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Impact of Bank Marketing on Customers: A Case Study of Private and Public Sector Banks in Belagavi District

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ABSTRACT

Indian Banking, influenced by the financial sector reforms and globalization is witnessing a shift away from meeting social priorities to the confronting market forces. The power of technology has fuelled this change and made profound impact on the banking business. From being enabler, IT is gradually emerging as a driver and key differentiator of business performance and competitive superiority. The main objective of the study is to evaluate the marketing practices of public and private sector banks. Further, the study emphasizes on segmentation and marketing strategy. *This study is based on the primary data, the information elicited through structured pre-tested questionnaire from sample customers, using Likert's Five-point scale.* From public sector banks 150 customers and 138 customers in private sector banks were selected for the study in Belagavi district in Karnataka. The result of the study reveals that, public sector banks satisfied their customers with assurance and security variable but private banks satisfied their customers in terms of tangibility, reliability, empathy and efficiency.

Key Words: Globalization, Segmentation, Tangibility, Reliability, Empathy

INTRODUCTION

Bank marketing is well organized system of banking activities to achieve maximum satisfaction of customers' needs with wide variety of products and services. Today, the marketing of bank products and services, are essential tasks of banker to meet a powerful competition, the transparency is more pronounced and the customers have become more critical and less fastidious, being better informed about the banking and financial issues, but also better advised for this purpose. Therefore, many banks admitted the need of the marketing in banking activities to develop and implement professional and efficient qualities among bankers in relation with their own customers. Although marketing is not a new concept, it can be completely a strategic weapon which can help banks to overcome rivals in order to acquire more market share.

Technology is undoubtedly one of the most important and crucial ways in which it influences on marketing of bank products and services in the present era. Many of our modern ways of life is made possible by the rapid development of new technologies. Marketing practices have been shaped to the greater extent by the existing level of

technology. One of the key aspects for modern banks is to find ways and means for creating sustainable competitive advantage in the financial markets. The role of marketing within this task is beyond doubt, especially in bank services quality area. The quality is reached through putting clients in the epicenter and by giving them special treatment. Marketing has been a little slow in taking part in this financial arena that is, banking area.

Public sector banks started their marketing innovative practices by introducing new technological products or services decide the agricultural and industrial benefit schemes in line with private sector banks and foreign banks. They are providing retail banking services such as savings bank account, current bank account, fixed deposits and recurring deposits. In addition, there are investment services like bonds and stocks, tax-benefit schemes, mutual fund benefit schemes, Annuities, insurance products, retirement plans, financial and estate planning and loans like, housing, education loan, vehicle loan, personal loans like purchase of car, furniture, and durables jewelry. The major challenge for the Bankers is to introduce new products, which are innovative in nature yet be brought in multiple areas to reduce the overall transaction cost for the ultimate benefits of the customers.

LITERATURE REVIEW

Ennew, Watkins and Wright (1991). expressed that the bank marketing concept implies that "the achievement of the bank objectives by establishing the needs and wishes of the target customers and the supply of the needed satisfaction in a more efficient manner than their competitors". "Modern bank marketing", stated that "the adaptation of the bank marketing concept, as an assembly of strategic and tactical decisions adopted in the management process and the bank existence, implies the consideration of the following elements: satisfaction of customer needs, increasing the bank profitability, employees' involvement thus ensuring the cost control and the income maximization, social responsibility, the bank needing to have a responsible behavior"

According to Kotler (Kotler, 2000) a marketing plan should contain a situation analysis, marketing objectives and goals, marketing strategy, marketing action plan and marketing control.

Akinyele, S.T. (2011). examined the objective of identification of the satisfaction of clients' needs and wants, likely marketing mix variables and strategies, including relevant environmental impacts on them. The overall result was a significant difference in performance at $f(4,285) = 5.457$, at 0.05 significant level. The strategic marketing is a

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driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of company's advantages in adopting various marketing strategies using different technologies.

Onaolapo A. A. et al. (2011) studied the impact of marketing segmentation practices on the performance of selected Nigerian commercial banks using characteristics like geographic, demographic, psychographic and other socio-cultural behavior to analyze performance of bank and customer retention. A significant correlation between segment characteristics and the market share, as banks with high market shares and high Customer Retention Ability is the indication of high performance.

Svetlana Vukotić et al. (2015). For achieving static and dynamic efficiency, the banker has to offer the best and qualitative products at skim the cream price so that financial institutions accomplish their growth through expansion in new geographical areas by introducing new products or services to his clients.

Aliata (2012) studied on influence of promotion strategy on national bank performance of Kenya. There was 5% positive significant relationship between the promotional strategies and profits. The correlation between the different promotional strategies and profits, profits and promotional expenses were significant, an increase in promotional expenses helps to increase in profitability.

The simple adoption and improvisation of technology has no meaning unless the banks have to put their effort towards current marketing practices. The foreign banks and private banks have already taken up several drastic measures to market their products using marketing practices and are posing competitive threat on public sector banks. The study is focusing on whether public sector banks are ready to take up these challenges to face severe competition posed by foreign banks and private sector banks in Belagavi district or not. It is clear from the above studies that there is dearth of investigation of new avenues in this area. At this juncture, it is felt that there is a need for study of all the strata banks in the district that whether these banks contributing anything for the well-being of society with respect to marketing practices followed by strata banks.

OBJECTIVES OF THE STUDY

The present study has been focused with the following specific objectives

1. To evaluate the marketing practices followed by sample banks.
2. To know the factors influencing on buying behavior of bank customers
3. To compare private sector banks with that of public sector banks in the study area.

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4. To study the impact of bank marketing services offered by sample banks on their customers.
5. To suggest the appropriate strategic measures to improve the bank marketing practices.

METHODOLOGY

The study is based on primary data. These were elicited through structured and pre-tested questionnaire from sample banks in the Belagavi district. The area of the study had chosen on the basis of carrying the highest banking transactions and banks having more branches in Belagavi, Chikkodi, Gokak, Athani and Bailhongal. The population of the study is related to public and private sector banks. The selected sample public sector banks are Canara banks, Corporation banks, SBI, Syndicate bank, and Union bank of India similarly, ICICI banks, Axis Banks, HDFC banks, Karnataka Banks and Federal banks in case of Private sector banks. The sample size is 25 public sector banks and 23 private sector banks in five taluk(Belagavi,Bailhongal,Chikkodi,Gokak and Athani) of the district. Five point Likert Scale is used in setting the questionnaire. The tools used in this study are arithmetic mean, Standard deviation, correlation co-efficient, linear regression and T-test is used to test the hypothesis. 150 customers were selected from public sector banks and 138 customers from private banks. The study is confined to Belagavi district only.

SEGMENTATION OF BANK MARKETING

Market segmentation is the process of dividing a broad consumer or business market into existing and potential customers, into sub-groups of consumers (known as *segments*) based on certain characteristics. In dividing or segmenting markets, researchers typically look for common characteristics such as shared needs, common interests, similar lifestyles or even similar demographic attributes. The overall aim of segmentation is to identify highly yield segments which are likely to be the most profitable or that have growth potential. The banker usually, identify customers need or wants on the basis of known attributes such as offer of one customer with that of other customers, customize uniqueness, value proposition as comparing to competitors, and splitting of total demand into several segments and select only those that they are best equipped to handle.

The very base of targeting the segment market on the basis of certain character such as size and growth of customer segment, structural attractiveness of segment group,

company objectives and resources, monitoring strong and aggressive competitors are the important aspects which are most convenient for segmentation. To segment the whole geographical market, it is necessary to consider the certain requirements like effective measuring of sample size, effective reach of services, large and profitable effort, market mix elements and effective program to attract and serve the segment. The purpose of segmentation is to positioning of the products or services in the minds of the customers by the banks with the help of SWOT analysis.

Table No. 1
Comparison between Bankers of Public and Private sector Banks on
Segmentation of Market

Variables	Public sector bank		Private Sector Bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Identified consumers with similar needs and wants in segmenting market	17.16	2.93	18.04	1.97	-1.2480	0.2181
The bases for targeting the segment marketing	17.16	1.77	15.88	3.63	1.5836	0.1199
Requirements that banker consider in segmenting the market	15.88	2.62	18.08	4.29	-2.1882	0.0336*
Analysis of competitive position of your bank in segmenting the market	18.36	1.58	19.04	1.14	-1.7488	0.0867

It reveals from the Table No. 1 that the comparison between public and private sector banks with regard to identification of segment market, showed a significant difference at 5% level in case of requirements for segmenting the market. But difference in case of attributes such as, identification of segment market with similar needs, the basis for targeting the segment marketing and analysis of competitive position in segment market are insignificant.

CONSUMER BEHAVIOR

Consumer behavior is most essential aspect of bank marketing. The bankers' success lies in understanding the buying behavior of each and every potential and existing consumers. Basically, every marketer should understand the needs of segment customers so that they can satisfy and build up their relationship. Consumer behavior is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and

disposal of goods and services including consumer emotional, mental and behavioral responses that precede or follow these activities. The consumer decision is influencing based on several factors such as cultural factors, social factors, personal factors and psychological factors. Each of these points is given below:

Table No. 2
Factors influencing on Buyer Behavior in respect of Private and Public sector Banks

	Public sector bank		Private sector bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
A .Cultural Factors	57.48	6.01	64.96	3.74	-5.2821	0.0001*
B .Social Factors	13.00	2.02	13.60	1.76	-1.1206	0.2680
C. Personal Factors	26.64	2.22	26.44	1.96	0.3381	0.7367
D. Psychological Factors	21.52	1.42	21.88	1.30	-0.9354	0.3543

Table No. 2 highlights on the factors influencing on the buying behavior of consumers in sample banks of the district. The cultural factors are differing from private bank to public sector banks in the study area which showed a level of significant at 5%. Similarly, in the case of social factors, psychological factors and personal/individual factors the difference between public and private sector banks is insignificant.

Table No. 3
Consumer Buying Decision at pre and post purchase stages of Private and Public Banks on Marketing of Products/ Services

Variables	Public Sector bank		Private Sector Bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Buyers' awareness at pre-purchase stage	27.40	2.02	25.24	1.36	4.4313	0.0001*
Motivation of the customers at the time of purchase	27.92	2.40	25.76	3.81	2.3990	0.0204*
Banker should study Buying-decision process	21.68	1.11	22.92	1.15	-3.8801	0.0003*
Factors considered at post - purchase period	24.12	1.09	23.96	1.21	0.4914	0.6254

Table No. 3 reveals that there is a difference between public sector and private sector banks in respect of planning for analyzing consumer buying decision at pre-purchase stage attributes motivation of the consumer at the time of purchase, bankers' study at buying decision process are statistically positive significant at 5% level. However, in case of factors at post-purchase period showed insignificant difference.

MARKETING MIX VARIABLES- PRODUCT STRATEGY

Marketing mix elements influence one another. These are most useful for the business plan for a banking sector and handled right perspective, can give it great success. But handled wrong and the business could take years to recover. The marketing mix needs a lot of study, understanding, market research and consultation with several stakeholders, from users to trade to manufacturing and several others. These include, Price, Product, and Promotion, Place distribution, Process, Physical evidence and People. These seven Ps are adjusted until the right combination is found that serves the needs of the product's customers, while generating optimum income.

Product Mix

This is one of the important strategies of bank marketing mix variables. It might be tangible object or intangible services. The tangible bank products/services are investments, deposits, loans, insurance so on and intangible products/services include online banking, ATM services, mobile banking services, EFT/RTGS/NEFT services so on. Thus, a product has unique selling proposition, this helps to distinguish tangible with intangible. The product implies not only physical attributes as most of think but includes the services both before and after sale and prestige that go long way in increasing the consumer satisfaction. A banker considers the width, depth, and consistency of products offered. How product/services are perceived by customers is an important aspect of the banker. Perception is the critical value to a product's market viability and perceptual process is the focal point of marketing of a product. Product line is a group of related products in some way to fulfill the same customer needs in the target market. The banker will be successful if he positioned the product/services to right person in the right time.

Table No. 4
Comparison between Public and Private sector banks' Marketing Mix variables:
Adoption of Product Strategy

Variables	Public sector bank		Private sector bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Steps in marketing research for bank products	21.92	2.86	21.96	2.16	0.0001	0.9999
Steps in developing a new bank products	18.84	0.85	19.08	0.70	-1.0879	0.2821
Product adoption process for marketing of bank products	22.88	1.20	23.72	1.17	-2.5011	0.0158*
Strategies adopted for launching new product	32.56	1.69	31.68	1.41	2.0048	0.0506
Assess product market growth expansion opportunities	19.36	0.70	19.16	0.80	0.9407	0.3516

Table No. 4 showed that comparison between Public and Private sector banks' with regard to Marketing Mix variables - Product Strategy showed statistically significant difference at 5% level of significance in case of variable product adoption process that helps to follow the marketing of bank products. On the other hand, the attributes like steps in marketing research of bank products, steps taken in developing new bank products, the different strategies adopted for launching new product in the market, Assess product market growth/expansion opportunities on the following basis, are found to be statistically insignificant.

Table No. 5
Comparison between Public and Private sector banks with regard to innovative products/services offered to customers

Bankers Q-15	n	Mean	SD	SE	t-value	P-value
Public sector bank	25	88.40	6.35	1.27	3.5862	0.0008*
Private sector bank	25	81.40	7.41	1.48		

Table 5 shows the comparison between Public and Private sector banks with regard to innovative products/services offered customers. The result of the t-test revealed clearly that all the variable in the table were found to be significant at 5% level differentiating between public and private sector banks.

PRICING STRATEGY

Price is the amount of money that the customers have to pay in exchange for product or service they bought. Determining the right price for a product can be a bit difficult. The Pricing is one of the most important elements of the marketing mix, as it is the only element of the marketing mix, which generates a turnover for the organization. The pricing strategy adopted by banker should impress on consumers. The pricing of bank products are determined by Reserve Bank of India and the pricing policy being same for all banks but slight variation may be found between private banks and public banks. The pricing should reflect on the product positioning in the market as against competitors, the resulting price should cover cost plus margin. There are many numbers of pricing strategies that the banker can follow to offer his products/services. The determination of pricing depends on certain influential factors like nature of product, cost of the product, banks objectives, competition, customers demand so on. The pricing strategy is cost based, competitive based and value based, besides these strategies the bankers also consider other aspects like, length of payment period, combo pricing, allowances,

products/services bundles, price flexibility to motivate customers. It is the only element that generates income. The appropriate pricing are to identify potential customers, estimate the demand, monitor the competitors pricing policies, estimate the cost and calculate the appropriate expected profit.

Table No. 6
Comparison between Public and Private sector Banks with regard to
attributable factors of Pricing Strategy

Variables	Public Sector bank		Private sector bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Pricing decision	12.68	1.41	13.16	1.18	-1.3080	0.1971
Influencing on the pricing decision	36.52	2.60	35.72	2.26	1.1602	0.2517
General consideration (tactics)	22.68	1.93	22.36	0.76	0.7716	0.4441
Product or service being offered	32.48	1.78	32.44	1.47	0.0865	0.9315
Sensitive interest/charges influence consumers' choice	18.88	0.73	19.16	0.94	-1.1762	0.2453
Methods of promotion techniques to persuade your customer	12.68	1.41	13.16	1.18	-1.3080	0.1971

Comparison between Public and Private sector banks with regard to attributes of Pricing Strategy in the sample district is presented in the Table No.6 which includes several aspects like pricing decisions under above mentioned specific cases, factors influencing on pricing decision on various banking services, the tactics adopted by banker, pricing strategy offered with add-on value, Sensitive interest charges influence the customer choice are found to be statistically insignificant.

PROMOTION STRATEGY

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target audience in the market. Promotion is one of the key elements of the marketing mix, and deals with any one or two-way communication that takes place with the consumer. The banking sectors need to carefully consider the information with respect to bank products or services to the target audience. Promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty and establish customer relationship. It is one of the basic elements of the marketing mix which includes the four P's: Price, Product, Promotion, and Place.

The promotion's message should reinforce product benefits and help the firm to develop a positioning strategy for their products. The purpose of promotion is to present information to customers and other stake holders, to increase the demand for bank products and services, and to differentiate a product as against competitors' products. There are different methods of promotions such as, advertising (communication through mass media), public relations (positive relations between media and public), sale promotion (design to increase sales), personal selling (interaction between banker and customer), internet marketing (creating website), social media through face book and twitter. Banks are constantly battling with one another to win new customers and steal customers from one another.

Table No. 7
Comparison between Public and Private Sector Banks with regard to
Components of Promotion Strategy

Variables	Public Sector Bank		Private Sector Bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Methods of promotion techniques to persuade your customer	33.12	1.30	30.80	1.38	6.1053	0.0001*
Motivating customers through advertisement techniques	28.52	2.12	26.88	2.24	2.6553	0.0107*
Motivating customers through sales promotion techniques	39.60	3.32	39.40	3.74	0.2000	0.8423
Motivating your customers through salesmanship techniques	21.44	3.59	21.36	2.71	0.0889	0.9295
Impact of promotional strategies on business development	24.84	2.29	26.28	2.65	-2.0557	0.0453*
Promotional strategies that you adopt for circulating the product among the various customers	23.52	1.56	23.04	1.93	0.9691	0.3374

Table No. 7 presents the result of t-test comparing between private and public sector banks with regard to methods of promotion techniques to persuade their customers, motivating customers through advertisement techniques and impact of promotional strategies on business development are differs statistically significant at 5% level of significance. Whereas, in case of attributes like motivating customers through sales promotion techniques, promotional strategies that adopt for circulating the product among the various customers are insignificant.

DISTRIBUTION STRATEGY

Distribution is one of the important elements of marketing mix. It is the process of delivery of products or services to consumers at their best satisfaction. The distribution Strategy is a plan to make a product or a service available to the target customers through its supply chain. It designs the entire approach for availability of the offering starting taking inputs from what the bank communicated in marketing campaigns to its target audience is to be served. The bank can decide whether it wants to serve the product and service through their own channels or indirect channels to do the same.

The purpose of distribution strategy is to make sure the product/service can reach the maximum potential customers at minimal or optimal distribution costs. A good distribution strategy can maximize the banks' revenue and profits but a bad and unplanned distribution strategy can lead not only to losses but also helping the competitors to get the advantage through the opportunity in the market. So that, it can be optimized and up-dated as per the market parameters through demand and supply analysis thereby it can keep up with current market scenario.

The banking concern can improve its distribution strategy by mapping the products to end user, giving importance to customer's channel preference keeping in view competitors' strategy. Product influences the type of channel that is selected by customers because complex products naturally require face to face consultation whilst simple products can be distributed by technology driven channels signaling the dynamics of product- channel interaction.

The banking concern has usually, adopt distribution channels like, direct sale in the bank branch, indirect distribution via mail, dealers, franchise, and other remote channels, like tele services, hotline services, home banking, self-services like ATMs, info mats, bank kiosks, internet and mobile banking, electronic distribution channels through RTGS, NEFT, EFT, so on.

Table No. 8
Comparison between Public and Private Sector Banks' intermediaries for
effective channel of distribution of Bank Products

Banks	n	Mean	SD	SE	t-value	P-value
Public sector bank	25	40.04	6.06	1.21	-0.3610	0.7197
Private sector bank	25	40.56	3.90	0.78		

TableNo. 8 reveals that the Comparison between Public and Private sector banks' intermediaries for effective channel of distribution of bank products with regard to the above attributes were insignificant difference.

Table No. 9
Comparison between Public and Private sector Banks with regard to
factors affecting the choice of channels

Variables	Public sector bank		Private sector bank		t-value	P-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Factors Related to Products	29.64	3.55	28.36	2.20	1.5344	0.1315
Factors Related to Company	25.64	3.13	27.16	2.46	-1.9072	0.0625
Factors Related to Middlemen	22.20	1.47	21.12	1.36	2.6910	0.0098*
Factors Related to Market	8.16	1.14	8.04	0.98	0.3988	0.6918

Table No. 9 reveals that the comparison between Public and Private sector banks' with regard to factors affecting the choice of channels of distribution related to products, bank, and market found to be insignificant difference, in case of factors related to middlemen found to be significant at 5%.

CUSTOMERS PERSPECTIVES

Customers of the sample banks in the district are cross checked to know whether the marketing practices were carried out or not by the bank officials. Though the bankers are using advanced technology, the purpose of research is to examine whether the customers are satisfied or not with the provision of services extended. The study is focused on marketing mix strategy viz. Products, Price, Promotions, Physical distribution, People, Process and Physical evidence. Most of the customers know the different products offered by banking institution in the study area. It is observed that whether the customers have knowledge of innovative products offered by banking institutions in the sample banks. The pricing is determined on the basis of several factors, whether price charged suited to their needs or not. Now, the banks are charging different fees on various technological services, whether the customers are aware of them or not. The customers should know the details of the bank products or services with the help of promotion technique, how best these techniques are provided the satisfaction to the customers? Similarly, it is necessary to know whether the distribution strategy is suitable to get their products or services at an appropriate time for reasonable price or not. These are some of the issues that the researcher should focus on this study.

MARKETING MIX KNOWLEDGE

The sample customers of the bank who have knowledge of banks' existing products, innovative products and services offered, technology awareness among customers, and these aspects help to know about products and their usage to satisfy their needs. The price

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is the important phenomenon for Indian customers. But nowadays, customers started to give their attention towards quality of products along with price, they become more knowledgeable in selection of quality products with due emphasis on worthwhile of money. They focus their attention on competitive price, bank charges, and value addition to their investment, the bank's promotional mix on their website and other means, assist the customers to go for right choice of products and services. It is the era of competition, the customers have several options, if one is unable to satisfy their needs they go for other options. Similarly, they look at the suitable means of delivery on the right time in a right perspective.

Table No. 10
Comparison between Public and Private sector banks
with regard to Marketing mix Knowledge

Variables	Public Sector bank		Private Sector Bank		t-value	p-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Knowledge about products and services	37.67	9.48	34.81	9.61	2.6005	0.0098*
Knowledge about innovative products and services	80.79	15.18	76.13	15.08	2.6710	0.0080*
price knowledge	22.15	0.96	22.09	1.18	0.4302	0.6673
Aware of charges	31.09	1.92	30.74	1.75	1.6658	0.0968
Physical evidence and attraction	55.52	11.75	55.31	10.90	0.1630	0.8706
Promotion strategy-communication	30.29	9.93	28.58	9.86	1.4931	0.1365
Bank product Advertising knowledge	83.44	12.11	83.63	13.96	-0.1281	0.8982
Personal selling mode of information knowledge	15.64	2.59	15.76	2.83	-0.3830	0.7020
Personal selling techniques	26.96	1.06	27.07	1.14	-0.8369	0.4033
Information from sales promotion techniques	39.55	3.50	39.19	3.60	0.8782	0.3806
Information about word of mouth promotion	33.37	2.38	32.69	2.51	2.4075	0.0167*
Human channel distribution	24.93	3.64	24.81	3.40	0.2950	0.7682
Digital channel distribution	42.80	3.71	43.50	2.71	-1.8659	0.0630
Bank transactions	66.92	8.90	66.76	9.55		0.8808
Process awareness	27.86	3.06	27.99	2.98	-0.3632	0.7167
Physical evidence	27.13	6.87	28.15	5.59	-1.4011	0.1622
Satisfied with online services	31.71	2.54	31.91	1.83	-0.7813	0.4352
Satisfied with mobile banking services	18.17	3.58	16.95	3.48	2.9919	0.0030*

It is revealed from the Table No. 10 that the comparison between Public and Private sector banks with regard to marketing mix knowledge found to be statistically significant at 5% level in case of the above stated variables i.e. knowledge about products and services, knowledge about innovative products and services, common ideas bring an effective brand leadership emerged out of interview and satisfied with mobile banking services. The other variables like price knowledge, awareness of bank charges. Physical evidences and attractions, Promotional communications, Bank products' advertising knowledge, personal selling, mode of information knowledge, sales promotion techniques, Human channel distribution and digital channel information are to be shown insignificant.

Impact of Bank Marketing Services on Customer Satisfaction

Customer satisfaction has been a major goal for business organizations for many years and that loyal customers contribute to the company's profitability by spending more time on the company's products and services, but it is to distinguish between customer satisfaction with services and goods as they may be influenced by different factors. (Dimitriadis (2006:783) the satisfied customer always be loyal to banker therefore, he should provide goods and services in such way that the provision given should satisfy the requirements of customers. The satisfaction is a psychological evaluation process where the initial expectations and the actual performance results are compared. Those expectations should contain elements of value, as is confirmed by Kotler et al. (2001:9), when stating that customer satisfaction depends on a service or product's perceived performance in delivering value relative to a buyer's perspective. (Egan (2008:127). The Factors affecting customers' satisfaction is of worth importance in order to know the reasons or the factors which are responsible to create satisfaction among customers for a particular brand of products. Since satisfied customer is the core concern of any organization therefore they pay close attention toward the factors that influence a customer's decision towards brand. The main purpose of this research study was to investigate the key variables that are having strong influence on customer satisfaction. It is obvious that customers are important stakeholders in organizations and their satisfaction is a priority to management. Customer satisfaction has been a subject of great interest to organizations and researchers alike. In recent years, organizations are obliged to render more services in addition to their offers. The quality of service has become an aspect of customer satisfaction.

Table No. 11
Comparison of Public sector and Private sector Banks with regard to
Customer satisfaction

Variables	Public sector bank		Private sector bank		t-value	p-value
	Mean	Std.Dev.	Mean	Std.Dev.		
Satisfaction with tangibility	34.71	5.00	36.07	3.64	-2.6939	0.0075*
Reliability	24.97	3.81	25.91	3.67	-2.1742	0.0305*
Responsiveness	24.75	4.13	24.49	5.18	0.4682	0.6400
Assurance	23.20	3.34	22.35	3.42	2.1879	0.0295*
Empathy	15.51	3.81	16.96	3.12	-3.5980	0.0004*
Efficiency	19.39	3.58	18.51	3.46	2.1836	0.0298*
Accuracy	33.87	4.49	34.63	3.10	-1.7228	0.0860
Security	19.48	1.13	18.89	1.05	4.6979	0.0001*
Customer Service	21.23	1.84	21.11	1.79	0.5420	0.5883

Table No. 11 is revealed the t-test analysis technique and was fitted to analyze difference between variables of public and private sector banks with regard customer satisfaction attribute via. Tangibility, Reliability, Assurance, Empathy, Efficiency, and Security are statistically significant at 5% level of significance. Similarly, in case of variables responsiveness, accuracy and customer service are shown to be insignificant.

FINDINGS

It was found in the study that **private sector banks** have adopted **better marketing practices** compared to public sector banks with the former having mean value of 38.64 and standard deviation of only 2.31, while the latter has lower mean value of 35.88 and higher standard deviation of 4.25.

The study has revealed that there are different **market segmentation strategies** adopted by public and private sector banks with regard based on measureable sample size, effective reach of services, large & profitable effort and different Market mix elements.

There has been a considerable difference in **buying behaviors of customers** of public and private sector banks in terms of **cultural factors** like nationalities, religions, racial groups, social class and geographical regions.

There is a significant difference between public sector banks and private sector banks with regard to **consumer buying decision** at pre-purchase stage attributes motivation of the consumer at the time of purchase.

It was found that there is a significant difference between public sector banks and private sector banks in terms of the factors like **product adoption process** for marketing of bank

products used as a product strategy in **marketing mix** variable.

The **products and services** marketed by public and private sector banks differ substantially.

There is a lot of difference in approach of banks in offering **innovative banking products** and services to customers by public and private sector banks.

It was further found out that the strategies adopted by public sector banks and private sector banks do not differ much in terms of attributes of pricing strategy in the study area.

In case of the promotion strategy attributes like motivating customers through sales promotion techniques, promotional strategies that adopt for circulating the product among the various customers, there has been a significant difference between public sector and private sector banks.

Both public sector and private sector banks have adopted similar distribution strategy including the channels of distribution like use of representatives, bank employees acting as sales force, call center, direct marketing, tele-marketing and many other channels of distribution.

Using middlemen as channel of distribution has been a differing factor between public and private sector banks but however there has been a similar approach followed by both public and private sector banks in terms of using factors like products, company and market as distribution channels.

Customers of public sector banks have demonstrated better knowledge about marketing mix knowledge of their bank with higher mean values, compared to the customers of private sector banks with respect to the factors like knowledge about products and services, knowledge about innovative products and services, information about word of mouth promotion and satisfied with mobile banking services. In case of other factors related to marketing mix customers of both banks have exhibited almost similar knowledge.

In terms of customer satisfaction, the customers of public sector banks have behaved more satisfied compared to customers of private sector banks in terms of assurance and security. Further, there has been a strong difference experienced by customers of both banks which is evidenced with a very high t value (4.6979). But however, in terms of other variables like tangibility, reliability, empathy and efficiency, the customers of private sector banks have expressed a better experience compared to the customers of public sector banks in the study.

There has been a significant difference in terms of pricing and promotion as marketing
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mix strategy, between public sector banks in the study are advised to adopt good marketing practices, as they are lagging behind in comparison to private sector banks in the study.

Banks are suggested to consider the factors that influence the customers' buying behavior in both public sector and private sector banks.

Banks are advised to adopt prudent marketing research process in order to gauge the pulses of the customers. A strong and scientific marketing research process ensures the correct prediction of the sales for the banks.

Bank employees are required to develop cordial relationships with their customers. A dissatisfied customer will cost a huge business to the bank, while a contented customer is like an asset to the banks.

SUGGESTIONS

Public sector banks are advised to come out with innovative banking products and services like door pick up of cash if it is bulk amounts, waiving of some bank charges for the premier customers of the banks.

Public sector banks need to seriously work on improvisation of promotion strategy attributes like motivating customers through sales promotion techniques, promotional strategies etc. in order to have a good market hold.

The front desk executives and front line sales executives of the banks have to be trained properly, as they are face of the banks who interact with the customers at the first hand and endorse the image of the banks.

Public sector banks in the study have used Business Correspondents (BC) and Business Facilitators (BF) to carry out some of the banking transactions in remote areas where banks cannot afford to open a branch or ATM. Enough care has to be taken by the banks while appointing such BCs and BFs, as they carry cash deposit and cash withdrawal activities on behalf of the banks. The possibility of frauds and manipulations has to be avoided.

Banks need to adopt a friendly approach with some customers who are not tech savvy or not comfortable in using bank technology. Bankers have to educate such customers and if need arises need to help them do transactions using technology.

Some premier public sector banks who are well established need to maintain a cordial relationship with their customers, as brand building and sustenance of brand value calls for a long term, steady and friendly approach towards customer relationship.

Private sector banks in the study are advised to strengthen their marketing mix strategies and awareness among the customers about their marketing mix.

Customers of private sector banks in the study have not shown satisfaction in terms of banks' assurance and security. These are essential features of banking and hence private sector banks need to work to improvise on these factors.

The public sector banks in the study are required to focus on revitalizing their approach towards tangibility, reliability, empathy and efficiency related to their customers, as they have not shown much satisfaction related to these factors.

Banks are advised to streamline their efforts in relation to pricing and promotion as marketing mix strategy, as this ensures retention of customers and acquisition of new customers for the banks.

CONCLUSION

Bank Marketing is the recent practice adopted to gain market share in the global market. Today, the marketing of bank products is essential task of banker to meet a powerful competition. Technology in banking sector influences much on marketing of bank products. The public sector banks in the recent past opened up their vistas in introducing innovative banking products to meet the competition and technology challenges posed by private and public sector banks in Indian scenario. Further, the banking sectors focused their light upon marketing practices to bring their products and service in line with global marketing to meet global market challenges due to introduction of LPG. It is rightly apt that banking sectors in India are in forefront to bring technology and marketing practices in consonance with new banking policies of Reserve Bank of India. The concept of bank marketing helps to play a predominant role in achieving the banking objectives by satisfying the needs of target customers. In the light of above, the researcher undertook this study highlighting on marketing practices adopted by sample banks, factors influencing on buying behavior and customer satisfaction towards products or services offered by sample public and private sector banks in Belagavi district. Further, the study enlighten on segmentation, consumer buying decision at pre and post purchase stages, marketing mix strategies emphasizing on product, price, promotion and physical distribution, The customer satisfaction is the yardstick to measure the progress of the bank, higher the satisfaction of customers for their products and services greater the stabilized profit. The result of the study reveals that, public sector banks satisfied their customers with assurance and security variable but private banks satisfied their customers

in terms of tangibility, reliability, empathy and efficiency. It is suggested in the study that, public sector banks advised to come out with door pick up cash service, simplification of procedure, improvisation of promotion strategy, an effective training to their employees, friendly approach towards their customers, searching potential customers in the segment market. Whereas, private sector banks are advised in strengthening their marketing mix strategies, reduce the hidden charges, strong assurance and security are necessary towards customer reliability. Open discussion with customers with regard to products offered and adoption of social banking is necessary rather giving emphasis to rich class of the society. Most of the earlier studies focused the private and foreign banks have more developed in terms of customer satisfaction and technology improvements but in this study public sector banks are also in par with development of private banks. The public sector banks focused their attention towards poorer and down trodden people in the society by providing socio-banking practices along with increasing technological services and bank market practices.

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