of the Respondents	Gender of the Respondents	Occupation of the Respondents					Total
		Govt Service	Private Service	Business	Self-Employed	Others	
Christian	Male	68	31	26	60	30	215
	Female	33	30	10	57	34	164
	Total	101 (26.6%)	61 (16.1%)	36 (9.5%)	117 (30.9%)	64 (16.9%)	379 (100%)
Hindu	Male	12	2	5	6	2	27
	Female	8	2	3	3	3	19
	Total	20 (43.5%)	4 (8.7%)	8 (17.4%)	9 (19.6%)	5 (10.9%)	46 (100%)
Muslim	Male	7	0	3	6	1	17
	Female	5	1	1	0	1	8
	Total	12 (48%)	1 (4%)	4 (16%)	6 (24%)	2 (8%)	25 (100%)

Source:Field survey

From table 2.6, it can be seen that there are 46 Hindu respondents, 25 Muslim respondents and 379 Christian respondents.

Furthermore, there are only two male and female respondents from the Hindu respondents who are from the private services and the maximum respondents (20 respondents) from the Hindu religion are working in the government sector. There are more male respondents (27 respondents) from the Hindu religion.

Also from the Muslim respondents, there are no male respondents working in a private service and also no female respondents who are self-employed. The maximum numbers of the respondents (12 respondents) are working in the government services, and there are more male respondents (17 respondents) from the Muslim religion. Among the Christian respondents, there are 215 male respondents and 164 female respondents. The maximum respondents (117 respondents) are self-employed.

2.3.3 Occupation of the respondents

Occupations are a crucial need throughout everyday life. Society relies on the creation of nourishment, machine, different utensils and articles of everyday use, newsprint, and so on. The very presence of man relies on the creation of necessities of life. Work and Occupations are the methods for delivering them. (Kumar, 2003).

From table 2.7, it can be seen that there are 263 respondents who are from nuclear family and 183 respondents from joint family and 4 other respondents.

Table 2.7: Occupation-wise Type of family and Caste of the Respondents

Type of Family of the Respondents	Caste of the Respondents	Govt Service	Private Service	Business	Self-Employed	Others	Total
Nuclear	General	4	1	3	5	0	13
	SC	25	4	4	6	0	39
	ST	74	21	28	65	23	211
	Total	103 (39.20%)	26 (9.90%)	35 (13.30%)	76 (28.90%)	23 (8.70%)	263 (100%)
Joint	general	1	2	0	3	0	6
	SC	4	2	3	8	4	21
	ST	24	35	8	45	44	156
	Total	29 (15.80%)	39 (21.30%)	11 (6%)	56 (30.60%)	48 (26.30%)	183 (100%)
Others	general	0	0	1	0	0	1
	ST	1	1	1	0	0	3
	Total	1 (25%)	1 (25%)	2 (50%)	0	0	4 (100%)

Source: Field study

Furthermore, it can be seen that the nuclear family, it can be observed that there are 211 schedule tribe respondents and 13 respondents from the general caste and occupation wise, the maximum respondents from the nuclear family are from the

Government services (103 respondents)

Also from the joint family respondents, there are 56 respondents (30.6%) who are self-employed and 11 respondents (6%) from business sector. There are no respondents from the business sector who are from general caste.

2.3.4 Income of the respondents

Income in a long way signifies the financial status of a person. Therefore, the amount of income will influence the preferences of an individual.

Marriage is one of the most important social foundations. In India, it has practiced plentiful changes. The expectation of the society, image and role of a person can change with the marital status of a person. Thus, the preferences can also differ depending on the marital status.

Table 2.8 indicates the income-wise marital status and qualification of the respondents. The table indicates that income wise, most respondents of income group are from Rs.10,001-Rs. 50,000 with 155 respondents and the least group is from the income group of Rs. 1,00,001 and above group, with only 44 respondents.

Also, the respondents who have income of Rs. 10,000 and below, there are 6 widowed respondents who have educational background till HSLC and the maximum respondents are unmarried with 101 respondents.

Table 2.8: Income-wise Marital status and qualification of the respondents

Income of the respondents	Marital status of the respondents	Qualification of the respondents					Total
		Illiterate	HSLC	HSSLC	Graduate	Postgraduate	
Rs.10,000 and below	Married	3	3	11	12	2	31
	Unmarried	0	4	69	24	4	101
	Divorced	1	0	1	2	0	4
	Widowed	0	6	0	0	0	6
	Total	4 (2.8%)	13 (9.2%)	81 (57%)	38 (26.8%)	6 (4.2%)	142 (100%)
Rs.10,001- Rs. 50,000	Married	0	1	44	49	9	103
	Unmarried	3	1	13	11	13	41
	Divorced	1	1	1	5	0	8
	Widowed	0	2	0	1	0	3
	Total	4 (2.6%)	5 (3.2%)	58 (37.4%)	66 (42.6%)	22 (14.2%)	155 (100%)
Rs.50,001- Rs.1,00,000	Married	0	5	15	51	16	87
	Unmarried	0	0	3	11	2	16
	Divorced	0	0	2	0	1	3
	Widowed	2	0	1	0	0	3
	Total	2 (1.8%)	5 (4.6%)	21 (19.3%)	62 (56.9%)	19 (17.4%)	109 (100%)
Rs.1,00,001 and above	Married	0	0	2	10	23	35
	Unmarried	0	0	1	0	3	4
	Divorced	0	2	0	1	0	3
	Widowed	1	0	0	0	1	2
	Total	1 (2.3%)	2 (4.5%)	3 (6.8%)	11 (25%)	27 (61.4%)	44 (100%)

Source: Field study

Furthermore, income group between Rs.10,001 and Rs. 50,000 has only 3 widowed respondents and 103 respondents are married and there are 66 respondents (42.6%) who are graduated.

In continuation, it can be seen that income group between Rs. 50,001 and Rs. 1,00,000, there are only two respondents who are illiterate and are widowed and

only 5 respondents who are married and have a qualification till HSSLC. There are 62 respondents (56.9%) who had done their studies till graduation.

The last income group of Rs. 1,00,001 and above has only 44 respondents with only 1 widowed respondent with HSLC qualification and the maximum respondents (27 respondents) are from the respondents who had finished their post-graduation

2.4 Conclusion

It is obvious that Mizoram has been honored with a delightful land plot with a wonderful atmosphere. The state is situated in the southernmost station of North Eastern India having universal limits with Bangladesh and Myanmar. The complete populace of the state remains at 10,97,206 with a high education pace of 91.58, which is the third most astounding inside the nation in enumeration 2011. The Mizo society is shut sew with no separation and no class minor departure from grounds of gender. The social qualities and traditions among the state youth are completed by the Young Mizo Association (YMA) which is intended to go about as a fundamental body in saving social qualities inside each town of the state, independent of their remote area. The whole public activity and manner of thinking of the Mizo have been changed and guided by Christian church association as far back as the entry of Christianity, of which the individuals were enamored to their recently discovered conviction with so much commitment and accommodation.

It is interesting to note that out of the total 450 respondents, there are 57.56 % male while 42.44% are female. 34.4% of the respondents belong to income group of Rs. 10,000 –Rs. 50,000. Majority of the respondents belong to nuclear family 58.4%.

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3.1 Introduction

This chapter presents the customer preferences in various banking services provided by the selected banks. The initial part of the chapter analyse the banking services with the various demographic profile of the respondents. It also highlights the ranking given by the respondents in respect to their preferences in banking services. The latter part of the chapter explains the various banking services being availed by the respondents.

3.2 Customer Preference

Preferences can be activated by: the highlights identified with the material substance of the merchandise (shape, size, print, taste, shading, consistency, bundle, and so on.); components alluding to mark, name, use guidelines that go with the item; the rule allowed to the individual owning and utilizing that specific product. Theoreticians, sooner or later, tended to restrain the preference to the idea of decision; anyway decision and preference are two fundamentally various substances: the first is an activity and the other one, a perspective.

It has been exhibited that the shoppers' preference can be estimated successfully, and that their investigation can give an increasingly intensive comprehension on the decisions customers make, when they choose to choose a specific offered as against the other, or notwithstanding when they choose to proceed with the association with the offered in time. Furthermore, directed study have built up different ideas identified with the preference, for example, the idea of the shaped preference which underlines that the shoppers' preferences are worse characterized, yet rather framed along the way toward picking, a useful perspective which proposes that various

errands and settings feature various parts of the alternatives, the purchaser focusing on various contemplations prompting conflicting choices.

Sciglimpaglia and Ely (2002) attempted to contemplate the effect of internet banking from "customer driven" point of view. They reason that customers may leave the current bank is that if they find different banks are offering better internet banking services. They see that electronic channels of conveyance can't be sidelined by banks and they ought to endeavor to offer the most recent innovation to their customer.

Sohail (2003) looks at the present patterns in the online business insurgency that has set a wave in the Malaysian financial area to read the customers' preference for electronic banking. The study finds that availability of Internet, attention to e-banking, and customers' hesitance to change are the elements that fundamentally influenced the use of e-banking in Malaysia.

Brahmanandam and Narayana (1990) attempted to discover the issues of clients in executing with bank offices and to gauge the degree of consumer loyalty with the services of banks. The investigation uncovered that the helpful area and reasonable timings have assumed a prevailing job in choosing branches. Dependability in opening and shutting the branch was watched and now and again work even stretched out past typical hours to tidy up holding up clients.

Teas and Wong (1991) distinguished the significant determinants of consumer loyalty in retail banking are the empowering highlights, identified with accommodation and openness, services simpler or progressively agreeable for the

clients, bank articulations, correspondences, programmed teller machines (ATMs), scope of services, banks interior and outside format and furthermore the area of branches.

Blanchard and Galloway (1994) recognized that the significant assistance quality measurements in retail banking are security of discourses, pleasantness of counter staff, ability to enable, the best approach to staff treat clients and money in machines. The significant help quality measurements are responsiveness, confirmation, compassion, substantial quality and unwavering quality. The significant staff view of client desires isn't to need to hold back to be served and courteous client well disposed staff.

Zemeke (1994) presumed that client desires for services recuperation are: to get a conciliatory sentiment for the way that the clients is hindered; to be offered a "reasonable fix" for the issue, to be treated in a way that recommended the organization thinks about the issue, about fixing the issue, and about the client's burden and to be offered esteem included reparation for the bother.

Karin and Kaynak (1995) uncovered that there were measurably huge contrasts between the clients in national and nearby banks as far as suggestions of companions and family members, counter parcels in the bank, broad communications publicizing, the bank's notoriety and picture, and the agreeableness of the bank work force. Nearby bank clients appraised their convenience more exceptionally than national bank clients. The national bank clients' choice models in the banks are outside trade, monetary advising, voyagers' checks, storehouse offices and security factor. The bank clients give more significance to programmed

installment services, wellbeing store boxes, contracts, check records and store accounts.

Jones and Sasser (1995) tried to find out the services quality in banking. They utilized seventeen things identified with social, center, highlights, effects, staffing factors. The mode of communications saves money with the consumer loyalty too. They found that the observation on services quality prompts more consumer loyalty.

Devlin (1995) recognized that with the rise of progressively heterogeneous buyer preferences in regards to conveyance of retail banking services, the issue of dissemination of services offering has gotten progressively critical to the focused procedure. Weight for change has likewise originated from the inventory side and the outcome has been noteworthy changes in the circulation of retail banking services. Branch systems are liable to changes in job and accentuation, getting all the more inviting and market arranged.

Kavin and Erdener (1995) broke down the chose support factors in picking national versus nearby banks in Finland. They brought up the significant factors in picking national banks are funds, security, accommodation, reserve funds and records held while in the choice of nearby banks, these variables are comfort, services offices, investment funds, security and records held. The high positioning of proposals of companions and family members, the banks' notoriety and its picture, the agreeableness of the bank work force, and broad communications publicizing as support thought processes recommend that the financial business in Finland needs to put more accentuation on close to home preparing.

Keaveney (1995) gave an important introductory arrangement of the easygoing variables that incite services exchanging. He recognized five significant causal variables for services exchanging; center help disappointments, services experience disappointments, services recuperation disappointments, burden and estimating.

Sharma (1996) considered 'A near report to study the presentation of Regional Rural Banks (RRBs) and other planned business banks'. The examination was completed at two points of time for example for the year 1986 and 1993. The development of the two banks bunch was estimated with the assistance of yearly compound development rates based on various financial markets. The study uncovers Regional Rural Banks in Himachal Pradesh register a higher development rate than business keeps money as for practically every one of the markers.

Alford and Sherrell (1996) uncovered that clients may endure an error however that an absence of responsiveness and comprehension by the branch intensifies the circumstance, including more client feelings. Some felt it incredibly out of line to pay account changes for an entire quarter in spite of being overdrawn for just a couple of days and by a generally modest quantity.

Dougall (1996) recognized that the significant help quality things in retail banking are center, social, physical assets, capability, consumer loyalty and responsiveness. The fundamentally and decidedly affecting factors on consumer loyalty are social execution, center execution, highlights execution, fitness of workers and unwavering quality. Though the issues experienced by workers and home loan for advance are fundamentally and contrarily affecting the consumer loyalty.

John and Gerry (1997) uncovered that items are never again observed as giving banks feasible upper hand. Anyway expanding the scope of services that are accessible through branches may improve the adequacy of channels. Banks have the individuals and the frameworks to disperse "data based" items that are connected to their center exercises, for example, travel services, house deals and movement. Banks today need to endeavor to fix their picture; it is an oddity that when the shopper is looking for better expectations of value, a significant part of the focal point of bank methodology is on figuring out how to make with exhausted capital after past vital mix-ups.

Siu (1998) finished up the services quality and client care is viewed as a significant formula for advertising accomplishment in the retail banking part. The activity fulfillment of retail banking official's persuasions bank's services quality, and in turns the fulfillment of clients. The readiness and co-activity of retail banking administrators to receive client direction will improve their activity fulfillment.

Bejon (1998) recognized the significant issue factors with respect to support exchanging. They are services disappointments, estimating and wanted services. The services disappointments comprise of unavailability, rectification, rigidity, botches, amateurish, and inconsiderate conduct. The evaluating issues are acquiring, expenses, data, uncalled for charges and investment funds. The inferred services are inability to offer guidance and refusal of advance.

Nielson et al., (1999) distinguished the significant appropriation stations in retail banking are phone banking, PC banking and internet banking. The PC-banking is the for the most part acknowledged dispersion channel. The significance joined to the

choice of appropriation channel methodology is holding existing clients, offer great individual assistance and pull in new clients.

Durbin (1999) showed that the disguised duty levels are generally low in banks. Without high disguised duty, worker respondents show moderately elevated levels of consistence responsibility and low expectation to leave. It tends to be inferred that the impetus to remain for such representatives exceeds any sentiments of 'not having a place' or of not sharing the changing estimation of the association.

Giese and Cote (2000) recognized three parts of consumer loyalty. The fulfillment is a rundown full of feeling reaction which fluctuates in power. It could be founded on an assessment of item related guidelines, item utilization encounters and buy related qualities.

Lewis and Spyropoulos (2001) recognized the foundations for services disappointment as absence of unwavering quality and mix-ups and poor connection with a bank representative. These disappointments were of fluctuating significance, albeit less significant disappointments become progressively significant when a client really encounters them.

Colgate and Hedge (2001) discovered three significant explanations behind exchanging banks. They are services disappointments, evaluating issues and wanted services. The estimating had the most significant effect on exchanging conduct. Interestingly, clients would in general gripe all the more frequently about help disappointments before leaving the firm. The significant discoveries of the

investigation are that the client's quietness over the grumblings is the central point which affected them to settle on a choice to leave the firm.

Mols (2001) proposed that services support, direction towards the future, the ability to give old channels a chance to be ripped apart by new channels, and firm size are significant variables when firms need to be successful in the presentation and abuse of the new electronic channels. Further, the outcomes demonstrate that various frames of mind and recognitions are identified with various methods for drawing in clients to the electronic channels.

Lewis and Sotiris (2001) concentrated on an experimental examination of services disappointments and services recuperation in retail banking. Services disappointments were seen as of fluctuating significance and diverse assistance recuperation procedures increasingly powerful for specific disappointments; further, clients with involved acquaintances or high stores with their banks were all the more requesting regarding services recuperation.

Bennett and Durkin (2002) examined the key issues related with the execution of a relationship culture with regards to a main and since quite a while ago settled retail banking establishment. He uncovered the significant relationship drove societies are representative direction, advertise direction, quantitative control, sober mindedness and transparency.

Brady et. al., (2002) opined the measurement - explicit examination provides progressively symptomatic incentive for the comprehension of customer fulfillment and conduct results.

Mittal et. al., (2003) found that there is a critical contrast among open and private area workers on client relationship the board, client direction and correspondence. The youthful workers were seen as essentially not quite the same as old representatives on client direction, correspondence and client relationship the executives.

Sivaloganathan (2004) recognized the difficulties in relationship banking as distinguishing proof of client portion, decentralization and postponement in its basic leadership process at all levels, association of the staff, bungled degrees of observation among banks and clients, time the board and separation of the client from the bank.

Vinod (2004) presumed that for fruitful bank showcasing and to make it increasingly successful, distinguish the client needs by method for structuring new items to suit the clients. The staff ought to be well-outfitted with sufficient information to satisfy the client needs.

Manoj (2004) recognized that the general needs of clients from banking are monetary security, fast help, comfort, appealing yield, minimal effort credit, customized services, guidance/advising, simple access, basic system, alluring bundle, amicable methodology and assortment of item. The various kinds of item accessible are stores, credits and advances. The store plans can be assembled based on method of store, method of reimbursement, extra advantage and utilization of amassed assets, estimation and installment of intrigue and requirement for liquidity, security and development.

Beerli et. al., (2004) uncovered that the significant variables deciding purchaser faithfulness in retail banking are fulfillment, services quality, exchanging cost, level of consultation, level of association and level of separation between bank elements. The fundamentally and emphatically impacting elements on client devotion are fulfillment and services quality. The level of elaboration doesn't apply any directing effect on client dependability. The impact applied by fulfillment is far more noteworthy than that of exchanging cost.

Shashidhar (2005) uncovered that the monetary instruments are particularly similar to items, they can be bundled, and they have highlights, like some other ware accessible in the market. Monetary items are not as perceptual as quick moving shopper products or customer durables, just in light of the fact that they are more value-based. They are yet to arrive at that degree of being seen as products.

Sathye (2005) analyzed the effect of privatization on bank effecting and productivity in part privatized, completely state claimed and those as of now in the private division. Halfway privatized banks have performed better when contrasted with others. Halfway privatized banks additionally appear to make up for lost time with the banks as of now in the private division. No huge presentation or proficiency distinction was found in these two classifications of banks.

Sundar and Lakshmanan (2005) recognized the significant necessities of client care the board in banks. These are client objections the executives, information update of bank staff, routine strides in grumbling services, client help work area, protest review, preparing of representatives for attitudinal change, establishment of grant for

zero complaint, client meet, remunerating monetary control, meeting to generate new ideas and computerization of banking tasks.

Ahmad (2005) uncovered the classes and measurements of bond between retail banking clients and their banks. The essential bond comprises of utility, unwavering quality and generally estimation of the services. The auxiliary bonds are reliability, invitingness, sympathy, supportiveness, comfort and ease of use of banking foundation. The superlative bond comprises of notoriety of the picture of the bank.

Padhi (2005) demonstrated the initial steps to build up a decent arrangement expertise among the bank representative at counter are obligingness; sort out men, material, machines, understanding, systems services of services, resilience, compassion and regard of the clients. The clients anticipate from a branch are manage their needs, treatment with deference, sensible cost and able guidance.

Ramachandran (2005) found the effective banks of future would have the option to give a wide scope of items and services to various client sections through an assortment of channels. This would need to be done at the most minimal expense or more normal assistance level. The imperative variables impact the clients fulfillment in banking are precision, execution, esteem, information, politeness and responsiveness in the financial services.

Joshi (2006) distinguished that the client assistance of elevated requirement and quality actualized using modem innovation assists manages an account with prevailing in the focused universe of retail banking. The advancement of human relations aptitudes of the bank representatives has outweighed upgrading their

specialized, numerical or instructive capability. The principle challenge before the banks is to hold steadfast clients and furthermore draw in new clients.

Customer Preference is a promoting term utilized in every one of the zones any place advertising of items or services is required. As indicated by Cambridge online word references "customer preferences are characterized as the individual tastes, as estimated by utility of different packs of products. They license the customer to rank these packs of merchandise as per the degree of utility they give the purchaser. In view of the customer preferences gathered through reviews, data and information, the organizations alter items and services as per the need. This is done with the goal that the item and services propelled may not be ineffective. It is additionally comprehended that it is hard to examine the term Preference.

3.3 Analysis of banking services with gender and age of the respondents

Table 3.1 indicates that male and female respondents with different age group have different preferences in banking services.

The table shows that the age group of 31-43 comprise the highest percentage i.e. 33.6% and 27.8 % belongs to the age group of 18-30 years while 27.3 % belongs to the age group of 44-56 years and 11.3 % of the respondents belong to the age group of 57 years and above. Majority of the respondents i.e. 33.1 % preferred 'less queuing time' in the banking services followed by 'convenient location of the bank' which comprises of 21.6 % of the respondents. 19.6% of the male respondents preferred 'less queuing time' and also 13.6% of the female respondents preferred 'less queuing time' for banking services.

Table 3.1 : Banking Services, Gender and Age of the Respondents

Gender	Banking Services	Age of the Respondents				Total	Percent
		18-30	31-43	44-56	57 Years And Above		
Male	Convenient Location	9	20	16	11	56	12.4
	Staff Attitude	14	17	10	9	50	11.1
	Less Queuing Time	19	29	28	12	88	19.6
	IT Services	7	14	4	4	29	6.4
	Loan Services	9	11	10	0	30	6.7
	Micro Finance Services	0	4	2	0	6	1.3
	Total	58	95	70	36	259	57.6
Female	Convenient Location	16	11	9	5	41	9.1
	Staff Attitude	10	9	7	1	27	6.0
	Less Queuing Time	16	20	20	5	61	13.6
	IT Services	13	7	9	2	31	6.9
	Loan Services	9	9	7	2	27	6.0
	Micro Finance Services	3	0	1	0	4	0.9
	Total	67	56	53	15	191	42.4
Total	Convenient Location	25	31	25	16	97	21.6
	Staff Attitude	24	26	17	10	77	17.1
	Less Queuing Time	35	49	48	17	149	33.1
	IT Services	20	21	13	6	60	13.3
	Loan Services	18	20	17	2	57	12.7
	Micro Finance Services	3	4	3	0	10	2.2
	Total	125	151	123	51	450	100
Percent		27.8	33.6	27.3	11.3	100	

Source: Field Survey

3.4 Analysis of banking service with occupation and income of the respondents

Table 3.2 reveals that majority of the respondents 29.6% are working in the government service and 29.3% are self- employed.

It can also be seen that 14.7 % of the respondents are having an occupation under a private service while 10.7 % are having a business as their occupation.

Table 3.2: Banking services, income and occupation of the respondents

Income	Banking Service	Occupation of the Respondents					Total	Percent
		Govt Service	Private Service	Business	Self-Employed	Others		
Rs.10,000 And Below	Convenient Location	4	4	1	8	14	31	6.9
	Staff Attitude	2	10	0	6	12	30	6.7
	Less Queuing Time	1	6	0	3	21	31	6.9
	It Services	2	1	1	7	9	20	4.4
	Loan Services	0	6	0	10	11	27	6
	Micro Finance Services	0	0	0	1	2	3	0.7
	Total	9	27	2	35	69	142	31.6
Rs.10,001-Rs. 50,000	Convenient Location	15	4	3	14	0	36	8
	Staff Attitude	10	3	2	6	1	22	4.9
	Less Queuing Time	31	12	1	9	0	53	11.8
	It Services	5	1	0	14	1	21	4.7
	Loan Services	7	4	2	6	0	19	4.2
	Micro Finance Services	2	1	0	1	0	4	0.9
	Total	70	25	8	50	2	155	34.4
Rs. 50,001-Rs. 1,00,000	Convenient Location	7	2	4	7	0	20	4.4
	Staff Attitude	3	2	6	5	0	16	3.6
	Less Queuing Time	11	6	15	12	0	44	9.8
	It Services	3	3	1	10	0	17	3.8
	Loan Services	3	0	3	3	0	9	2
	Micro Finance Services	1	0	1	1	0	3	0.7
	Total	28	13	30	38	0	109	24.2
Rs. 1,00,001 And Above	Convenient Location	7	1	1	1	0	10	2.2
	Staff Attitude	4	0	3	2	0	9	2
	Less Queuing Time	12	0	4	5	0	21	4.7
	It Services	1	0	0	1	0	2	0.4
	Loan Services	2	0	0	0	0	2	0.4
	Total	26	1	8	9	0	44	9.8
total	Convenient Location	33	11	9	30	14	97	21.6

Staff Attitude	19	15	11	19	13	77	17.1
Less Queuing Time	55	24	20	29	21	149	33.1
It Services	11	5	2	32	10	60	13.3
Loan Services	12	10	5	19	11	57	12.7
Micro Finance Services	29	2	9	12	2	10	2.2
Total	133	66	48	132	71	450	100
Percent	29.6	14.7	10.7	29.3	15.8	100	

Source: *Field survey*

Hence, it can be seen that majority of the respondents (34.4%) have an income ranging from Rs.10,001-Rs.50,000. however, less queuing time remains the preference for banking services for the entire income and occupation group.

3.5 Analysis of banking service with types of bank and gender of the respondents

Table 3.3 indicates that State Bank of India has the maximum male respondents i.e. 92 male respondents while Mizoram Rural Bank has the maximum female respondents i.e. 70 female respondents.

Out of the male respondents, there are no male respondents from Mizoram Rural Bank who preferred micro finance services and also there are no female respondents from State Bank of India who preferred micro finance services. Furthermore, less queuing time remains the most preferred services from all the respondents of the selected banks with 33.1 % followed by convenient location of the bank with 21.6 % of the respondents.

Table 3.3: Bank of the respondents, gender and services preferred by the respondents

Gender	Bank of the Respondent	Which Service Do You Preferred in a Bank						Total	Percent
		Convenient Location	Staff Attitude	Less Queuing Time	IT Services	Loan Services	Micro Finance Services		
Male	State Bank Of India	20	18	29	13	7	5	92	20.4
	Mizoram Rural Bank	20	19	21	8	12	0	80	17.8
	Axis Bank	16	13	38	8	11	1	87	19.3
	Total	56	50	88	29	30	6	259	57.6
Female	State Bank Of India	13	8	21	7	9	0	58	12.9
	Mizoram Rural Bank	15	12	18	12	11	2	70	15.6
	Axis Bank	13	7	22	12	7	2	63	14.0
	Total	41	27	61	31	27	4	191	42.4
Total	State Bank Of India	33	26	50	20	16	5	150	
	Mizoram Rural Bank	35	31	39	20	23	2	150	
	Axis Bank	29	20	60	20	18	3	150	
	Total	97	77	149	60	57	10	450	
	Percent	21.6	17.1	33.1	13.3	12.7	2.2	100	

Source: *Field survey*

3.6 Fundamentals of studying the consumers' preferences

The hypothesis of discerning decision includes frame of mind parts which, at last, speak to the premise of shaping a preference. This hypothesis gives us a model adding to a superior comprehension of the manner in which customers' preferences

are framed and giving us, in a fitting way, with the fundamental methods for looking into and predicting the development of the buyers' preferences.

Subsequent to breaking down the manner in which buyers' preferences are framed from the perspective of the hypothesis of discerning decision, delineated in the accompanying figure, we can express that, so as to comprehend the buyers' preferences

It is important to decide their requests and wants with respect to the exhibition (usefulness) associated with the buy, the normal passionate outcomes, just as the abstract measures customers use to recognize the propensity for an item or an service as against the others.

It can be seen that the introduced model is utilized by the customer, pretty much, at whatever point he purchases and the segments that impact a favored choice are, simultaneously, segments that meddle during the time spent assessing the presentation of the item/service purchased, just as of the association in charge of it. Henceforth, to the degree that the parts of the preference change, the segments that impact the fulfillment change, as well, likewise.

The hypothesis of balanced decision thinks about the outcomes of performed activities. We incline toward an item, an individual or an service since we have officially chosen that the article suits best to our needs or requests on the presentation, through and through with the passionate requests made a decision by all accounts of correlation. Each progression in the buying procedure contains passionate and execution parts favored by the purchasers.

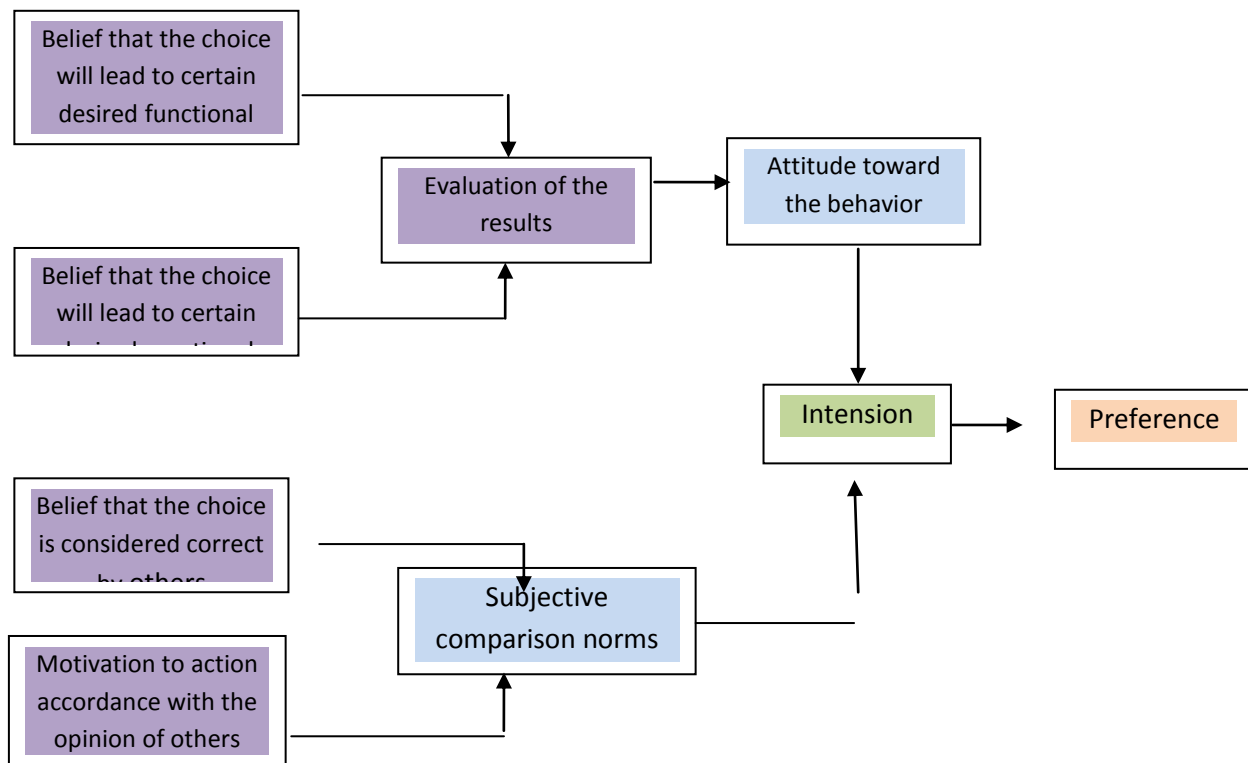


Figure3.1. Structural model of how consumer preferences are formed

Source: *Developing Customer Insight: The Determination of Customer Preference, International Communication Research*

Table3.4: Mean, standard deviation and reliability values for customer’s preferences

Sl no	Statement	Mean	Standard Deviation	Cronbach’s Alpha
1	I prefer bank with a <i>convenient</i> location	4.138	0.806	0.817
2	I prefer bank having a <i>staff with positive attitude</i>	4.133	0.716	
3	I prefer bank where there is a wide range of services which provides <i>user friendly</i> service	4.136	0.718	
4	I prefer bank where I feel safe and <i>secure</i> in all the transaction	4.070	0.770	

Source: *Field survey*

From table 3.4, it had been observed that the items for customer preferences and their mean, standard deviation and their reliability using Cronbach's Alpha had been depict. The purpose of the reliability measure is to test the internal consistency of the items within the variable. The variables yield a reliability of 0.817 which is still considered acceptable marking that Cronbach (1951) stated that a value higher than 0.5 was acceptable level for good internal consistency even though Nunnally (1978) state that the values for Cronbach's Alpha of 0.7 or higher is satisfactory.

To evaluate the customer preferences, mean score of the respondents shows highest level of agreement to the statement that '*I prefer bank with a convenient location*' (4.138); followed by the statement that '*I prefer bank where there is a wide range of services which provides user friendly service*' (4.136), '*I prefer bank having a staff with positive attitude*' (4.133) and '*I prefer bank where I feel safe and secure in all the transaction*' (4.070) signifies that the convenient, staff attitude, user friendliness and security were an important factors for customer preferences in banking services.

From table 3.5, it had been observed that the variables yield a reliability of 0.784 which is considered acceptable marking that Cronbach (1951) stated that a value higher than 0.5 was acceptable level for good internal consistency even though Nunnally (1978) state that the values for Cronbach's Alpha of 0.7 or higher is satisfactory.

Table 3.5: Mean, Standard Deviation and Reliability Values for Customer's Preferences in General Banking Services

SI no	Statement	Mean	Standard Deviation	Cronbach's Alpha
1	with a less queuing time	4.222	1.032	0.784
2	with a convenient location	4.062	0.995	
3	where transaction of money is easy and convenient	3.921	0.983	
4	that has a good parking space	3.651	0.999	
5	having convenient sitting and waiting arrangement	3.829	0.978	
6	that is close to my home	3.824	1.002	
7	with a trust worthy staff	3.309	0.958	
8	where the staff are courteous with their customer	3.5	1.039	
9	that inform about new and attractive schemes and suggest in taking actions	3.507	0.913	
10	where I feel safe and secure in all the transaction	3.704	0.976	
11	where there is a wide range of services available for the customer	3.909	0.978	
12	where I get my salary	3.86	1.012	
13	if any of the staff is well known to me	3.689	0.876	
14	where staff has a strong knowledge about the services	3.596	0.979	
15	that deliver all the services within the promised time	3.513	1.028	
16	where staff are responsive to their customer	3.558	1.075	
12	where staff handles problem effectively	3.756	1.007	
18	where opening of an account is easy and less time taking	3.616	0.975	
19	where they have insurance for the account holder	3.524	0.939	
20	with a core banking facility	3.573	1.003	

Source: Field Survey

To evaluate the customer preferences in general banking services, mean score of the respondents shows highest level of agreement to the statement that ‘*I prefer bank with a less queuing time*’(4.222); followed by ‘*I prefer bank with a convenient location*’(4.062), ‘*I prefer bank where transaction of money is easy and convenient*’(3.921).

From table 3.6, it had been observed that the variables yield a reliability of 0.608 which is considered acceptable marking that Cronbach (1951) stated that a value higher than 0.5 was acceptable level for good internal consistency.

Table 3.6: Mean, Standard Deviation and Reliability Values for Customer’s Preferences in Internet Banking Services

Sl no	Statement	Mean	Standard Deviation	Cronbach’s Alpha
1	Internet banking has adequate security features	3.228	0.871	0.608
2	The service delivered through the bank website is quick	3.259	0.874	
3	Customers online transaction with the bank is accurate	3.200	0.978	
4	Internet banking gives prompt services	3.178	0.807	
5	The transaction on internet banking is safe and secure	4.366	0.714	
6	I prefer bank where I can transfer funds anytime	3.442	1.020	
7	I prefer bank where internet banking is smooth and easy	3.593	1.999	
8	I prefer internet banking as my account statement can be access easily	3.931	0.979	
9	I prefer internet banking as account information is easily accessible	3.356	1.034	
10	I prefer internet banking as it has a 24 hours service	3.344	0.988	
11	I prefer internet banking as I can transfer money besides the working hour	3.612	1.071	

Source: *Field Survey*

To evaluate the customer preferences in internet banking services, mean score of the respondents shows highest level of agreement to the statement that ‘*The transaction*

on internet banking is safe and secure' (4.366) followed by 'I prefer internet banking as my account statement can be access easily' (3.931), 'I prefer internet banking as I can transfer money besides the working hour' (3.616).

Table 3.7: Mean, Standard Deviation and Reliability Values for Customer's Preferences in Loan Services

Sl no	Statement	Mean	Standard Deviation	Cronbach's Alpha
1	Main preference is due to the interest rate of the loan	3.658	0.950	0.769
2	There is a clarity of required document to e submitted	3.500	1.032	
3	Main preference for loan is that I take salary from this bank	3.795	1.307	
4	The time taken for processing loan is short	3.918	0.766	
5	The customer services offered in the processing of loan is satisfying	3.548	0.887	
6	The bank staff are responsive to my needs	4.027	0.863	
7	Process of loan is simple, easy and less time taking	3.829	0.782	
8	The bank allow to access my loan account anytime I need	3.438	1.024	
9	There is a flexibility in repayment of loan	3.493	0.717	
10	There is no hidden change of banking operation in any loan case	3.459	0.948	
11	Main preference for loan is the good service of the bank	3.623	0.864	
12	Bank keeps record of installment and interest in a proper and clear manner	3.849	0.746	

Source: Field Survey

From table 3.7, it had been observed that the variables yield a reliability of 0.769 which is considered acceptable marking that Cronbach (1951) stated that a value higher than 0.5 was acceptable level for good internal consistency.

To evaluate the customer preferences in loan services, mean score of the respondents shows highest level of agreement to the statement that ‘The bank staff are responsive to my needs’(4.027) followed by ‘The time taken for processing loan is short’(3.918), ‘Bank keeps record of installment and interest in a proper and clear manner’ (3.849)

3.7 Respondents’ ranking of the banking services

The different banking services were ranked by the customers on the basis of their preferences from scale 1 to 6 where 1 stands for the highest and 6 for the least. Henry Garrett Ranking method was used to analyze the data.

$$\text{Percent Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = Rank given for the i th variable by the j th respondents

N_j = Number of variable ranked by the j th respondents.

Table 3.8: Henry Garrett Ranking for customer preference on banking services

Banking service	Total score	Average score	Rank
Convenient Location	26336	58.52	2
Staff Attitude	25052	55.67	3
Less Queuing Time	27165	60.37	1
It Service	20327	45.17	4
Loan Service	18748	41.66	5
Micro Finance	15414	34.25	6

Source: *Field Survey*

From the above table, it has been observed that with total score of 27165 and average score of 60.37, ‘less queuing time’ was ranked first. ‘Convenient location’ holds the second position with a total score of 26336 and average score of 58.52.

‘Staff attitude’ scored the third rank with total score of 25052 and average score of 55.67. The fourth rank was occupied by ‘IT services’ with a total score of 20327 and average score of 45.17. ‘Loan service’ occupied the fifth rank with total score of 18748 with an average score of 41.66. Lastly, ‘Micro-Finance’ score the sixth rank with total score of 15414 and average score 34.25.

Table 3.9: Ranking given by male respondents for banking service

Banking Service	Total Score	Average Score	Rank
Convenient Location	17683	68.27	2
Staff Attitude	17531	67.69	3
Less Queuing Time	18247	70.45	1
It Service	15969	61.66	4
Loan Service	15933	61.52	5
Micro Finance	14771	57.03	6

Source: *Field Survey*

From table 3.9, it can be seen that male respondents had ranked ‘less queuing’ time as the first rank with a total score of 18247 and average score of 70.45, followed by ‘convenient location’ with total score of 17683 and average score of 68.27. The third rank was ‘staff attitude’ with total score of 17531 and average score of 67.69. The fourth rank was occupied by ‘IT service’ with total score of 15962 with average score of 61.66. ‘Loan Service’ stood in the fifth rank with total score of 15933 with an average score of 61.52. The sixth and last position was occupied by ‘Micro-Finance’ with a total score of 14771 and average score of 57.03.

From table 3.10, it has been observed that female respondents like male respondents had ranked less queuing time first with total score of 10489 and average score of 54.92 followed by ‘convenient location’ with total score of 10564 and average score of 55.31.

Table 3.10: Ranking given by female respondents for banking service

Banking Service	Total Score	Average Score	Rank
Convenient Location	10564	55.31	2
Staff Attitude	10525	55.10	3
Less Queuing Time	10489	54.92	1
It Service	8043	42.11	5
Loan Service	8902	46.61	4
Micro Finance	7780	40.73	6

Source: *Field Survey*

The third rank was occupied by ‘staff attitude’ with total score of 10525 with average score of 55.10. Unlike the male respondents, female respondents had rank ‘loan services’ as the fourth with total score of 8902 with average score of 46.61. ‘IT service’ occupied the fifth position with total score of 8043 and average score of 42.11 and lastly, ‘micro-finance’ stood n the sixth position with total score of 7780 and average score of 40.73

Since the preference shows up just with regards to a solid inspiration, the examination of preferences covers an increasingly constrained however, simultaneously, an a lot further region than the investigation of inspirations that subsumes the assessment of the preference force, utilizing additionally indistinguishable instruments from on account of the assessment of reasons.

Estimating consumer preferences for elective item ideas might be performed by utilizing system that is increasingly more broadly known, to be specific the *conjugate investigation*. This is a technique for discovering the incentive being used buyers join to different highlights of an article. The respondents are given a few speculative offers got by consolidating certain highlights, and they should rank these ideas as indicated by their preferences.

Testing customers' preferences depends on an assortment of systems, for example simple rank ordering paired comparisons, each having explicit points of interest and drawbacks. The technique for unitary evaluation supplies considerably more data than the strategy for basic positioning and that of combined correlations. The subject is required to arrange on a scale his/her preferences for each services. By utilizing this strategy, we can discover the request for preferences, yet in addition the subjective degrees of preferences for each help.

The study on the buyers' preferences has lead to an increasingly careful comprehension of a few significant issues emerged in the exploration on the customer fulfillment, particularly one identified with the way that the purchaser fulfillment in unrivaled conditions at present doesn't guarantee the appearance of the shopper preference later on.

3.8 Frequent visit to the bank

Table: 3.11: Frequent visit to the bank

Account Held by the Respondents	Frequent Visit of the Bank by the Respondent in a Month							Total
	Rarely	Once a Month	Twice in a Month	Once in a Week	Twice a Week	Thrice a Week	Every day	
State Bank of India	15	9	11	15	13	54	33	150
Mizoram Rural Bank	3	2	1	9	10	59	66	150
Axis Bank	3	2	13	20	23	4	85	150
Total	21	13	25	44	46	117	184	450
Percent	4.7	2.9	5.6	9.8	10.2	26.0	40.9	100

Source: *Field Survey*

The respondents visit to the bank was analyzed for each bank separately and it had been found that 40.9% of the respondents had visited their bank every day.

It had been observed that Axis Bank had 85 respondents who visited their bank everyday while Mizoram Rural Bank had 66 respondents who visited their bank everyday and only 33 respondents from State Bank of India had visited the bank every day. Axis Bank had the most respondents who had visited their bank daily since the bank is mainly operated by business people who need to visit the bank daily to deposit and withdraw their business money.

3.9 Bank-wise and kinds of services used

The respondents are asked to express their main reason of visit to the bank, types of account they operate and other services which had been availed by them. The following table represents the bank-wise respondents and their availed services.

Table 3.12 shows that Mizoram Rural Bank has the maximum respondents (121 respondents) whose main visit to their respective bank is to make a deposit and 22 respondents from the same bank mainly visit to withdraw cash. 9 SBI respondents and 8 from Axis Bank normally visit their bank to inquire about their balance. There are 21 respondents from Axis Bank who often visit their bank to inquire about loans and investment.

Table 3.12 Bank-wise of the respondents and their availed services

Particulars	Statements	Bank			Total
		State Bank of India	Axis Bank	Mizoram Rural Bank	
Reason Of Bank Visit By The Respondents	To Make A Deposit	115	108	121	344
	To Withdraw Cash	17	13	22	52
	To Inquire About Balance	9	8	1	18
	To Inquire Loans And investment	7	21	4	32
	To Enquire Internet Services	1	0	2	3
	Other	1	0	0	1
	Total	150	150	150	450
Types Of Account Of The Respondents	Savings Account	124	125	137	386
	Current Account	10	19	1	30
	Fixed Deposit Account	12	4	0	16
	Recurring Deposit Account	3	0	3	6
	Youth Account	1	2	5	8
	No Frills Account	0	0	4	4
	Total	150	150	150	450
Kinds Of Loan Availed By The Respondents	Personal Loan	17	23	19	59
	Housing Loan	16	4	19	39
	Vehicle Loan	14	2	5	21
	Educational Loan	5	1	0	6
	Business Loan	9	2	7	18
	Other	1	2	1	4
	Total	62	34	51	147
IT Services Used By The Respondents	Core-Banking	15	3	42	60
	Fund/Money Transfer	30	0	0	30
	ATM	70	44	46	160
	Green Channel	3	0	0	3
	Green Card	1	0	0	1
	Mobile Banking	9	0	7	16
	Others	1	0	0	1
	None	4	4	2	10
Total	133	51	97	281	
Kinds Of Micro-Finance Availed By The Respondents	Joint Liability Group	3	0	0	3
	Self-Help Group	0	0	18	18
	Kissan Credit Card Loan	0	0	10	10
	Simple Credit Card	1	0	0	1
	Total	4	0	28	32

Source: Field survey

For all the selected banks, maximum respondents are operating savings account while only 19 respondents from Axis Bank and 10 respondents from State Bank of India are operating current account. There are 12 respondents from SBI who are operating fixed deposit account and no respondents from Mizoram Rural Bank who operate fixed deposit account. 3 respondents from both SBI and Mizoram Rural Bank and no respondents from Axis Bank are having recurring deposit account.

From 450 respondents, there are only 147 respondents who had availed loan facilities and out of which, there are 17 respondents from SBI, 19 respondents from Mizoram Rural Bank and 23 respondents from Axis bank who had availed personal loan. 14 respondents from SBI had availed vehicle loan and none from Mizoram Rural Bank had availed educational loan.

Among the 450 respondents, there are 70 respondents from SBI, 46 respondents from Mizoram Rural Bank and 44 respondents from Axis Bank who are availing ATM facilities. 9 respondents from SBI and 7 from Mizoram Rural Bank had used mobile banking. There are 4 respondents from SBI, 2 respondents from Mizoram Rural Bank and 4 from Axis bank who are not availing any kinds of IT services.

Furthermore, it can be seen that there are only 4 respondents from SBI and 28 respondents from Mizoram Rural Bank who had availed different funds for micro-finance services.

3.10 Gender and kinds of services used

The respondents are asked to mention their main reason of visit to the bank, types of account they operate and other services in terms of gender. The following table presents the gender wise respondents and their availed services.

Table 3.13 indicates that there are 344 respondents whose main visit to the bank is to make deposit and 52 respondents mainly visit their bank branch to withdraw cash. 18 respondents visit their bank branch to enquire about their balance and 32 respondents have visited mainly to enquire about loans and investment. Only 3 respondents have visited their bank to ask for internet services.

Maximum numbers of respondents have a savings account with 214 male and 172 female. There are only 7 female respondents who operate current account and 23 male respondents who operate for current account. 15 male respondents and only 1 female respondent is operating fixed deposit account, and there are no male respondents with only 4 female respondents who operated no frills account.

Among the 450 respondents, there are only 147 respondents who had availed the loan facilities from their respective bank branch and there are 38 male and 21 female respondents who had availed the personal loan and 32 male and 7 female respondents who had availed the housing loan facilities. 16 male and 5 female respondents had availed vehicle loan and 2 male and 4 female had taken an educational loan. 12 male and 6 female had taken business loan for starting their own business.

Table 3.13: Gender of the respondents and their availed services

Particulars	Statements	Gender		Total
		Male	Female	
Reason of Bank Visit by the Respondents	To Make a Deposit	189	155	344
	To Withdraw Cash	36	16	52
	To Inquire about Balance	12	6	18
	To Inquire about Loans and Investment	21	11	32
	To avail Internet Banking Services	1	2	3
	Other	0	1	1
	Total	259	191	450
Types of Account of the Respondents	Savings Account	214	172	386
	Current Account	23	7	30
	Fixed Deposit Account	15	1	16
	Recurring Deposit Account	2	4	6
	Youth Account	5	3	8
	No Frills Account	0	4	4
	Total	259	191	450
Kinds of Loan availed by the Respondents	Personal Loan	38	21	59
	Housing Loan	32	7	39
	Vehicle Loan	16	5	21
	Educational Loan	2	4	6
	Business Loan	12	6	18
	Other	2	2	4
	Total	102	45	147
IT Services used by the Respondents	Core-Banking	40	20	60
	Fund/Money Transfer	21	9	30
	ATM	97	63	160
	Green Channel	2	1	3
	Green Card	1	0	1
	Mobile Banking	9	7	16
	Others	0	1	1
	None	4	6	10
	Total	174	107	281
Kinds of Micro-Finance availed by the Respondents	Joint Liability Group	1	2	3
	Self-Help Group	8	10	18
	Kissan Credit Card Loan	8	2	10
	Simple Credit Card	1	0	1
	Total	18	14	32

Source: Field survey

Subsequently, the respondents were asked to give their most common use of IT services and it had been found that 281 respondents from 450 had used IT services. 97 male and 63 female respondents are mainly using ATM and only 1 male respondent using a green card facility.

Also from 450 respondents, there are 18 male and 14 female who had availed the micro-finance facilities. There are 8 male availing SHG and KCC loan along with 10 female utilizing SHG and 2 female availing KCC loan.

3.11 Age and kinds of services used

In respect to the age of the respondents, the respondents were asked to express the various services availed by them.

From table 3.14, it can be observed that 115 respondents from the age group of 18-30 years had visited bank to make deposit and only 33 respondents of 57 years and above visited to make a deposit. There are no respondents from the age group of 44-56 and 57 years and above that visit bank to enquire about internet facilities.

There are 132 respondents from the age group of 31-43 to have a savings account and from the same age group there are 11 respondents holding current account. In the entire age group, there are only 4 respondents who are having no frills account which belongs to the age group of 18-30 years.

62 respondents from the age group of 31-43 had availed loan facilities with 31 of them availing personal loan. There are 20 respondents from the age group of 44-56 years who had availed housing loan facilities.

Table 3.14: Age of the respondents and their availed services

Particulars	Statements	Age of the Respondents				Total
		18-30	31-43	44-56	57yrs and above	
Reason of Bank Visit by the Respondents	To Make a Deposit	115	110	86	33	344
	To Withdraw Cash	4	21	18	9	52
	To Inquire about Balance	2	9	4	3	18
	To Inquire about Loans and Investment	2	10	14	6	32
	To Enquire Internet Services	2	1	0	0	3
	Other	0	0	1	0	1
	Total	125	151	123	51	450
Types of Account of the Respondents	Savings Account	117	132	94	43	386
	Current Account	4	11	10	5	30
	Fixed Deposit Account	0	8	6	2	16
	Recurring Deposit Account	0	0	6	0	6
	Youth Account	0	0	7	1	8
	No Frills Account	4	0	0	0	4
	Total	125	151	123	51	450
Kinds of Loan Availed by the Respondents	Personal Loan	6	31	17	5	59
	Housing Loan	1	12	20	6	39
	Vehicle Loan	2	9	5	5	21
	Educational Loan	0	2	3	1	6
	Business Loan	1	6	9	2	18
	Other	0	2	2	0	4
	Total	10	62	56	19	147
IT Services used by the Respondents	Core-Banking	14	16	23	7	60
	Fund/Money Transfer	1	14	13	2	30
	ATM	42	62	38	18	160
	Green Channel	0	0	2	1	3
	Green Card	0	1	0	0	1
	Mobile Banking	6	5	3	2	16
	Others	0	0	1	0	1
	None	4	1	5	0	10
	Total	67	99	85	30	281
Kinds of Micro-Finance availed by the Respondents	Joint Liability Group	1	0	2	0	3
	Self-Help Group	3	9	4	2	18
	Kissan Credit Card Loan	0	6	2	2	10
	Simple Credit Card	1	0	0	0	1
	Total	5	15	8	4	32

Source: Field survey

Also, age group of 34-43 has 99 respondents who are using IT services with 62 of them using ATM facilities. Only one respondent from the age group of 57 years and above is using green channel. There are 4 respondents from the age group of 18-30, 1 respondent from 31-43 and 5 respondents from 44-56 age groups who are not using any kind of IT services.

Furthermore there are 9 respondents from the age group of 34-43 who had availed SHG under the micro-finance and 6 respondents from the same age group who had availed KCC loan. There is only 1 respondent who had availed Simple Credit Card which belongs to the age group of 18-30 years.

3.12 Occupation and kinds of services used

Based on their occupation, the services availed by the respondents were being analyzed.

Table 3.15 indicates that 105 respondents from self-employed visit bank mainly to deposit money and 34 respondents from government service visit the bank to withdraw cash. There are 115 government service respondents who are operating savings account and 16 self employed who operate current account.

Table 3.15: Occupation of the respondents and their availed services

Particulars	Statements	Occupation of the Respondents					Total
		Govt Service	Private Service	Business	Self-Employed	Others	
Reason of Bank Visit by the Respondents	To Make Deposit	81	53	38	105	67	344
	To Withdraw Cash	34	8	3	6	1	52
	To Inquire about Balance	8	3	0	7	0	18

	To Inquire about Loans and Investment	10	2	7	13	0	32
	To Enquire Internet Services	0	0	0	0	3	3
	Other	0	0	0	1	0	1
	Total	133	66	48	132	71	450
Types of Account of the Respondents	Savings Account	115	60	36	107	68	386
	Current Account	6	2	6	16	0	30
	Fixed Deposit Account	6	1	3	6	0	16
	Recurring Deposit Account	2	2	0	2	0	6
	Youth Account	4	0	3	1	0	8
	No Frills Account	0	1	0	0	3	4
	Total	133	66	48	132	71	450
Kinds of Loan availed by the Respondents	Personal Loan	22	6	7	24	0	59
	Housing Loan	22	5	1	11	0	39
	Vehicle Loan	9	3	1	8	0	21
	Educational Loan	5	0	0	1	0	6
	Business Loan	0	2	12	4	0	18
	Other	0	2	0	2	0	4
	Total	58	18	21	50	0	147
IT Services used by the Respondents	Core-Banking	31	12	3	10	4	60
	Fund/Money Transfer	13	2	5	8	2	30
	ATM	41	27	20	49	23	160
	Green Channel	2	0	0	1	0	3
	Green Card	1	0	0	0	0	1
	Mobile Banking	6	2	0	3	5	16
	Others	0	1	0	0	0	1
	None	2	2	1	2	3	10
Total	96	46	29	73	37	281	
Kinds of Micro-Finance availed by the Respondents	Joint Liability Group	0	2	0	1	0	3
	Self-Help Group	0	2	1	12	3	18
	Kissan Credit Card Loan	0	2	0	8	0	10
	Simple Credit Card	0	1	0	0	0	1
	Total	0	7	1	21	3	32

Source: Field Survey

The table also indicates that 96 respondents from the government service are using IT services where 41 of them are mainly using ATM facilities. There are 73 self-employed who are availing IT services with 49 of them using ATM facilities. 31 government services are using core-banking facilities and 6 respondents from the same using mobile banking. There are 12 self-employed respondents who had availed SHG from the micro-finance and 8 respondents from the same who had availed KCC loan. It had been observed that only 1 respondent from the private service who availed simple credit card facilities and no other occupational group had availed simple credit card facilities.

Also it can be seen that 22 respondents from the government service have availed personal and housing loan from their respective bank and 24 self-employed that had availed personal loan. There are 12 business people who had availed business loan from their bank and only one respondent from self-employed had availed educational loan

3.13 Income and kinds of services used

From table 3.16, it can be seen that the services availed by the respondents were being analyzed.

Table 3.15 indicates that there are 129 respondents with income group of Rs 10,000 and below who mainly visit their bank for deposit and 114 respondents from income group of Rs.10,001-Rs.50,000 who visit their bank to make deposits. 27 respondents from the income group of Rs.10,001-Rs.50,000 visit their bank mainly to withdraw cash.

There are 139 respondents from income group of Rs.10,001-Rs.50,000 and 131 respondents from income group of Rs.10,000 and below who are operating savings account and 17 respondents from the income group of Rs.50,001 – Rs.1,00,000 who operated current account and 9 respondents from the same income group who are having a fixed deposits account.

There are 25 respondents from income group of Rs.50,001-Rs.1,00,000 and 23 respondents from Rs.10,001-Rs.50,000 group who had availed personal loan and 22 respondents from Rs.10,001-Rs.50,000 income group who have taken housing loan from their bank and from the same income group there are 6 respondents who had availed vehicle loan. 8 persons from the income group of Rs.50,001-Rs.1,00,000 had taken business loan.

160 respondents are found to use ATM facilities out of which 60 respondents belong to the income group of Rs.10,001-Rs.50,000 and 52 respondents from Rs.10,000 and below of income. 8 respondents from income group of Rs.10,001-Rs.50,000 and 7 respondents from Rs.10,000 and below are using mobile banking. There are 10 respondents who are not using any kind of IT facilities.

9 respondents from income group of Rs.10,000 and below are availing SHG facilities and 7 from income group of Rs.10,001-Rs.50,000. It had been observed that 6 respondents from income group of Rs.10,001-Rs.50,000 and 3 from income group of Rs.10,000 and below are availing the facilities of KCC loan.

Table 3.16: Income of the respondents and their availed services

Particulars	Statements	Income of the Respondents				Total
		Rs.10, 000 And Below	Rs.10,001- Rs.50,000	Rs.50,001- Rs.1,00,000	Rs.1,00,001 And Above	
Reason of Bank Visit by the Respondents	To Make Deposit	129	114	71	30	344
	To Withdraw Cash	9	27	16	0	52
	To Inquire about Balance	0	6	8	4	18
	To Inquire about Loans and Investment	1	8	14	9	32
	To Enquire Internet Services	3	0	0	0	3
	Other	0	0	0	1	1
	Total	142	155	109	44	450
Types of Account of the Respondents	Savings Account	131	139	81	35	386
	Current Account	1	6	17	6	30
	Fixed Deposit Account	2	3	9	2	16
	Recurring Deposit Account	3	2	0	1	6
	Youth Account	1	5	2	0	8
	No Frills Account	4	0	0	0	4
	Total	142	155	109	44	450
Kinds of Loan availed by the Respondents	Personal Loan	7	23	25	4	59
	Housing Loan	1	22	15	1	39
	Vehicle Loan	6	8	6	1	21
	Educational Loan	0	1	1	4	6
	Business Loan	2	5	8	3	18
	Other	2	0	0	2	4
	Total	18	59	55	15	147
IT Services used by the Respondents	Core-Banking	18	30	9	3	60
	Fund/Money Transfer	5	4	11	10	30
	ATM	52	60	36	12	160
	Green Channel	0	2	1	0	3
	Green Card	0	1	0	0	1
	Mobile Banking	7	8	0	1	16
	Others	0	1	0	0	1
	None	4	3	3	0	10
	Total	86	109	60	26	281
Kinds of Micro-Finance availed by the Respondents	Joint Liability Group	3	0	0	0	3
	Self-Help Group	9	7	1	1	18
	Kissan Credit Card Loan	3	6	1	0	10
	Simple Credit Card	0	0	1	0	1
	Total	15	13	3	1	32

Source: Field Survey

3.14 Conclusion

Elavarasi (2014) in his study shows that age, educational qualification, occupation, income level of customer are some of the factors that decide the usage of banking services. Convenience of the banking services seems to have high impact on the customers as the first rank given by respondents is 'less queuing time' followed by 'convenient location'.

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4.1 Introduction

This chapter presents the factors that influence the customer preferences in various banking services. It focused on the factor that influence the customer preferences in various banking services and interpreted at the end of the chapter.

4.2 Factors affecting customer preference

Crosby et al., (1990) observed that trust is viewed as a significant factor in the Internet banking condition where hazard and vulnerability are characteristic and where contracts and guarantees are frequently missing.

Clay and Strauss (2000) points out that dependability of the system is the clients' fundamental concern. At whatever point individual monetary information is transmitted over the electronic system there are dangers of the burglary of this data by unapproved parties or of abuse by the bank gathering it. In addition, Internet banking is exceptionally dubious in light of the fact that the gatherings associated with an exchange are not in a similar spot. Clients can't, in this way, watch a teller's conduct straightforwardly thus can't rely upon things like physical closeness, handshakes, and body sign of the teller. In this way, if clients have an abnormal state of trust in the Internet banking framework they are likewise prone to have a high goal to utilize the framework.

Lee and Turban (2001) propose that trust in the Internet condition in clients' view incorporate their general trust when participating in on-line banking and specifically the normal competency of the electronic framework, for example, system and

download speed, safety, dependability, network and accessibility to assess electronic exchanges.

Karjaluoto (2002) observed that instead of internet banking where customer accessed from their personal computer, mobile banking would be much faster and more convenient for the customers to make transaction and enquire about their bank details. Thus, the delivery time will be expected to be shorten in the wireless technology.

Burke (2002) had found that delivery mode of service is not up to the mark since the customers are either not aware of e-banking facilities or not up-to-date with the facilities being provided. It is important for the banks to update their customers with the improvement of the facilities so that even the changing requirement of the customers could be fulfilled easily.

Kamal and Hassan (2003) had studied the effect of starting e-banking in Egypt. They try to analyse the preferences of various services and found that internet banking is the most preferred services among the e-banking services.

Awamleh and Fernades (2005) examine the internet banking channels and service preferences on clients in United Arab Emirates. They inspect the components affecting the aim to embrace or proceeded with use of internet banking among client and non-clients of internet banking utilizing model dependent on Technology Acceptance Model. Their discoveries uncovered that components like relative convenience, saw chance PC viability and picture significantly affected proceeded with utilization of internet banking clients.

Malliappan, (2005) analyzed that the uprising of IT has change tremendously in the area of business. It can be noticed that among all the sector, banking and finance sector is the most influenced by the uprising technology. The banks are using this technology to rise and win their customers.

Suresh et. al., (2011) in their examination investigates the preferences of Indian clients towards the utilization of advances regarding such factors as accommodation, protection, security, usability, continuous openness and precise record of differed exchange that empower client's appropriation of Banking Technology. The outcomes demonstrate that statistic factors, for example, sexual orientation, age, capability and pay assume a positive job in reception of banking innovation. Every one of the banks are utilizing data innovation as a key vehicle to remain aggressive against different players

The factor examination is a quantifiable part used for the lessening of a lot of perceptible factors with respect to couple of inactive variables. It is a device which picks the base number of recognizable customary factors by thinking about the covariance among a great deal of watched factors (Malhotra, 2011). The fundamental purpose behind this examination is to structure segments of variables which are free of one another. Head segment assessment was used for expelling the segments. The between operability of parts can be improved through turn of the networks. Symmetrical revolution varimax was run accepting all of the parts to be self-ruling from each other factor. To ensure the sensibility of data for factor assessment, both the KMO (Kaiser-Meyer-Olkin) extent of reviewing adequacy and Bartlett's Test of Sphericity were used. The KMO preliminary breaks down the

degree of the watched relationship coefficients to the size of the midway association coefficients. The KMO measure the looking at sufficiency of the data and its bits of knowledge moves some place in the scope of 0 and 1. A worth near 1 demonstrates the examples of connection are generally smaller and consequently the information is suitable for factor investigation and useful for testing

4.2.1 Factor analysis for general banking services

Table : 4.1 KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.698
Bartlett's Test of Sphericity	Approx. Chi-Square	314.217
	Df	42
	Sig.	0

Source: *Field survey*

The value of KMO was observed to be 0.698 which is more prominent than 0.5 denoting the expressions of Cortina J. M (1993) that the incentive somewhere in the range of 5 and 7 are average and is satisfactory and fit for testing. Likewise Bartlett's Test of Sphericity was directed to check the general noteworthiness of networks and it was observed to be highly significant 0.000 (Bartlett's sign <0.001) with an estimated chi square of 314.217. Thus, the informational index was viewed as fitting for running factor analysis.

Table 4.2: Communalities (preferences in general banking service)

	S 1	S 2	S 3	S 4	S 5	S 6	S 7	S 8	S 9	S 10	S 11	S 12	S 13	S 14	S 15	S 16	S 17	S 18	S 19	S 20
Initial	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Extraction	0.60	0.79	0.36	0.43	0.51	0.80	0.79	0.63	0.78	0.61	0.35	0.54	0.41	0.48	0.66	0.82	0.77	0.66	0.78	0.65

Extraction Method: *Principal Component Analysis*

Table 4.2 explains the initial and extracted communalities. Principal component analysis takes a shot at the underlying supposition that all variations are common i.e. the communalities are all 1 before the extraction. The common variance in the data is presented in the extraction row where the structure meaning 60 % of the variance associated with statement 1. The normal change in the information is introduced in the extraction push where the structure meaning 60 % of the difference related with proclamation 1 is normal or shared fluctuation. Moreover for every one of the factors, the measure of fluctuation can be clarified by the held elements which are spoken to by the communalities after the extraction.

Table 4.3 summarizes the total variance explained and lists the Eigen values associated with each factor before the extraction, after extraction and after rotation. If the Eigen value of a factor is less than 1 it is to be dropped from the study otherwise is to be retained (Paneerselvam, 2007). Using the Eigen value criteria, 5 factors are extracted whose Eigen value is above 1. The initial Eigen values comes out with three different columns where the first column gives the values for all the factors in decreasing order, the second column explains %age of variance which is followed by cumulative variance in the third column i.e. factor 1 explains 20.814 % of variance. Then the second part of the table Extraction Sum of Squared Loadings shows that 5 factors with Eigen value greater than 1 are extracted indicating there are five useful factors which explain 62.072 % of the variance. Similarly, the Eigen values after rotation are displayed in the third part of the table Rotation Sum of Squared Loading. Rotation has the effect of optimizing the factor structure and it equalizes the relative importance of these five factors. Before rotation, factor 1 accounted considerably more variance (4.163) than after rotation (3.245) while the

last two factors had increased Eigen values after the rotation (1.805 and 1.576 before rotation increased to 2.210 and 2.169 after rotations).

Table 4.3 : Total variance explained (preferences in general banking service)

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.163	20.814	20.814	4.163	20.814	20.814	3.245	16.223	16.223
2	2.642	13.210	34.023	2.642	13.210	34.023	2.455	12.277	28.500
3	2.229	11.146	45.169	2.229	11.146	45.169	2.336	11.678	40.178
4	1.805	9.023	54.192	1.805	9.023	54.192	2.210	11.048	51.226
5	1.576	7.880	62.072	1.576	7.880	62.072	2.169	10.846	62.072
6	0.962	5.808	67.881						
7	0.854	5.798	73.679						
8	0.825	4.808	78.487						
9	0.774	3.870	82.357						
10	0.759	3.794	86.151						
11	0.589	2.946	89.097						
12	0.571	2.853	91.957						
13	0.484	2.420	94.378						
14	0.442	2.211	96.589						
15	0.294	1.468	98.057						
16	0.195	0.973	99.030						
17	0.123	0.616	99.646						
18	0.042	0.212	99.858						
19	0.018	0.089	99.947						
20	0.011	0.053	100.000						

Extraction: *Principal Extraction Method*

From Table 4.4, it can be seen that the factor analysis of 20 statements suggest that five factors were chosen on the basis of Eigen value of more than 1. The first factor can be called convenient which is laden with less queuing time, convenient location, good parking space and close to the respondent's home.

Table 4.4: Rotated Component Matrix in general banking services

Statement		Component				
		Convenient	Security	User Friendliness	Service Provision	Technology
I prefer bank	with a less queuing time	0.883				
	with a convenient location	0.744				
	where transaction of money is easy and convenient	0.706				
	that has a good parking space	0.609				
	having convenient sitting and waiting arrangement	0.55				
	that is close to my home	0.437				
	with a trust worthy staff		0.768			
	where the staff are courteous with their customer		0.725			
	that inform about new and attractive schemes and suggest in taking actions		0.653			
	where I feel safe and secure in all the transaction		0.463			
	where there is a wide range of services available for the customer			0.791		
	where I get my salary			0.673		
	if any of the staff is well known to me			0.634		
	where staff has a strong knowledge about the services given by the bank				0.85	
	that deliver all the services within the promised time				0.73	
	where staff are responsive to their customer				0.72	
	where opening of an account is easy and less time taking				0.51	
	where staff handles problem effectively				0.509	
	where they have insurance for the account holder					0.865
	with a core banking facility					0.838

Extraction Method: *Principal Component Analysis*

Rotation Method: *Varimax with Kaiser Normalization*

Rotation converged in 7 iterations

The second factor can be called security which is again laden with trust worthy, courteous staff, feeling secure and safe in all the transaction. The third factor is known as user friendliness which is exhibited by the factor loadings a wide range of services availability, where the respondents get their salary and where the staffs are known to them. The fourth factor is known as service provision which is laden with accurate delivery time, responsive staff, opening of account is less time taking and staffs have a strong knowledge about the services. The last factor is called technology which is exhibited with core banking and insurance.

Therefore, it can be state that among the respondents, convenience can be considered to be the most important factor influencing the customers in choosing the bank followed by security and user friendliness. Service provision and technology are also found to have influences upon the customers in choosing a bank.

4.2.2 Factor analysis for Loan services

Table 4.5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.683
Bartlett's Test of Sphericity	Approx. Chi-Square	313.938
	Df	65
	Sig.	.000

Source: *Field survey*

The value of KMO was found to be 0.683 which is greater than 0.5 and hence the sample is adequate and fit for testing. Also Bartlett's Test of Sphericity was conducted to check the overall significance of matrices and it was found to be highly significance 0.000 (Bartlett's sign <0.001) with an approximate chi square of 313.938. As a result, the data set was considered to be appropriate for running factor analysis.

Table 4.6: Communalities

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12
Initial	1	1	1	1	1	1	1	1	1	1	1	1
Extraction	.78	.47	.53	.60	.45	.43	.63	.42	.52	.47	.63	.57
n	4	1	2	5	8	2	1	3	7	6	0	4

Extraction Method: *Principal Component Analysis*

Table 4.6 explains the initial and extracted communalities. The common variance in the data is presented in the extraction row where the structure meaning 78.4 % of the variance associated with statement 1 is common or shared variance. Likewise for each of the variables, the amount of variance can be explained by the retained factors which are represented by the communalities after the extraction.

In table 4.7, factor 1 explains 29.758 % of variance. Then the second part of the table Extraction Sum of Squared Loadings shows that 4 factors with Eigen value greater than 1 are extracted indicating there are four useful factors which explain 63.995 % of the variance.

Similarly, the Eigen values after rotation are displayed in the third part of the table Rotation Sum of Squared Loading. Rotation has the effect of optimizing the factor structure and it equalizes the relative importance of these four factors. Before rotation, factor 1 accounted considerably more variance (3.869) than after rotation (2.749) while the rest four had increased Eigen values after the rotation (1.835, 1.542 and 1.074 before rotation increased to 2.085, 1.946 and 1.539 after rotations).

Table 4.7: Total variance explained (preferences in loan services)

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.869	29.758	29.758	3.869	29.758	29.758	2.749	21.144	21.144
2	1.835	14.114	43.872	1.835	14.114	43.872	2.085	16.039	37.183
3	1.542	11.865	55.737	1.542	11.865	55.737	1.946	14.970	52.153
4	1.074	8.258	63.995	1.074	8.258	63.995	1.539	11.842	63.995
5	0.917	7.054	71.049						
6	0.853	6.562	77.611						
7	0.632	4.859	82.470						
8	0.553	4.353	86.823						
9	0.524	3.976	90.799						
10	0.451	3.774	94.573						
11	0.243	2.981	97.554						
12	0.204	2.446	100.000						

Extraction: *Principal Extraction Method*

From table 4.8, it can be seen that the factor analysis of 12 statements suggest that four factors were chosen on the basis of Eigen value of more than 1. The first factor can be called documentation process which is laden with interest of loan, clarity, salary home bank and time taken for processing of loan. The second factor can be called services and offers which are again laden with a satisfaction in the loan process, responsive staff and simple, easy and less time taking in the loan process.

Table 4.8: Rotated Component Matrix

Statement	Component			
	Documentation Process	Services And Offers	Repayment Time	Bank Creditability
Main preference is due to the interest rate of the loan	0.818			
There is a clarity of required document to e submitted	0.713			
Main preference for loan is that I take salary from this bank	0.674			
The time taken for processing loan is short	0.601			
The customer services offered in the processing of loan is satisfying		0.807		
The bank staff are responsive to my needs		0.666		
Process of loan is simple, easy and less time taking		0.588		
The bank allow to access my loan account anytime I need			0.799	
There is a flexibility in repayment of loan			0.657	
There is no hidden change of banking operation in any loan case			0.581	
Main preference for loan is the good service of the bank				0.827
Bank keeps record of installment and interest in a proper and clear manner				0.612

Extraction Method: *Principal Component Analysis*

Rotation Method: *Varimax with Kaiser Normalization*

Rotation converged in 6 iterations

The third factor is known as repayment time which is exhibited by the factor loadings of allowing to access loan account anytime in need, flexibility in repayment of loan and no hidden change of banking operation in any loan case. The last factor

is known as bank creditability which is loaded with good service of the bank and keeping record of installment and interest in a proper and clear manner.

Thus, it can be affirmed that among the respondents, documentation process is considered to be the most important factor influencing the customers in terms of loan services followed by services and offered of loan by the bank, repayment time and bank creditability.

4.2.3 Factor analysis for internet banking services

Table 4.9: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.716
Bartlett's Test of Sphericity	Approx. Chi-Square	457.315
	Df	136
	Sig.	.000

Source: *Field Survey*

The value of KMO was found to be 0.716 which is greater than 0.5 and hence the sample is adequate and fit for testing. Also Bartlett's Test of Sphericity was conducted to check the overall significance of matrices and it was found to be highly significance 0.000 (Bartlett's sign <0.001) with an approximate chi square of 457.315. As a result, the data set was considered to be appropriate for running factor analysis.

Table 4.10: Communalities

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11
Initial	1	1	1	1	1	1	1	1	1	1	1
Extraction	.564	.274	.627	.733	.701	.614	.545	.478	.539	.475	.644

Extraction Method: *Principal Component Analysis*

Table 4.10 explains the initial and extracted communalities. The common variance in the data is presented in the extraction row where the structure meaning 56.4 % of the variance associated with statement 1 is common or shared variance. Likewise for each of the variables, the amount of variance can be explained by the retained factors which are represented by the communalities after the extraction.

Table 4.11: Total variance explained (preferences in internet-banking)

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.714	27.954	27.954	2.714	27.954	27.954	1.987	19.870	19.870
2	1.542	19.157	47.111	1.542	19.157	47.111	1.624	16.240	36.110
3	1.329	10.292	57.403	1.329	10.292	57.403	1.426	14.268	50.378
4	1.166	6.856	64.260	1.166	6.856	64.260	1.388	13.882	64.260
5	1.007	5.923	70.183						
6	.997	5.895	76.078						
7	.987	5.926	82.004						
8	.965	5.219	87.223						
9	.895	4.935	92.158						
10	.725	4.618	96.776						
11	.625	3.224	100.000						

Extraction: *Principal Extraction Method*

In table 4.11, factor 1 explains 27.954 % of variance. Then the second part of the table Extraction Sum of Squared Loadings shows that 4 factors with Eigen value greater than 1 are extracted indicating there are four useful factors which explain 64.260 % of the variance. Similarly, the Eigen values after rotation are displayed in the third part of the table Rotation Sum of Squared Loading. Rotation has the effect of optimizing the factor structure and it equalizes the relative importance of these four factors. Before rotation, factor 1 accounted considerably more variance (2.714) than after rotation (1.987) while the rest three had increased Eigen values after the rotation (1.542, 1.329 and 1.166 before rotation increased to 1.624, 1.426 and 1.388 after rotations).

From table 4.12, it can be seen that the factor analysis of 11 statements suggest that three factors were chosen on the basis of Eigen value of more than 1. The first factor can be called trust worthy which is laden with security, quick delivery, accuracy, prompt services, safe and secure transaction. The second factor can be called user friendliness which is again laden with transferring of funds anytime and smooth and easy internet banking. The last factor is known as geographical flexibility which is loaded with easy accessibility of account statement and information and transferring of money besides the office hour.

Therefore, it can be stated that among the respondents, trust worthy services is considered to be the most important factor influencing the customers in terms of internet banking facilities and followed by user friendliness and geographical flexibility.

Table 4.12: Rotated Component Matrix

Statement	Component		
	Trust Worthy	User-Friendly	Geographical Flexibility
Internet banking has adequate security features	.574		
The service delivered through the bank website is quick	.712		
Customers online transaction with the bank is accurate	.556		
Internet banking gives prompt services	.650		
the transaction on internet banking is safe and secure	.515		
I prefer bank where I can transfer funds anytime		.516	
I prefer bank where internet banking is smooth and easy		.683	
I prefer internet banking as my account statement can be access easily			0.735
I prefer internet banking as account information is easily accessible			0.546
I prefer internet banking as it has a 24 hours service			0.73
I prefer internet banking as I can transfer money besides the working hour			0.664

Extraction Method: *Principal Component Analysis*

Rotation Method: *Varimax with Kaiser Normalization*

Rotation converged in 5 iterations

Hypothesis 1

H₀: General Banking Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a: General Banking Services provided by the bank have a positive influence on customer preferences towards bank

To test the above hypothesis, correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In the regression analysis general banking services were used as independent variable which was supposed to have an influence on the dependent variable of customer preferences. This analysis was done on the basis of collected responses from the respondents.

Correlation analysis

The most common measure of correlation analysis namely Pearson correlation was used to test the degree of association between the variables. It measures the relationship between the independent variable viz. general banking services and dependent variable i.e. customer preferences.

The correlation analysis involves three main aspects: (i) Measuring the degree of association between the two variables, (ii) testing whether the relationship is significant and establishing the cause and effect relationship, if any (Krishnaswami and Ranganatham, 2011). Karl Pearson's Correlation coefficient is given by

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{n \cdot \sigma_x \sigma_y}$$

where,

x_i = ith value of x variable

\bar{x} = mean of x

y_i = ith value of y

\bar{y} = mean of Y

n = Number of pairs of observations of x and y

σ_x = standard deviation of x

σ_y = standard deviation of y

Table 4.13: Correlation analysis for general banking services

	C	S	UF	SP	T	CP
C	1					
S	0.08	1				
UF	.123**	.399**	1			
SP	0.054	.135**	.117*	1		
T	0.08	.124**	.093*	.526**	1	
CP	.603**	.139**	.107*	0.078	0.088	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: *Field Survey*

Where, C – Convenient

S – Security

UF – User Friendliness

SP – Service Provision

T – Technology

CP – Customer Preferences

Table 4.13 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 and 0.05 significant levels show a significant correlation among the independent variables and the dependent variable, except service provision and technology.

The result revealed that security (S) is positively related to other independent variables (except for convenient) and the dependent variable. Convenient (C), security (S), user friendliness (UF) are found to be positively related to customer preferences (CP) while no relation is found between service provision (SP), technology (T) and customer preferences (CP).

Multiple regression analysis

Regression analysis was used to find out the cause and effect relationship between general banking services and customer preferences.

In the study, the influence of general banking services of the bank was analyzed through regression analysis.

The regression was run on one set of data by taking general banking services as independent variable and customer preferences as the dependent variable.

Table 4.14 shows that the magnitude of R square came to be .373 indicating that 37.3 % of the variation in customer preference could be explained by the general banking service.

Table 4.14: Influence of General Banking Services on Customer Preferences

Variable	Customer Preference towards general banking services		
	β	t-value	p-value
Constant	.128	.355	.723
Convenient	.823	15.642	.000*
Security	.088	2.135	.033*
User Friendliness	-.007	-.138	.891
Service Provision	-.036	.578	.564
Technology	.027	.389	.697
R Square	.373		
Adjusted R Square	.366		
F-Ratio	52.878		
Durbin-Watson D Statistic	2.582		

**Significant at 5% level*

The Durbin Watson D statistic (2.582) indicates that the residual do not suffers from serial autocorrelation. The regression coefficient for the predictor variables convenient came to be 823. The coefficient value shows the change in the dependent

variable with a unit change in a variable value i.e. there is an increase of .823 in customer preference for every unit increase in banking services.

The positively significant regression coefficient of .823 with a p-value of .000 revealed that convenient in general banking services have positive effects on customer preferences. Thus in hypothesis 1, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .088 with a p-value of .033 in case of security revealed that security of the banking services has positive influence on customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of -.007 with a p-value of .891 in case of user friendliness states that user friendliness services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of -.036 with a p-value of .564 in case of service provision states that service provision services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of .027 with a p-value of .389 in case of technology states that technology services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

Hypothesis 2

H₀: Loan Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a: Loan Services provided by the bank have a positive influence on customer preferences towards bank.

Table 4.15: Correlation analysis for loan services

	DP	SAO	RT	BC	CP
DP	1				
SAO	.920**	1			
RT	.813**	.775**	1		
BC	-0.022	-0.062	0.07	1	
CP	.749**	.763**	.857**	0.046	1

** . Correlation is significant at the 0.01 level (2-tailed).

Where

DP – Documentation Process

SAO – Services and Offers

RT – Repayment Time

BC – Bank Creditability

CP – Customer Preferences

Table 4.15 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except bank creditability. The result revealed that documentation process (DP) is positively related to other independent variables (except for bank creditability) and the dependent variable.

Documentation process (DP), services and offers (SAO) and repayment time (RT) are found to be positively related to customer preferences (CP) while no relation is found between bank creditability (BC) and customer preferences (CP).

Table 4.16 shows that the magnitude of R square came to be .296 indicating that 29.6 % of the variation in customer preference could be explained by loan service.

The Durbin Watson D statistic (2.327) indicates that the residual do not suffers from serial autocorrelation.

Table 4.16: Influence of Loan Services on Customer Preferences

Variable	Customer Preference Towards Loan Service		
	β	T-Value	P-Value
Constant	.116	.326	.000*
Documentation Process	.897	13.650	.000*
Services And Offers	.861	2.399	.163
Repayment Time	.040	.935	.004*
Bank Creditability	.190	.477	.140
R Square	.296		
Adjusted R Square	.273		
F-Ratio	47.53		
Durbin-Watson D Statistic	2.327		

**Significant at 5% level*

The positively significant regression coefficient of .897 with a p-value of .000 in case of documentation process of the bank revealed that documentation process of the bank in processing a loan has positive influence on the customer preferences towards the banking services. Thus in hypothesis 2, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .040 with a p-value of .004 in case of repayment time of loan reveals that repayment time of loan has positive

influence on customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of .861 with a p-value of .163 in case of services and offers in the loan provision states that the services and offered in loan provision in bank does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of .190 with a p-value of .140 in case of bank creditability states that bank creditability does not influence the customer preferences. Thus, the null hypothesis is accepted.

Hypothesis 3

H₀: IT Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a: IT Services provided by the bank have a positive influence on customer preferences towards bank

Table 4.17: correlation analysis for IT services

	TW	UF	GF	CP
TW	1			
UF	-0.062	1		
GF	.368**	0.033	1	
CP	.404**	0.023	.672**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source: *Field Survey*

Where

TW – Trustworthy

UF – User Friendly

GF – Geographical Flexibility

CP – Customer Preferences

Table 4.17 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except user friendliness.

The result revealed that trustworthy (TW) is positively related to geographical flexibility (GF) and the dependent variable but not user friendly. Trustworthy (TW) and geographical flexibility (GF) are found to be positively related to customer preferences (CP) while no relation is found between user friendliness (UF) and customer preferences (CP).

Table 4.18 shows that the magnitude of R square came to be .368 indicating that 36.8 % of the variation in customer preference could be explained by loan service. The Durbin Watson D statistic (2.404) indicates that the residual do not suffers from serial autocorrelation.

Table 4.18: Influences of IT Services on Customer Preferences

Variable	Customer Preference Towards Internet Banking Service		
	β	T-Value	P-Value
Constant	3.121	12.636	.000*
Trustworthy	.594	2.367	.022*
User Friendly	.113	1.198	.231
Geographical Flexibility	.828	3.105	.000*
R Square	.368		
Adjusted R Square	.332		
F-Ratio	54.261		
Durbin-Watson D Statistic	2.404		

*Significant at 5% level

The positively significant regression coefficient of .594 with a p-value of .022 in case of trustworthiness of the internet banking revealed that trust worthiness of internet banking has positive influence on the customer preferences towards the bank. Thus in hypothesis 3, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .828 with a p-value of .000 in case of geographical flexibility of internet banking services reveals that internet banking services has positive influence on customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of .113 with a p-value of .231 in case of user friendliness in internet banking services states that the user friendliness in internet banking does not influence the customer preferences. Thus, the null hypothesis is accepted.

4.3 Conclusion

A study on factors affecting customer preferences has been carried out by a numbers of researchers as cited in the above literature review. The findings of this study reveal that in terms of general banking services, customer preferences have a positive relation with banking services like convenient, security and user friendliness. In terms of loan services customer preferences have a positive relation with documentation process, services and offers along with repayment time of the loan. In terms of IT services, customer preferences have a positive relation with trustworthy and geographical flexibility.

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5.1 Introduction

The final chapter describes major findings of the study and suggestions of the study. In the initial part of the chapter, the key major findings discussed at length are briefly presented here for better understanding. The suggestions given to the selected banks were discussed separately in the latter part of the chapter.

5.2 Major Findings:

- i. The study reveals that there are 191 female respondents. Also, among the male respondents, schedule tribe consist the maximum number (213 respondents) and the age group between 31-43 years consist 95 respondents (36.7%) and there are no male respondents from the general caste from the age group of 31-43 years of age. From the female respondents, there are no respondents of 57 years and above in the general category whereas there are 61 respondents from the age group of 18-30 years of age.
- ii. The study shows that there are 46 Hindu respondents, 25 Muslim respondents and 379 Christian respondents, only two male and female respondents from the Hindu respondents who are from the private services and the maximum respondents (20 respondents) from the Hindu religion are working in the government sector. There are more male respondents (27 respondents) from the Hindu religion. Also from the Muslim respondents, there are no male respondents working in a private service and also no female respondents who are self-employed. The maximum numbers of the respondents (12 respondents) are working in the government services, and there are more male respondents (17 respondents) from the Muslim religion.

Among the Christian respondents, there are 215 male respondents and 164 female respondents. The maximum respondents (117 respondents) are self-employed.

- iii. The study reveals that most respondents of income group are from Rs.10,001-Rs. 50,000 with 155 respondents and the least group is from the income group of Rs.1,00,001 and above group, with only 44 respondents. Also, among the respondents who has income of Rs.10,000 and below, there are 6 widowed respondents who have educational background till HSLC and the maximum respondents are unmarried with 101 respondents. There are 62 respondents (56.9%) who had done their studies till graduation. The last income group of Rs.1,00,001 and above has only 44 respondents with only 1 widowed respondents with HSLC qualification and the maximum respondents (27 respondents) had finished their post-graduation
- iv. The study finds that State Bank of India has the maximum male respondents i.e. 92 male respondents while Mizoram Rural Bank has the maximum female respondents i.e. 70 female respondents Out of the male respondents, there are no male respondents from Mizoram Rural Bank who preferred micro finance services and also there are no female respondents from State Bank of India who preferred micro finance services. Furthermore, less queuing time is the most preferred services from all the respondents of the selected banks with 33.1 % followed by convenient location of the bank with 21.6 % of the respondents.
- v. The study evaluate the customer preferences in general banking services, mean score of the respondents shows highest level of agreement to the

statement that *'I prefer bank with a less queuing time'*(4.222); followed by *'I prefer bank with a convenient location'*(4.062), *'I prefer bank where transaction of money is easy and convenient'*(3.921).

- vi. The study also evaluate the customer preferences in internet banking services, mean score of the respondents shows highest level of agreement to the statement that *'The transaction on internet banking is safe and secure'* (4.366) followed by *'I prefer internet banking as my account statement can be access easily'* (3.931), *'I prefer internet banking as I can transfer money besides the working hour'* (3.616)
- vii. The study evaluate the customer preferences in loan services, mean score of the respondents shows highest level of agreement to the statement that *'The bank staff are responsive to my needs'*(4.027) followed by *'The time taken for processing loan is short'*(3.918), *'Bank keeps record of installment and interest in a proper and clear manner'* (3.849)
- viii. Rank analysis on customers' preferences revealed that *'less queuing time'* with average score of 60.37 was ranked first. *'Convenient location'* holds the second position with an average score of 58.52. *'Staff attitude'* scored the third rank with an average score of 55.67.
- ix. Gender wise rank analysis was also run and it had been found that with both gender *'less queuing time'* stood first for both the gender with male respondents average score of 70.45 and female with average score of 54.92 followed by *'convenient location'* and *'staff attitude'* for both gender.
- x. The study found that Axis Bank had 85 respondents who visited their bank everyday while Mizoram Rural Bank had 66 respondents who visited their

bank everyday and only 33 respondents from State Bank of India had visited the bank every day.

- xi. The study revealed that there are 344 respondents whose main visit to the bank is to make deposit and 52 respondents mainly visit their bank branch to withdraw cash. 18 respondents visit their bank branch to enquire about their balance and 32 respondents have visited mainly to enquire about loans and investment. Only 3 respondents have visited their bank to ask for internet services. Maximum numbers of respondents have a savings account with 214 male and 172 female. There are only 7 female respondents who operate current account and 23 male respondents who operate for current account. 15 male respondents and only 1 female respondent is operating fixed deposit account, and there are no male respondents with only 4 female respondents who operated no frills account.
- xii. The study found that there are only 147 respondents who had availed the loan facilities from their respective bank branch and there are 38 male and 21 female respondents who had availed the personal loan and 32 male and 7 female respondents who had availed the housing loan facilities. 16 male and 5 female respondents had availed vehicle loan and 2 male and 4 female had taken an educational loan. 12 male and 6 female had taken business loan for starting their own business.
- xiii. From the study it had been found that 281 respondents from 450 had used IT services. 97 male and 63 female respondents are mainly using ATM and only 1 male respondent using a green card facility. There are 18 male and 14 female who had availed the micro-finance facilities. There are 8 male

availing SHG and KCC loan along with 10 female utilizing SHG and 2 female availing KCC loan.

xiv. Factor analysis was conducted to assess the important factors for customer preferences general banking services. The factor analyses of 20 statements suggest that five factors were chosen on the basis of Eigen value of more than 1. The first factor can be called convenient which is laden with less queuing time, convenient location, good parking space and close to the respondent's home. The second factor can be called security which is again laden with trust worthy, courteous staff, feeling secure and safe in all the transaction. The third factor is known as user friendliness which is exhibited by the factor loadings a wide range of services availability, where the respondents get their salary and where the staffs are known to them. The fourth factor is known as service provision which is laden with accurate delivery time, responsive staff, opening of account is less time taking and staffs have a strong knowledge about the services. The last factor is called technology which is exhibited with core banking and insurance.

xv. Factor analysis was again conducted to find out the important factors for customer preferences in loan services and it can be found that the factor analysis of 12 statements suggest that four factors were chosen on the basis of Eigen value of more than 1. The first factor can be called documentation process which is laden with interest of loan, clarity, salary home bank and time taken for processing of loan. The second factor can be called services and offers which are again laden with a satisfaction in the loan process, responsive staff and simple, easy and less time taking in the loan process.

The third factor is known as repayment time which is exhibited by the factor loadings of allowing to access loan account anytime in need, flexibility in repayment of loan and no hidden change of banking operation in any loan case. The last factor is known as bank creditability which is loaded with good service of the bank and keeping record of instalment and interest in a proper and clear manner

- xvi. Customer preferences for IT services was analysed with factor analysis and it was found that the factor analysis of 11 statements suggest that three factors were chosen on the basis of Eigen value of more than 1. The first factor can be called trust worthy which is laden with security, quick delivery, accuracy, prompt services, safe and secure transaction. The second factor can be called user friendliness which is again laden with transferring of funds anytime and smooth and easy internet banking. The last factor is known as geographical flexibility which is loaded with easy accessibility of account statement and information and transferring of money besides the office hour.
- xvii. Correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In terms of general banking services, correlation analysis reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 and 0.05 significant levels show a significant correlation among the independent variables and the dependent variable, except service provision and technology. The result revealed that security (S) is positively related to other independent variables (except for convenient) and the dependent variable. Convenient (C), security (S), user friendliness (UF) are found to be positively related to customer

preferences (CP) while no relation is found between service provision (SP), technology (T) and customer preferences (CP). Moreover, the regression analysis of magnitude of R square came to be .373 indicating that 37.3 % of the variation in customer preference could be explained by the general banking service

- xviii. Correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In terms of loan general banking services correlation matrix reveals that the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except bank creditability. The result revealed that documentation process (DP) is positively related to other independent variables (except for bank creditability) and the dependent variable. Documentation process (DP), services and offers (SAO) and repayment time (RT) are found to be positively related to customer preferences (CP) while no relation is found between bank creditability (BC) and customer preferences (CP). Moreover, the multiple regression analysis shows that the magnitude of R square came to be .296 indicating that 29.6 % of the variation in customer preference could be explained by loan service.
- xix. In terms of IT services, correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except user friendliness. The result revealed that trustworthy (TW) is positively related to geographical flexibility (GF) and the dependent

variable but not user friendly. Trustworthy (TW) and geographical flexibility (GF) are found to be positively related to customer preferences (CP) while no relation is found between user friendliness (UF) and customer preferences (CP). Hence, the multiple regression analysis shows that the magnitude of R square came to be .368 indicating that 36.8 % of the variation in customer preference could be explained by loan service.

5.3 Suggestions:

- i. All the banks need to improve upon their services in regards to the queuing time since customer's main preferred service is the less queuing time.
- ii. From the study we can see that the location of the bank plays an important role as many customers preferred bank depending on the location. Therefore, considering the location before setting up new branch is highly necessary.
- iii. The study finds that ATM facilities is the most used services in terms of IT, and hence, in order to attract customer and retain their existing customer, all the banks need to maintain the services as well as improve the facilities. Apart from this, setting up more ATM boot in various location is highly necessary as in some part of the studied area, ATM boot are hardly found.
- iv. Banks must concentrate on specific areas like micro finance, since out of 450 respondents, only a few had utilized this facility. The customers need to be educated in the micro finance as many of the respondents will benefit in different ways if this service being utilized by them.

- v. The study reveals that most number of loan being availed by the respondents are personal loan. Therefore the banks have to aware their customers the other loan services which can be availed by their customers.
- vi. From the factor analysis, it has been found that the documentation process was the most preferred services in loan. Therefore the bank should improve the process of loan sanction and made it simple so that more customers will be attracted to apply loan.
- vii. Since, staff attitude and knowledge of the service plays an important role in attracting customers, the banks need to trained and developed the skills of their staff so that they would retain their customers as well as attract new one.
- viii. Some respondents did not receive timely updated information (cash in and cash out) so banking authorities need to take measures to get information to all consumers without delay.
- ix. From multiple regression analysis, it had been found that banking services like convenient, security, loan document process, repayment time of loan, geographical flexibility of internet facilities have a positive influence on the customer preferences, therefore the banks should pay close attention to these services since the price of having a new customer is larger than the cost of retaining the existing customer. Therefore the banks should plan in retaining their existing customers since with that way they can thrive in their banking activities.

5.4 Conclusion

The main aim of the study is to examine the customer preferences in banking services of the selected banks. Today, in a vibrant world where customers do not like to waste their time in waiting the banks need to give their best services to their customers, then they are likely to hold their customers not to change the bank. The banks are not very varied in terms of the services they offer. As most of the banks are having the same services and try to put the customers at ease, the bank needs to identify itself from the other banks. So, in order to set apart its uniqueness from others, each bank has to make extra hard work to restore their services among their customers. During this research, according to the findings of the study, the majority of customers prefer a convenient service where the timespend for making transaction will be less time taking.

Banks must be inventive and should go with the customer expectation. Delivering quality services to customers is must for achieving satisfaction among the customers and to be successful in today's competitive banking activities.

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QUESTIONNAIRE

ON

Customer Preferences for Banking Services on Selected Banks in Mizoram

Dear Respondents,

I, the undersigned, am a bona fide research scholar in Department of Management, Mizoram University, Aizawl.

I am pursuing my doctoral programmes under the topic “Customer Preferences for Banking Services on Selected Banks in Mizoram”.

In order to ensure the completion of my PhD work, May I request you to kindly complete the questionnaire. I assure the data so collected will be kept strictly confidential and used for research work only. I also promise that no information about your name or identification will be directly used in the research work. Your cooperation will be appreciated. In case of any further query please contact on the number given below.

Thanking You.

Esther Malsawmkimi

Ph.D Scholar

Dept. of Management

Mizoram University, Aizawl.

Ph.no-9856704692

**Customer Preferences for Banking Services on Selected Banks in
Mizoram**

INSTRUCTION

Please read all the questions/statements carefully and fill up all the space provided, tick the appropriate boxes from all the statements.

Part A: Background Information

Please answer the question by putting tick(✓)mark in the appropriate box and if necessary on the space provided

1. Gender
Male Female
2. Address :
3. Age (in Yrs) :
4. Religion (please tick)
Hindu Muslim
Christian Others
5. Caste
General Scheduled Caste
Scheduled Tribe OBC
6. Marital status:
Married Unmarried
Divorced Widowed
7. Qualification:
Illiterate HSLC HSSLC
Graduate Post Graduate
Others (specify) :
8. Type of Family:
Nuclear Joint Others(specify):

9. Occupation of the respondent:

- Govt Service Private Service
- Businessman Self-employed
- Others: (please specify)

10. Income of the respondent (Monthly):

- a) ₹ 10000 and below
- b) ₹ 10001 - 50000
- c) ₹ 50001 - ₹ 100000
- d) ₹ 100001 - above

Part B: General Banking services

1. In which of the following bank/banks do you have an account? (*If you have more than one, give one where you do transaction more*)

- State Bank of India Mizoram Rural bank
- Axis Bank

2. How frequently do you visit your bank branch per month?

- Everyday Twice a week
- Thrice a week Once in two week
- Twice a month Once a month
- Rarely

3. What is the main reason that you typically visit your bank branch?

- to make a deposit
- to withdraw cash
- to inquire about a balance
- to inquire about loans and investment

to avail internet banking services ()

other ()

4. What types of account do you have?

Savings Account ()

Current Account ()

Fixed Deposit Account ()

Recurring Deposit Account ()

Youth Account ()

Ladies Account ()

No Frills Account ()

Others ()

5. Please rate the following services in according of importance and preferences : (where HI-Highly important, I- important, UD- Undecided, UI-Un-important, HU- Highly Unimportant . HP- Highly preferred, P-Preferred, UD- Undecided, NP- Not Preferred, HNP- Highly not Preferred)

Sl.no	SERVICES	Level of Importance					Level of Preference				
		HI	I	UD	UI	HU	HP	P	UD	NP	HNP
1	Opening of account										
2	IT enable services										
3	Loan services										
4	Micro-finance services										
5	Staff attitude										
6	Location of the bank										
7	Queuing time										

6. Customer Preferences in context of customer services provided by the bank

Please tick(✓)your level of agreement or disagreement with each of the following statement(where SA-strongly agree, A- agree, N – neutral, D- disagree, SD- strongly disagree)

Factors		SA	A	N	D	SD
I prefer bank	with a less queuing time					
	with a convenient location					
	where transaction of money is easy and convenient					
	that has a good parking space					
	having convenient sitting and waiting arrangement					
	that is close to my home					
	with a trust worthy staff					
	where the staff are courteous with their customer					
	that inform about new and attractive schemes and suggest in taking actions					
	where I feel safe and secure in all the transaction					
	where there is a wide range of services available for the customer					
	where I get my salary					
	if any of the staff is well known to me					
	where staff has a strong knowledge about the services given by the bank					
that deliver all the services within the promised time						

8	The bank allow to access my loan account anytime I need					
9	There is a flexibility in repayment of loan					
10	There is no hidden change of banking operation in any loan case					
11	Main preference for loan is the good service of the bank					
12	Bank keeps record of installment and interest in a proper and clear manner					

Part D: Customer Preferences regarding internet-based banking services

1. Are you aware of IT- enabled services provided by the bank?

YES () NO ()

(a) If yes, what are the services you used?

- Core-banking ()
- Fund/Money transfer ()
- ATM ()
- Green Chanel ()
- Green Card ()
- Mobile banking ()
- Others ()
- None ()

(b) *Please indicate your level of agreement or disagreement with each of the following statement(where SA – strongly agree, A- agree,N – neutral, D- disagree, SD- strongly disagree)*

Sl.no	Particulars	SA	A	N	D	SD
1	Internet banking has adequate security features					
2	The service delivered through the bank website is quick					
3	Customers online transaction with the bank is accurate					
4	Internet banking gives prompt services					
5	The transaction on internet banking is safe and secure					
6	I prefer bank where I can transfer funds anytime					
7	I prefer bank where internet banking is smooth and easy					
8	I prefer internet banking as my account statement can be access easily					
9	I prefer internet banking as account information is easily accessible					
10	I prefer internet banking as it has a 24 hours service					
11	I prefer internet banking as I can transfer money					

	Group					
10	My overall rating of micro-finance is good					

Part F: Suggestion from the respondents:

1. On General Banking Services-

2. On Banking Loan Services-

-

3. On internet-based banking services-

4. On Bank Micro-Finance Services-

-----*This is the end of the questionnaire. Thank you for your kind cooperation*😊-----

Esther Malsawmkimi

Research Scholar

BRIEF BIO-DATA OF THE CANDIDATE

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EDUCATIONAL QUALIFICATION : M.B.A.

PH.D. REGISTRATION NO & DATE : MZU/Ph.D./569 of 21.05.2013

DEPARTMENT : MANAGEMENT

TITLE OF THE THESIS : CUSTOMER PREFERENCES FOR
BANKING SERVICES ON SELECTED
BANKS IN MIZORAM

PARTICULARS OF THE CANDIDATE

NAME OF THE CANDIDATE : ESTHER MALSAWMKIMI

DEGREE : Ph.D

DEPARTMENT : Management

TITLE OF THESIS : Customer Preferences for Banking Services
on Selected Banks in Mizoram

DATE OF ADMISSION : 31.07.2012

APPROVAL OF RESEARCH PROPOSAL

1. BOS : 10.05.2013

2. School Board : 21.05.2013

REGISTRATION NO. : MZU/Ph.D/569 of 21.05.2013

EXTENSION (if any) : 16-2/MZU(Acad)/15/255/256 up to
20.05.2020

(Dr. Amit Kumar Singh)
Head
Department of Management
Mizoram University

1. Introduction

Preferences can be thought of as the mentality of a person with regard to a large number of articles, usually reflected in a basic express leadership process (Lichtenstein and Slovic, 2006). The word 'preference' can be translated as evaluative judgment in the feeling of loving or disdaining an object. On the other hand, the word "preference" could be translated as "evaluative choice in the feeling of preferring an article" (Scherer, 2005).

Banking acts as a backbone of economic development for the country. Banking system is one of the few institutions that impress on the economy and affects its performance for better or worse. They act as development factor engaging and are the source of hope and aspiration for the people. As an economic institution, banks are supposed to be more directly and positively related to the performance of the economy.

1.1 Origin of the Word "Bank"

There appears to be no uniformity among the financial proficient about the source of the word 'Bank'. As per a few creators the word 'Bank', itself comes from the word 'Bancus' or 'Banque' that is a seat. The Jews who are the early financiers, in Lombardy, executed their business on seats in the commercial center, when, an investor fizzled, his 'Banco' was separated by the individuals; it was called 'Bankrupt'. Whatever be the starting point of the word 'Bank' as Professor Ram Chandra Rao says, 'It would follow the historical backdrop of banking in Europe from the medieval times'. (Kaptan 2003).

1.4 Literature Review

Manoj (2004) recognized that the general needs of customers from banking are budgetary security, speedy service, comfort, alluring yield, minimal effort advance, customized service, exhortation/directing, simple access, straightforward method, appealing bundle, benevolent methodology and assortment of item. The various kinds of item accessible are stores, credits and advances. The store plans can be gathered based on method of store, method of reimbursement, extra advantage and utilization of amassed assets, computation and installment of intrigue and requirement for liquidity, security and development.

Iberahim et. al., (2015) investigated the relationship between the reliability and responsiveness of ATM services with customer satisfaction and aimed to verify the determinants for service enhancement. The study suggested that banks need to focus on the needs to be placed to the consistency, dependability and timeliness of ATMs services in tandem with the development and introduction of other types of banking services and variation in transaction modes.

Kumar and Mittal (2015) conducted an empirical study where primary data has been collected and the study aimed to evaluate the service quality of selected government owned banks, based on different levels of 'customers' perception regarding service quality. The results offered practical application to measure service quality perception within technology based banking sectoring India. The findings indicated that the service quality dimensions of Customization, Design, Assurance and functionality jointly

influence customer behavioral intentions towards Technology Based Banking Services (TBBS).

Kaur (2017) studied the growth of e- banking in India and the producer offered in e- banking. ATM, credit and debit cards, NEFT were the popular facilities. The study revealed that these services have seen as upward trend in recent years. 24X7 facility, reduced cost, No geographical barrier were the benefits of e –banking. Privacy risk, Technical difficulties, and lack of customer education were the barriers.

1.5 Significance and Scope of the Study

In a developing country like India, bank will keep on playing an extremely important job in the monetary advancement. One third of the public looks for better execution from them due to the immense measure of their cash being put resources into those banks. One of the primary goals of banking services is to extend a decent open picture of banking as a service industry and grow great advertising. As a service association, the banks need to perceive the significance of purchaser preferences.

Numerous researchers have directed research in the field of customers' preferences. The data in regards to customer preferences for banking services concerning Aizawl has not been found or concentrated up until now. Subsequently, this study may explore the factors that played significant role in customers' preferences for banking services.

The study of "Customer Preferences for Banking Services in Selected Banks in Mizoram" finds out the customers need in choosing banks and its financial services in Aizawl specifically. The findings of this study will make the concerned banks mindful

with respect to the preferences of customers in the different financial services they give. In this way, further improvement can be made by the banks/money related foundations so as to have a subjective service and give most extreme advantages/decision to their customers.

1.6 Statement of the Problem

There were just five banks in Mizoram till 1983 and numerous private and open banks have come up today. The market for banking is flooding. Individuals will in general know about the services being given by these banks so as to settle on the correct decision.

Various banks have various types of services which could meet the prerequisites of customers. The biggest challenge of the financial institution isn't from its exchange yet in gathering the rising any desires for their customers.

Today, the vast majority of the triumphant organizations are concentrating on satisfying their customers' desires. In the event that banks know about the degree of consumer loyalty, at that point it is simple for investors to hold or pleasure them for longer periods, subsequently getting productivity.

Yet, by and large, customers are not happy with the services rendered by open banks as they are viewed as not worried about consumer loyalty since their connection with customers doesn't have impact on their working condition.

This study tries to examine the socio-economic profile of the respondents, particularly from the state capital, Aizawl. It also tries to examine the preferences of customers who

are getting the banking services from the selected banks through the sample survey. Preference of the customers fluctuates and the variety might be because of a few reasons.

Preference might be a result of areas of the banks, advantageous services, financing costs on credit and stores, execution of the bank representatives, and so forth. The study is expected to investigate customer preferences towards banking services in Aizawl.

1.7 Objectives of the Study

The following are the objectives of the present study:

1. To study the demographic profile of the respondents;
2. To find out the customer preferences of the banking services provided by the selected banks;
3. To analyse the factors influencing customer preferences for banking services;
4. To offer suggestions for improvement in banking services.

1.8 Hypotheses

The following hypotheses are tested in the study:

1. General banking services provided by the selected banks have positive influence on customer preferences;
2. Loan services have positive influence on customer preferences
3. Internet banking services have positive influence on customer preferences

1.9 Research design

- i.* Population: Bank account holders who are availing the different services of the selected banks are the population of the study.
- ii.* Sample size determination: The Cochran formula is being adopted to calculate an ideal sample size given a desired level of precision, desired confidence level and the estimated proportion of the attribute present in the population. Cochran's formula is well thought-out especially in situations with large populations. The Cochran formula is:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

- e is the desired level of precision (i.e. the margin of error)
- p is the (estimated) proportion of the population which has the attribute in question,
- q is $1 - p$.
- To get the desired sample and assuming 95% confidence, and at least 5 percent—plus or minus—precision. A 95 % confidence level gives us Z values of 1.96, per the normal tables, so we get

$$((1.96)^2 (0.5) (0.5)) / (0.05)^2 = 385.$$

So a sample of 385 or more in our target population should be enough to give us the confidence levels we need. Therefore, 450 respondents i.e. 150 each from the selected banks were used as the sample size.

iii. Sample design: In the study, as the state capital, 4,00,309 of the state population is held by Aizawl which holds more than 35% of the entire population, it is sufficient to represent the state which is the reason why Aizawl has been selected for the study area. Three banks where one Public Sector Bank i.e. State Bank of India, one Private Sector Bank i.e. Axis Bank and one Regional Rural Bank i.e. Mizoram Rural Bank are selected for the study. Customers who are having bank account on any of the selected banks are included in the sample. The total sample size is 450 (150 bank account holder each from the three selected banks) where convenient sampling is used to collect the required data.

iv. Data Collection: Data were collected from primary sources as well as secondary sources. The study used customer survey as a tool of collecting primary data. A comprehensive questionnaire was designed and administered to the banks customers and they were contacted at banks, home and their shops based on their convenience.

In addition to primary data, the secondary data are gathered from books, journals, reports, governmental organizations, magazine and websites.

1.10 Analysis of Data

The data were analyzed by using appropriate statistical tools. Results and conclusions were drawn on the basis of analysis of data. For analyzing the data, the statistical tools employed in the study includes simple techniques such as frequencies, percentages and

averages as well as advanced statistical tools such as factor analysis, correlation, regression and Henry Garrett ranking method which were briefly explain below:

a. Factor analysis

Factor analysis is a statistical mechanism used for the reduction of a set of observable variables in terms of a small number of latent factors. The basic purpose of this analysis is to structure factors of variables which are independent of each other. Principal component analysis was employed for extracting the factors. The inter-operability of factors can be improved through rotation of the matrices. Symmetrical turn varimax was run believing every one of the components to be free from every other factor. To guarantee the reasonableness of information for factor examination, both the KMO (Kaiser-Meyer-Olkin) proportion of inspecting ampleness and Bartlett's Test of Sphericity were utilized. The KMO trial of examining sufficiency thinks about the extent of the watched connection coefficients to the size of the incomplete relationship coefficients. The KMO measure the examining sufficiency of the information and its insights shifts somewhere in the range of 0 and 1. A worth near 1 show the examples of relationship are moderately reduced and thus the information is fitting for factor investigation and useful for testing. Bartlett's Test of Sphericity was likewise directed to check the general hugeness of lattices.

b. Coefficient of correlation

Pearson correlation coefficient was utilized in the examination to decide level of connections between at least two factors. The connection between's two factors is spoken to by the letter r whose qualities ought to differ in the middle of -1 and $+1$. At

the point when the worth falls in +1 territory in the scale, it is a consummately positive relationship while - 1 demonstrates a superbly negative relationship and 0 demonstrates no connection. In a superbly positive connection, the expansion in one variable causes relating increment in the other variable while consummately negative relationship shows the lessening in one variable causes the comparing decline in the other variable. Karl Pearson's connection coefficient otherwise called straightforward connection is one the most well-known technique for deciding the degree of connection between two factors. It depends on the following assumptions:

Karl Pearson's Correlation coefficient is given by

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{n \cdot \sigma_x \sigma_y}$$

where,

x_i = ith value of x variable

\bar{x} = mean of x

y_i = ith value of y

\bar{y} = mean of Y

n = Number of pairs of observations of x and y

σ_x = standard deviation of x

σ_y = standard deviation of y

c. **Regression analysis**

Regression was used in the study to determine the cause and effect relationship between two variables which indicates that the change in the value of an independent variable also causes a change in the value of the dependent variable. It is presented in the form of an algebraic equation whereby the value of one variable (dependent) is predicted or estimated based on the value of the other variable (independent).

Simple regression is presented by, $Y = a + bX$.

While multiple regressions is represented by the equation, $Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$

Where Y =dependent variable, X = independent variable, X_1 to X_n = independent variables, a = constant and b_1 to b_n = regression coefficients of X_1 to X_n .

d. Henry Garrett's ranking method

To find out the most preferred banking services among the respondents, Henry Garrett's ranking technique is employed. In this study the respondents were asked to rate the different banking services from their perception to find out which services is rated as 'Rank 1, Rank 2 up to Rank 6' by the respondents. Likewise, the respondents rated the services as 'Rank 1, Rank 2 up to Rank 6'. The ranking is calculated as percentage score and the scale value is obtained by employing Scale Conversion Table given by Henry Garrett. The percentage score is calculated as follows;

$$\text{Percent Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = Rank given for the i th variable by the j th respondents

N_j = Number of variable ranked by the j^{th} respondents.

1.11 Chapter outline

Chapter 1: Introduction

This chapter deals with the introduction of customer preferences, banking, banking system in India, evolution of commercial bank behaviour, development of banking in India, literature review, significance and scope of the study, research design, objective, hypotheses, research methodology, analysis of data and chapter outline of the thesis.

Chapter 2: Socio-economic profile of the respondents

The second chapter focuses on the socio-economic profile of the respondents where the profile of the state Mizoram and the profile of the respondents were specifically analyzed. It brings out the geography, climate, culture, economy, service, physiography, infrastructure, education, media and communication of the state. It also analyzes respondent's gender, age, religion, occupation, income, caste, type of family, qualification and marital status.

Chapter 3: Customer preferences in banking services

This chapter studies the selected banks with their services and identifies the preferences of banking services by the respondents on the basis of gender, age, income, occupation. This chapter also examines the respondent's ranking of the banking services with Henry Garrett ranking method. Also kinds of service being availed by the respondents were also studied.

Chapter 4: Factors affecting customer's preferences

The fourth chapter analyse the factors that influence the customer preferences based on general banking service, loan service and internet banking services. Furthermore, the relationship between customer preferences and various banking services of the respondents was discussed in the latter part of the chapter.

Chapter 5: Conclusion

An effort is made to provide the summary of findings based on the logical conclusions drawn from the previous chapters. Suggestions were made for the selected banks on the basis of the findings.

Hypothesis 1

H₀: General Banking Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a: General Banking Services provided by the bank have a positive influence on customer preferences towards bank

To test the above hypothesis, correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In the regression analysis general banking services were used as independent variable which was supposed to have an influence on the dependent variable of customer preferences. This analysis was done on the basis of collected responses from the respondents.

Correlation analysis

The most common measure of correlation analysis namely Pearson correlation was used to test the degree of association between the variables. It measures the relationship between the independent variable viz. general banking services and dependent variable i.e. customer preferences.

The correlation analysis involves three main aspects: (i) Measuring the degree of association between the two variables, (ii) testing whether the relationship is significant and establishing the cause and effect relationship, if any (Krishnaswami and Ranganatham, 2011). Karl Pearson's Correlation coefficient is given by

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{n \cdot \sigma_x \sigma_y}$$

where,

x_i = ith value of x variable

\bar{x} = mean of x

y_i = ith value of y

\bar{y} = mean of Y

n = Number of pairs of observations of x and y

σ_x = standard deviation of x

σ_y = standard deviation of y

Table 4.13: Correlation analysis for general banking services

	C	S	UF	SP	T	CP
C	1					
S	0.08	1				
UF	.123**	.399**	1			
SP	0.054	.135**	.117*	1		
T	0.08	.124**	.093*	.526**	1	
CP	.603**	.139**	.107*	0.078	0.088	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: *Field Survey*

Where, C – Convenient

S – Security

UF – User Friendliness

SP – Service Provision

T – Technology

CP – Customer Preferences

Table 4.13 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 and 0.05 significant levels show a significant correlation among the independent variables and the dependent variable, except service provision and technology.

The result revealed that security (S) is positively related to other independent variables (except for convenient) and the dependent variable. Convenient (C), security (S), user friendliness (UF) are found to be positively related to customer preferences (CP) while no relation is found between service provision (SP0, technology (T) and customer preferences (CP).

Multiple regression analysis

Regression analysis was used to find out the cause and effect relationship between general banking services and customer preferences.

In the study, the influence of general banking services of the bank was analyzed through regression analysis.

The regression was run on one set of data by taking general banking services as independent variable and customer preferences as the dependent variable.

Table 4.14 shows that the magnitude of R square came to be .373 indicating that 37.3 % of the variation in customer preference could be explained by the general banking service.

Table 4.14: Influence of General Banking Services on Customer Preferences

Variable	Customer Preference towards general banking services		
	β	t-value	p-value
Constant	.128	.355	.723
Convenient	.823	15.642	.000*
Security	.088	2.135	.033*
User Friendliness	-.007	-.138	.891
Service Provision	-.036	.578	.564
Technology	.027	.389	.697
R Square	.373		
Adjusted R Square	.366		
F-Ratio	52.878		
Durbin-Watson D Statistic	2.582		

**Significant at 5% level*

The Durbin Watson D statistic (2.582) indicates that the residual do not suffers from serial autocorrelation. The regression coefficient for the predictor variables convenient came to be 823. The coefficient value shows the change in the dependent variable with a unit change in a variable value i.e. there is an increase of .823 in customer preference for every unit increase in banking services.

The positively significant regression coefficient of .823 with a p-value of .000 revealed that convenient in general banking services have positive effects on customer preferences. Thus in hypothesis 1, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .088 with a p-value of .033 in case of security revealed that security of the banking services has positive influence on

customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of $-.007$ with a p-value of $.891$ in case of user friendliness states that user friendliness services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of $-.036$ with a p-value of $.564$ in case of service provision states that service provision services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of $.027$ with a p-value of $.389$ in case of technology states that technology services available in the banking services does not influence the customer preferences. Thus, the null hypothesis is accepted.

Hypothesis 2

H_0 : Loan Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a : Loan Services provided by the bank have a positive influence on customer preferences towards bank.

Table 4.15: Correlation analysis for loan services

	DP	SAO	RT	BC	CP
DP	1				
SAO	.920**	1			
RT	.813**	.775**	1		
BC	-0.022	-0.062	0.07	1	
CP	.749**	.763**	.857**	0.046	1

** . Correlation is significant at the 0.01 level (2-tailed).

Where

DP – Documentation Process

SAO – Services and Offers

RT – Repayment Time

BC – Bank Creditability

CP – Customer Preferences

Table 4.15 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except bank creditability. The result revealed that documentation process (DP) is positively related to other independent variables (except for bank creditability) and the dependent variable.

Documentation process (DP), services and offers (SAO) and repayment time (RT) are found to be positively related to customer preferences (CP) while no relation is found between bank creditability (BC) and customer preferences (CP).

Table 4.16 shows that the magnitude of R square came to be .296 indicating that 29.6 % of the variation in customer preference could be explained by loan service. The Durbin Watson D statistic (2.327) indicates that the residual do not suffers from serial autocorrelation.

Table 4.16: Influence of Loan Services on Customer Preferences

Variable	Customer Preference Towards Loan Service		
	β	T-Value	P-Value
Constant	.116	.326	.000*
Documentation Process	.897	13.650	.000*
Services And Offers	.861	2.399	.163
Repayment Time	.040	.935	.004*
Bank Creditability	.190	.477	.140
R Square	.296		
Adjusted R Square	.273		
F-Ratio	47.53		
Durbin-Watson D Statistic	2.327		

**Significant at 5% level*

The positively significant regression coefficient of .897 with a p-value of .000 in case of documentation process of the bank revealed that documentation process of the bank in processing a loan has positive influence on the customer preferences towards the banking services. Thus in hypothesis 2, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .040 with a p-value of .004 in case of repayment time of loan reveals that repayment time of loan has positive influence on customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of .861 with a p-value of .163 in case of services and offers in the loan provision states that the services and offered in loan provision in bank does not influence the customer preferences. Thus, the null hypothesis is accepted.

The insignificant regression coefficient of .190 with a p-value of .140 in case of bank creditability states that bank creditability does not influence the customer preferences. Thus, the null hypothesis is accepted.

Hypothesis 3

H₀: IT Services provided by the bank does not have a positive influence on customer preferences towards bank

H_a: IT Services provided by the bank have a positive influence on customer preferences towards bank

Table 4.17: correlation analysis for IT services

	TW	UF	GF	CP
TW	1			
UF	-0.062	1		
GF	.368**	0.033	1	
CP	.404**	0.023	.672**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source: *Field Survey*

Where

TW – Trustworthy

UF – User Friendly

GF – Geographical Flexibility

CP – Customer Preferences

Table 4.17 reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except user friendliness.

The result revealed that trustworthy (TW) is positively related to geographical flexibility (GF) and the dependent variable but not user friendly. Trustworthy (TW) and

geographical flexibility (GF) are found to be positively related to customer preferences (CP) while no relation is found between user friendliness (UF) and customer preferences (CP).

Table 4.18 shows that the magnitude of R square came to be .368 indicating that 36.8 % of the variation in customer preference could be explained by loan service. The Durbin Watson D statistic (2.404) indicates that the residual do not suffers from serial autocorrelation.

Table 4.18: Influences of IT Services on Customer Preferences

Variable	Customer Preference Towards Internet Banking Service		
	β	T-Value	P-Value
Constant	3.121	12.636	.000*
Trustworthy	.594	2.367	.022*
User Friendly	.113	1.198	.231
Geographical Flexibility	.828	3.105	.000*
R Square	.368		
Adjusted R Square	.332		
F-Ratio	54.261		
Durbin-Watson D Statistic	2.404		

**Significant at 5% level*

The positively significant regression coefficient of .594 with a p-value of .022 in case of trustworthiness of the internet banking revealed that trust worthiness of internet banking has positive influence on the customer preferences towards the bank. Thus in hypothesis 3, the null hypothesis is rejected and alternate hypothesis is accepted.

The positively significant regression coefficient of .828 with a p-value of .000 in case of geographical flexibility of internet banking services reveals that internet banking

services has positive influence on customer preferences towards the bank. Thus in hypothesis, the null hypothesis is rejected and alternate hypothesis is accepted.

The insignificant regression coefficient of .113 with a p-value of .231 in case of user friendliness in internet banking services states that the user friendliness in internet banking does not influence the customer preferences. Thus, the null hypothesis is accepted.

5.2 Major Findings:

- i. The study reveals that there are 191 female respondents. Also, among the male respondents, schedule tribe consist the maximum number (213 respondents) and the age group between 31-43 years consist 95 respondents (36.7%) and there are no male respondents from the general caste from the age group of 31-43 years of age. From the female respondents, there are no respondents of 57 years and above in the general category whereas there are 61 respondents from the age group of 18-30 years of age.
- ii. The study shows that there are 46 Hindu respondents, 25 Muslim respondents and 379 Christian respondents, only two male and female respondents from the Hindu respondents who are from the private services and the maximum respondents (20 respondents) from the Hindu religion are working in the government sector. There are more male respondents (27 respondents) from the Hindu religion. Also from the Muslim respondents, there are no male respondents working in a private service and also no female respondents who are self-employed. The maximum numbers of the respondents (12 respondents)

are working in the government services, and there are more male respondents (17 respondents) from the Muslim religion. Among the Christian respondents, there are 215 male respondents and 164 female respondents. The maximum respondents (117 respondents) are self-employed.

- iii. The study reveals that most respondents of income group are from Rs.10,001- Rs. 50,000 with 155 respondents and the least group is from the income group of Rs.1,00,001 and above group, with only 44 respondents. Also, among the respondents who has income of Rs.10,000 and below, there are 6 widowed respondents who have educational background till HSLC and the maximum respondents are unmarried with 101 respondents. There are 62 respondents (56.9%) who had done their studies till graduation. The last income group of Rs.1,00,001 and above has only 44 respondents with only 1 widowed respondents with HSLC qualification and the maximum respondents (27 respondents) had finished their post-graduation
- iv. The study finds that State Bank of India has the maximum male respondents i.e. 92 male respondents while Mizoram Rural Bank has the maximum female respondents i.e. 70 female respondents Out of the male respondents, there are no male respondents from Mizoram Rural Bank who preferred micro finance services and also there are no female respondents from State Bank of India who preferred micro finance services. Furthermore, less queuing time is the most preferred services from all the respondents of the selected banks with 33.1 % followed by convenient location of the bank with 21.6 % of the respondents.

- v. The study evaluate the customer preferences in general banking services, mean score of the respondents shows highest level of agreement to the statement that *'I prefer bank with a less queuing time'*(4.222); followed by *'I prefer bank with a convenient location'*(4.062), *'I prefer bank where transaction of money is easy and convenient'*(3.921).
- vi. The study also evaluate the customer preferences in internet banking services, mean score of the respondents shows highest level of agreement to the statement that *'The transaction on internet banking is safe and secure'* (4.366) followed by *'I prefer internet banking as my account statement can be access easily'* (3.931), *'I prefer internet banking as I can transfer money besides the working hour'* (3.616)
- vii. The study evaluate the customer preferences in loan services, mean score of the respondents shows highest level of agreement to the statement that *'The bank staff are responsive to my needs'*(4.027) followed by *'The time taken for processing loan is short'*(3.918), *'Bank keeps record of installment and interest in a proper and clear manner'* (3.849)
- viii. Rank analysis on customers' preferences revealed that *'less queuing time'* with average score of 60.37 was ranked first. *'Convenient location'* holds the second position with an average score of 58.52. *'Staff attitude'* scored the third rank with an average score of 55.67.
- ix. Gender wise rank analysis was also run and it had been found that with both gender *'less queuing time'* stood first for both the gender with male respondents

average score of 70.45 and female with average score of 54.92 followed by 'convenient location' and 'staff attitude' for both gender.

- x. The study found that Axis Bank had 85 respondents who visited their bank everyday while Mizoram Rural Bank had 66 respondents who visited their bank every day and only 33 respondents from State Bank of India had visited the bank every day.
- xi. The study revealed that there are 344 respondents whose main visit to the bank is to make deposit and 52 respondents mainly visit their bank branch to withdraw cash. 18 respondents visit their bank branch to enquire about their balance and 32 respondents have visited mainly to enquire about loans and investment. Only 3 respondents have visited their bank to ask for internet services. Maximum numbers of respondents have a savings account with 214 male and 172 female. There are only 7 female respondents who operate current account and 23 male respondents who operate for current account. 15 male respondents and only 1 female respondent is operating fixed deposit account, and there are no male respondents with only 4 female respondents who operated no frills account.
- xii. The study found that there are only 147 respondents who had availed the loan facilities from their respective bank branch and there are 38 male and 21 female respondents who had availed the personal loan and 32 male and 7 female respondents who had availed the housing loan facilities. 16 male and 5 female respondents had availed vehicle loan and 2 male and 4 female had taken an

educational loan. 12 male and 6 female had taken business loan for starting their own business.

- xiii. From the study it had been found that 281 respondents from 450 had used IT services. 97 male and 63 female respondents are mainly using ATM and only 1 male respondent using a green card facility. There are 18 male and 14 female who had availed the micro-finance facilities. There are 8 male availing SHG and KCC loan along with 10 female utilizing SHG and 2 female availing KCC loan.
- xiv. Factor analysis was conducted to assess the important factors for customer preferences general banking services. The factor analyses of 20 statements suggest that five factors were chosen on the basis of Eigen value of more than 1. The first factor can be called convenient which is laden with less queuing time, convenient location, good parking space and close to the respondent's home. The second factor can be called security which is again laden with trust worthy, courteous staff, feeling secure and safe in all the transaction. The third factor is known as user friendliness which is exhibited by the factor loadings a wide range of services availability, where the respondents get their salary and where the staffs are known to them. The fourth factor is known as service provision which is laden with accurate delivery time, responsive staff, opening of account is less time taking and staffs have a strong knowledge about the services. The last factor is called technology which is exhibited with core banking and insurance.

- xv. Factor analysis was again conducted to find out the important factors for customer preferences in loan services and it can be found that the factor analysis of 12 statements suggest that four factors were chosen on the basis of Eigen value of more than 1. The first factor can be called documentation process which is laden with interest of loan, clarity, salary home bank and time taken for processing of loan. The second factor can be called services and offers which are again laden with a satisfaction in the loan process, responsive staff and simple, easy and less time taking in the loan process. The third factor is known as repayment time which is exhibited by the factor loadings of allowing to access loan account anytime in need, flexibility in repayment of loan and no hidden change of banking operation in any loan case. The last factor is known as bank creditability which is loaded with good service of the bank and keeping record of instalment and interest in a proper and clear manner
- xvi. Customer preferences for IT services was analyse with factor analysis and it was found that the factor analysis of 11 statements suggest that three factors were chosen on the basis of Eigen value of more than 1. The first factor can be called trust worthy which is laden with security, quick delivery, accuracy, prompt services, safe and secure transaction. The second factor can be called user friendliness which is again laden with transferring of funds anytime and smooth and easy internet banking. The last factor is known as geographical flexibility which is loaded with easy accessibility of account statement and information and transferring of money besides the office hour.

- xvii. Correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In terms of general banking services, correlation analysis reveals the correlation matrix of the variables. The result of the two-tail test at 0.01 and 0.05 significant levels show a significant correlation among the independent variables and the dependent variable, except service provision and technology. The result revealed that security (S) is positively related to other independent variables (except for convenient) and the dependent variable. Convenient (C), security (S), user friendliness (UF) are found to be positively related to customer preferences (CP) while no relation is found between service provision (SP), technology (T) and customer preferences (CP). Moreover, the regression analysis of magnitude of R square came to be .373 indicating that 37.3 % of the variation in customer preference could be explained by the general banking service
- xviii. Correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. In terms of loan general banking services correlation matrix reveals that the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except bank creditability. The result revealed that documentation process (DP) is positively related to other independent variables (except for bank creditability) and the dependent variable. Documentation process (DP), services and offers (SAO) and repayment time (RT) are found to be positively related to customer preferences (CP) while no

relation is found between bank creditability (BC) and customer preferences (CP). Moreover, the multiple regression analysis shows that the magnitude of R square came to be .296 indicating that 29.6 % of the variation in customer preference could be explained by loan service.

- xix. In terms of IT services, correlation and multiple regression analysis were employed to estimate the relationship between dependent and independent variables. The result of the two-tail test at 0.01 significant levels shows a significant correlation among the independent variables and the dependent variable, except user friendliness. The result revealed that trustworthy (TW) is positively related to geographical flexibility (GF) and the dependent variable but not user friendly. Trustworthy (TW) and geographical flexibility (GF) are found to be positively related to customer preferences (CP) while no relation is found between user friendliness (UF) and customer preferences (CP). Hence, the multiple regression analysis shows that the magnitude of R square came to be .368 indicating that 36.8 % of the variation in customer preference could be explained by loan service.

5.3 Suggestions:

- i. All the banks need to improve upon their services in regards to the queuing time since customer's main preferred service is the less queuing time.

- ii. From the study we can see that the location of the bank plays an important role as many customers preferred bank depending on the location. Therefore, considering the location before setting up new branch is highly necessary.
- iii. The study finds that ATM facilities is the most used services in terms of IT, and hence, in order to attract customer and retain their existing customer, all the banks need to maintain the services as well as improve the facilities. Apart from this, setting up more ATM boot in various location is highly necessary as in some part of the studied area, ATM boot are hardly found.
- iv. Banks must concentrate on specific areas like micro finance, since out of 450 respondents, only a few had utilized this facility. The customers need to be educated in the micro finance as many of the respondents will benefit in different ways if this service being utilized by them.
- v. The study reveals that most number of loan being availed by the respondents are personal loan. Therefore the banks have to aware their customers the other loan services which can be availed by their customers.
- vi. From the factor analysis, it has been found that the documentation process was the most preferred services in loan. Therefore the bank should improve the process of loan sanction and made it simple so that more customers will be attracted to apply loan.
- vii. Since, staff attitude and knowledge of the service plays an important role in attracting customers, the banks need to trained and developed the skills of their staff so that they would retain their customers as well as attract new one.

- viii. Some respondents did not receive timely updated information (cash in and cash out) so banking authorities need to take measures to get information to all consumers without delay.
- ix. From multiple regression analysis, it had been found that banking services like convenient, security, loan document process, repayment time of loan, geographical flexibility of internet facilities have a positive influence on the customer preferences, therefore the banks should pay close attention to these services since the price of having a new customer is larger than the cost of retaining the existing customer. Therefore the banks should plan in retaining their existing customers since with that way they can thrive in their banking activities.

5.4 Conclusion

The main aim of the study is to examine the customer preferences in banking services of the selected banks. Today, in a vibrant world where customers do not like to waste their time in waiting the banks need to give their best services to their customers, then they are likely to hold their customers not to change the bank. The banks are not very varied in terms of the services they offer. As most of the banks are having the same services and try to put the customers at ease, the bank needs to identify itself from the other banks. So, in order to set apart its uniqueness from others, each bank has to make extra hard work to restore their services among their customers. During this research, according to the findings of the study, the majority of customers prefer a convenient service where the timespend for making transaction will be less time taking.

Banks must be inventive and should go with the customer expectation. Delivering quality services to customers is must for achieving satisfaction among the customers and to be successful in today's competitive banking activities.

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