CHAPTER 2

LITERATURE REVIEW

2.1. INTRODUCTION

Literature review is the first step for any work of research, once the subject is identified. It gives the scholar an insight into his chosen subject, what others have earlier said about the same. It guides the scholar into the deeper nuances of the subject, enabling him to precisely state the problem, lay down his objectives with greater clarity and state his hypothesis. This is also an indicator to the relevance of the research and as to what its contribution to the body of learning as well as to society at large. Through review of existing literature, the scholar identifies the research gap in the relevant subject, which the study aims to fill up.

The nature and scope of Banking has changed over the centuries, from the times of Jewish banking as well as Vedic banking to the present day liberalized and globalized banking business, keeping true to its basic principles of accepting deposits and lending loans. Today we have a buyers market as compared to the earlier sellers’ market. The buyers are less and the sales is more. Thence the customers have multi choices, upto the extent of casting lots or tossing coins and deciding on the partner bank. The customers have many choices while selecting a bank. It would range from proximity to the branch, branch networking, lesser rush and waiting time, thus faster service, or attractive lending and deposit rates, less formalities and hurdles for transactions like loan sanction and release and cheque collection, low service charges, reputation and reliability of the bank, references from friends and relatives, requirements of personal, family and official aspects like wards staying in hostels and or away from home, business deals and partnering, banking availability of ATM/CDM/kiosks, online and other tech oriented facilities, namely SMS banking, wallets, IMPS, Electronic passbooks,
ambience of the branch, quick responses and follow up of issues, attitude and level of co-operation of the bank personnel and so goes on the causative factors for a customer selecting a bank to transact with.

The presence of a unique bank with all desirable features is to be questioned still. But the individual customer has his own priorities. There also might be some priorities common to customers in general. Blankson et.al.(2009) studied about what were the criteria of students in selecting a bank. The target group were of both developed as well as developing economies. He could identify four factors as determinants. These factors applied to students from both developed as well as developing countries.

They were,

- Convenience of banking and transacting
- Competence of the bank and staff
- Parental influence on selection of banks
- Service recovery either less or not at all

M Zineldin 1996, Bank strategic positioning and some determinants of bank selection, International Journal of Bank Marketing, Vol. 14 Iss: 6, pp.12 - 22. As per the study, banks are now facing more aggressive competition, uncertainty but at the same time have unlimited opportunities. A bank needs to check periodically its strengths and opportunities with the intention of occupying and retaining its position in the market, as no bank can offer all products, and each bank has its own share of strengths and opportunities, which it should utilise to sustain. The study identifies the need of an integrated application of technology and staff who facilitate the clientele to utility of all what a bank has to offer. This fosters loyalty through means of creation of wholistic client relations. It is revealed in the study that, a country as Sweden, does not have a unitary leading bank or no bank enjoys monopoly or leadership in all parameters of banking and finance. Instead, there are banks who lead in either of the parameters, and have separate strongholds as,
Deposit
Credit
Assets of the bank
The study points out at quality in functioning was better preferred to traditional functions. Those aspects which weighed less among the customers as determinants of selecting a bank were as,
Locational vantage
Costs and prices
Marketing

Determinants among different target groups can be different. If cost is the first priority for someone, another might prioritise customer service. Age, financial stakes, tech savviness, employment requirements and even routine would influence determinants. Some customers have life-long or generation long relationships with banks, which is hard to sever, some others have it in their routine, it is not easy to break apart. Employment is a major determinant, especially in salary accounts. Determinants can also change with time and position. A student transacting with a public sector bank, on employment might be lured to the technologically advanced new generation or foreign bank.

Now there are more banks and branches and less customers, comparatively. Banks introduce several strategies to keep their customer base strong and intact, concentrating on satisfying the employees and ensuring their loyalty towards them, as customers have many options in today’s buyers’market. Customer dissatisfied have options to move out to other banks. It is the very same determinants which guide them choosing a bank, which let them sustain or change their banking relations. The customer is the end to banking transactions, and a good conclusion leads to lasting impressions and leads to sustainable relationships.

When the study of by Robert F. Linneman and Raymond N. Davis was conducted, the respondents were non-patrons of the banks and hence the perceptions of non-patrons for the election criteria was adopted. It was found
out that three variables can be classified in place of convenience, such as parking, the locational position and the time taken for operations. There are different types of customers such as customers oriented towards convenience and customers oriented towards service. The study reveals that for the customers oriented towards convenience location ranked second whereas for the customers oriented towards service it came as the tenth ranking.

Jim D. Reed (1975) selected criteria of fifteen numbers for decision making. The definitions of various variables are really alluding, for example the variable reputation may include images of different degrees such as philosophy of the management, rate of growth, area of incorporation and period of existence and so on. The variable location also has many image variables such as convenient to operate from home or office or near to shopping centers. Also friendliness may indicate the total human interaction characteristics such as honesty, loyalty, empathy, confidentiality etc.

**Bhole L M** 2002 “Financial Institutions and Markets- Structure Growth and Innovations” Tata McGraw Hill Publishing Company Ltd, New Delhi studies financial systems in detail especially in the post liberalization era. The study offers exposure to financial systems in general, especially the Indian financial system, its working, constituents, criteria, contributions and constraints in economic development. Its effects on saving and investment and the different monetary channels to the end- the customer.

**The Customer**

The Oxford dictionary defines the customer as “a person who buys goods or services from a shop or business” (noun) and as “a person of a specified kind with whom one has to deal”, (adjective). A customer in a bank is usually one who maintains an account and transacts in it. There could also be walk in customers who do not have an account but avail of agency services like remittances (Demand Drafts) and currency (denomination interchange or cut
notes exchange). The target group customers of this study include the niche retail customers.

Retail customers are those loan and liability customers in the retail portfolio. Niche is determined according to standards set by important banks, SBI for example considers a customer of bank business value of rupees one lakh and above as a niche customer. A customer satisfying these two criteria of being a retail customer with a business volume of a minimum of rupees one lakh is the customer in this study.
2.2. CUSTOMER EXPECTATIONS

“Customers don’t expect you to be perfect. They do expect you to fix things when they go wrong.” ~ Donald Porter

Expectation in general by a customer, about any service is a set of standards which he or she uses to judge the quality of the end product. Human nature generally places expectation at a higher scale than actual happenings. A banking customer has in mind a set of expectations while entering into a business relationship, influenced by his needs, by word of mouth from whom he considers a reliable source or what he perceives as due to him from a paid service industry. Martula and Menon identified expectations are needs, Lilley and Usherwood past experiences, and Oliver identifies the causes of expectations as the product, the context and the individual characteristics of the customer. Expectation could also be proportionate to familiarity, with the bank, staff and service, which could increase in the course of a relationship. Some factors influencing expectations could be

- Word of mouth from reliable sources
- Previous experiences in similar settings
- Needs of the customer
- Media influence
- Industry level or market level service standards

The realisation of expectations is a positive influence on the customer for continuing relationships.

Parsuraman et al, considers customer expectations as the desires and wants of the customer. Parsuram developed a scale to measure the performance of service received against the expectation and also the future intentions on the part of the customers to buy the services.
Babakus & Boller (1992), Bolton & Drew (1991), Brown et al (1993), Carmen (1990), stress the importance of the SERVPERF scale in studying expectations. This scale developed by Cronin & Taylor is a variant of the SERQUAL scale.

Razak in 2007, conducted a study connecting among expectations, perceptions of services received, customer satisfaction and loyalty in a bank in Malaysia. The connect of quality of service with customer satisfaction and loyalty was identified and confirmed in this study.

Quality is a much preferred trait and service quality is so. If the service offered by the bank meets or is a bit ahead than the customer’s expectations, there is quality in it. Orion S Marden ‘Quality is the deciding factor on how much offerings are valued by the world.’ Quality motivates the person to pay for something - a product or a service. In any business expectations have some degree of quality.

Anderson et al (1976) first used the term service quality on recognising its importance in obtention and retention of customers. During subsequent research, many scholars came up with similar ideologies about service quality. Churchill and Suprenant (1982), considered it an attitude. Gronroos (1982), Lewis and Booms (1983) related service quality with the significances of processes and outcomes. According to Gronroos, perceived service quality was “the outcome of an evaluation process, where the consumer compares his expectations with the service he perceived he has received”. Service quality was considered as a global value judgement.

Navdeep Aggarwal and Mohit Gupta (2003), study the primary dimensions and sub dimensions of service quality. Branch managers and academicians were interviewed in order to formulate a banking service quality model. It concluded that service time and personal interactions, together with ambience are needed for service quality.
Ujwala B. (2013) A Study On The Consumer Buying Behavior Of Personal Care Products In More Super Market, Chittoor District ,World Academy of Informatics and Management ,Vol1 Issue3, June-July 2012SSN (online):2278-1315: This study shows that because of the current changes in the demographic pattern of consumers and the awareness of quality consciousness consumption, consumers are preferring to buy different products from supermarkets in considering various attributes along with quality products offered and value added services extended by them.

Manjunath,S. (2013), Impact of Service Quality on Customer Satisfaction at AXIS BankInternational Journal of Management and Social Sciences Research (IJMSSR) ISSN: 2319-4421Volume 2, No. 3, March 2013 :This study aimed to explore into what customers perceive about quality in service, and its dimensions among consumers of bank services. The results show service quality is an important element to create customer loyalty that will lead to customer satisfaction and loyalty.
2.3. CUSTOMER SATISFACTION

Satisfaction in a service context what a person feels; pleasure or disappointment while matching an outcome or service encounter with what he or she had expected - (Kotler). Customer satisfaction is more or less an emotional or cognitive response to some service. The relevance of customer satisfaction in on the wax, as stiff competition and multiple players in the industry are fighting for their share in market. It is end of the service process and marks the evaluation of the encounter. The customer expectations and the materialising of it influence satisfaction. Service quality always influences customer satisfaction. Unrealised expectation might lead to dissatisfaction. Values of trust in the service provider goes a long way in enhancing satisfaction, even in stray incidents of not very good service as perceived by the customer. Banks and service industry in general place much focus on enhanced customer satisfaction by rising to the customer expectations within prescribed settings for business interests.

Vijay M. Kumbhar in “Factors affecting the customer satisfaction in e-banking: some evidences from Indian banks” explores the factors as service quality, brand perception and perceived value which influence satisfaction among customers in e-banking service settings. The study and evaluation was conducted through customer survey. with the help of questionnaire developed on the basis of likert scale. Discussions were held as part of study with branch managers and experts in the field of customer service.

Customer satisfaction is a superset of many attributes of which the customer is recipient and the service provider is at the giving end. Service quality is a prelude to satisfaction from the customer. Timely redressal of complaints and grievances is part of quality service, along with other facilities as tech-products, competitive rates, low service charges, flexibility in policy, and so on which leads to satisfied customer base.
Pushpangadharan (2002) study on “The quality of customer service in public sector banks” makes a comparative study on customer service offered in public sector banks and those in the private sector. The determinant factors he studied are facilities and amenities, transaction speed and provision of deposit as well as credit related services. He observed that, the customers of the public sector banks are less satisfied with branch level management and employees and as regards customer feedback and redressal of grievances.


Dash S. et.al. (2012) Service Quality And Customer Satisfaction In Insurance Sector- An Indian Perspective, Asian Journal of Multidimensional Research Vol.1 Issue 4, September 2012, ISSN 2278-4853 184-190: The quality of the service is a pre-requisite for financial institution’s market performance and subsequently, economic performance. This revolutionised the distribution network and led to the emergence of a more diversified and multichannel distribution network, thereby providing better penetration and accessibility to customers. This was critical given the very low level of penetration of insurance in the country.

Mir. R. et.al. (2013), Customer Satisfaction: A robust predictor of Customer Loyalty: IJIRS ISSN 2319-9725 May 2013: This study, projected in the retail banking scenario, was aimed at understanding the relationship between customer satisfaction and customer loyalty in retail banking. This study went deep into exploring the influence of satisfaction of customers on loyalty factors and development.

Zhou, L( 2004)- “The dimensions of customer satisfaction in Chinese retail banking”. The impact of quality of service on customer satisfaction was studied. The determinants of customer satisfaction are reached at using
SERVPERF model. Reliability of the bank and assurance were the primary determinants of customer satisfaction.

Arora S (2005) in a study in North India as the project area, concentrated on those factors which influenced the aspect of customer satisfaction in three types of banks, namely PSBs, private banks and foreign banks. From a sample size of 300, it was inferred that significant differences exist in levels of customer satisfaction among the different groups of banks as regards day to day operations as well as situational and interactive factors.

Omar Masood, (2009) : This study attempted at making assessments as regards the extend of awareness on the part of the customers, their levels of satisfaction, also as criteria to decide on selecting a bank. The sample size was of 200. Some extend of satisfaction was come across. Certain dissatisfaction regarding Islamic banking services were also observed.

Adhikari & Nath, (2014) have further studied the expectancy of the customer with the help of a survey among 60 respondents who are the customers of the commercial banks functioning Silchar, Assam. It aimed to obtain the perceptions of the customers in various aspects relating to service quality and its impact on the customer satisfaction and further on the customer retention and loyalty. The study revealed that dimensions of tangibility, reliability and empathy induced customer satisfaction by providing a better service quality. Further, the satisfied customers relied on this particular bank for their transactions. Not only that, the satisfied customers recommends the banks to other customers and therefore it lends a helping hand to the banks to increase business.

The study of Lenka, Suar, & Mohapatra, (2014) also examined the service quality of Indian commercial banks in fostering customer loyalty. A sample 350 valued customer for survey on the significance of human, technical and tangible aspects of service quality. This study revealed similar trends as that of Adhikari & Nath, displaying a definite relationship of service quality to customer satisfaction and further on to customer loyalty. It also revealed that
technical aspects of services also influences positive attitudes of the customers for the banks

Similarly, Kaura, (2013) examined the effect of service convenience on customer loyalty by conducting a cross-sectional study of 352 banking customers in the urban banks of Rajasthan through questionnaire. Using structural equation modelling the study concluded that decision, access, transaction, benefit and post benefit convenience services of the banks induces customer satisfaction that further fosters customer loyalty. A convenient service of the banks especially its help to take effective decisions in planning the investment and savings of the customer provides customer satisfaction. Some banks provide not only service prior to availing it but also post service and that increases the satisfaction and loyalty level of the consumers.

Rod et al(2009)-studied the relationship between service quality, online banking service quality and customer satisfaction in New Zealand. His conclusion was that total quality of service was definitely influenced by the quality of online banking and information systems.

Roy John (2016) IJSTM . The study shows that high quality service for regulars, speedy information availability, efficient and fast service are very important determinants for customer loyalty.

Sandip Khosh Hazra, Dr.Kailash Srivatava (2010)-studied the connections of service quality, customer satisfaction ,loyalty and commitment in private banks. The scale used was SERVQUAL. The result was the identification of the significance of service quality dimensions, assurance and reliability for customer satisfaction, loyalty and commitment.

Dr. Ravichandran et al(2010) finds out the importance of service quality dimensions among public sector consumers in India. He identifies the parameters of service quality and which were also of much importance. They are as
- Tangibility
- Responsiveness
- Empathy.

Anand & Selvaraj, (2013) studied the impact of service quality and customer satisfaction on customer loyalty through a survey among 50 customers of State Bank of India (SBI) of Nagar Mohan Township branch of Tamil Nadu. The study concluded that service quality has a positive and significant relation with customer loyalty. A quality service provided to the employees keeps them satisfied as the employees gain the confidence of the customers by their efficient service. Further, responsiveness, reliability and empathy were identified as the important factors in determining the customer satisfaction and loyalty. Studies on determinants on the part of customers in service industry can vary from good service to low costs, to proximity to simplicity in procedures and so on.

Customer loyalty is the remainder of customer satisfaction. A satisfied customer remains loyal to his banker, by not fast switching business from bank to bank based on incremental benefits and motives. Retaining and increasing the tribe of loyal customers is a challenge to the bank too, especially when the customer has a variety of choices and even sometimes more than one loyalty.


Aiming to find the effect of E-banking on customer loyalty and customer satisfaction Kaur & Kiran, (2014), distributed a surveyed among 415
respondents from the E-banking customers of commercial banks of New Delhi. The study executed through regression model revealed that security in virtual banking and technological invasion made the customers feel safe by utilization of the system and therefore, leaves them satisfied. The sense of security also aided in customer loyalty and customer retention in the long run for the bank.

Lalita A Manrai, Ajay K Manrai “A field study of customers’switching behavior for bank services”, Journal of Retailing and Consumer services Vol 14, Iss 3 p 208-215 studies the dimensions of customer satisfaction with bank services. These are personnel related considerations, namely staff attitudes, financial considerations, namely deposit and interest rates, environment related considerations , that is access, ambience and convenience related considerations, that is ATM, business hours and the like. The connection between customer satisfaction and behaviour of changing the bank by the customers is studied. Competition among banks for business and difference in customer service is the stimulant for customers deciding as to which bank they should deal with or move out from.

“Customer service is just a day in, day out ongoing, never ending, and unremitting, persevering, compassionate, type of activity.”- Leon Gorman
2.4. CUSTOMER RELATION MANAGEMENT

Post-liberalization era wound up the sellers’ market to open up buyers’ market. Today the customer has many competitive choices. So relationship management from the part of the bank is too a requisite for sustainable business relationships. Developing long lasting business relationships is a real challenge to banks today. Customer satisfaction is the prelude to customer loyalty, which fosters long lasting and sustainable banking relationships.

Today banks and other service providers are better realising the importance of Customer Relationship Management. This facilitates building and expanding the customer base, by attracting new customers, retaining existing ones and building long term relationships. Bankers need to maintain records of their rapidly growing number of customers and to have easy access to the customer base, for example list of NRI, HNI customers.

The first step to customer relationship management (CRM) is maintenance of all inclusive customer data base. Managing customer data facilitates optimal visibility for customer profiles, enable communications as part of marketing of the bank and its products, or to help the customers with timely intimations on deposit maturities, loan EMIs and overdues, or agency commission. Generally banks allot a customer a file or a CIF (customer identification file). Personal details including demographics, identification, proofs of identity and address, introductions, if needed, especially in the case of salary accounts are stored in this file in soft form as as hard copy in the account opening form (AOF). All accounts of the customer are based on the CIF. Good relationship facilitated by regular followup like festival wishes, courtesy calls from the part of the bank, something more than regular or even commendable service fosters greater customer loyalty and thereby satisfaction.
Roger Palmer, Adam Lindgreen, ,Joelle Vandamme (2006)“Relationship marketing: schools of thought and future research directions Marketing Intelligence & Planning”, Vol. 23 Iss: 3, pp.313 - 330 refer to traditional micro-economic framework. This was to make an analysis of the marketing situations in contemporary environment. The study looks into how valid relationship marketing is and its accompanying value in implementation and also discusses exchange relationships.

Lindgreen,A.(2005), Relationship Marketing Design Implementation and Monitoring, The ICFAI University Press, ISBN 81 7881 58 6 9: The book discusses different qualities of customer relationship. The essence of he book is detailed under topics such as buyer seller exchange solution, exploring tactical implementation of relationship marketing etc.

A satisfied customer serves as a bank ambassador to public. Even if good comments are not made, he would not have any controversies regarding the bank, which itself is good propaganda. Solomon M 2003, “Consumer Behaviour’Pearson Publication ISBN 81-7808-818-5, deals about the customer in the market place as individuals as well as decision makers. Word of mouth is a main determinant. Negative comments as more popular than positivity about any product. This bad propoganda spreads in a chain like pattern

Indian banking has underwent a long walk from the time of vedic banking. Retailing is today a global business and retailing is the largest industry in India.. Banking business is more into retail lending, than bulk and wholesale, as there is less risk, more return on assets and better spread. Nowadays customers have more choice. Technological revolutions have changed the scope of banking. For example plastic money, wallets, online and telebanking have changed the financial habits of the customer. Family income is increasing with working women and less dependents. The credit crunch is less felt with overdrafts and credit cards. Banking has now penetrated almost every nook and corner of the country and the customer base is fast expanding. Customer loyalty and satisfaction have a positive relation with retail business in general.
The customer does a lot of comparison among different banks and only then decide to buy the products. The bank is interested to keep their customers well informed, happy and wants to retain them for repeated business, cross selling, lesser risk, lesser effort and greater spread. For example a customer who wants a loan for a house, approaches a bank. Along with his loan, he starts a savings bank account, which is necessary to operate the loan; the SB account gives him an ATM card, an insurance cover on certain SB accounts, SMS banking and alerts. He is able pay bills, mobile recharge through ATM or Internet banking. His next loan, say a motor car can be availed immediately from the bank, as he is no more a new entrant and has fulfilled the Bank’s Know Your Customer guidelines. He can also avail of other loans, like education loan, personal loan, and so on with the same security he has given for the housing loan.

This benefits the customer as the bank being a one stop super market for all his financial transactions. The bank is at a lower risk, has less effort in processing the customer’s details and gets multiple business or cross selling. The customers vary in their income, education, status, preferences, likes and dislikes, family size and location. It is also necessary to understand the customers profile, to offer him the best which he can afford and the best the Bank can get from him. The customers role is very important in increasing business. The bank is to help and facilitate them for taking informed decision to avail the services and products. The additional value for money will stimulate the customers business relations. Banks need to take decisions on promotion methods of business, based on customer needs and nature of banking services and products. To lose an existing or potential customer is as easy , as the drop of a hat, but hard to get another is far more difficult, as is to retain the existing customers.
2.5. DETERMINANTS IN BANK SELECTION

Throughout the reviews it was observed that quality service promoted customer satisfaction, rising to expectations and instilling values of loyalty, which led to retention. The technological revolution has far invaded banking business to the extent of controlling the same. This situation of multiple choices enables the customer to a variety of priorities to bank with.

The Physical properties of the bank branches are determinants for customers for selecting a bank and to have a life long relationship. As the purchasing power of the customer has increased, his demands have increased too. The ambience of the branch, staff attitude, access, facilities like parking lot, comfortable lounge, drinking water, washroom are attributes. Good exterior visibility is a must.

The interiors of the branch of a bank, affect customer perceptions; flooring, Colors, pleasant fragrance, air conditioned lounge. Music is another attraction. Television popularising the bank products is a good method of marketing bank’s products to the customer, without he being aware of it.

Branch Layout is the design in which a bank branch’s interior is set up. Layouts are well thought out to provide the best exposure possible. They are designed to create an attractive image for consumers (Jennifer VanBaren, n.d.). Good marketing and business promotion brings customers in, but he layout and design of the branch play a main role in how customers rate their experiences and whether they decide to have long term banking relations.

The main party involved is banking transactions and business is the customer. The customer is the purchaser of services. He purchases the services or products for family, friends or for himself who are known as end users. The importance of this party to business is that he is at the paying end for which the bank benefits from a fees or charges for transactions. The bank also gets more access to market, through the services rendered to the client group.
Once the value of money is realized by the end users, they continue utilizing further bank products like SMS banking, ATM, IMPS, credit cards, banking apps, and so on, when they feel that is worth paid.

Customers now look for a one-stop financial supermarket, where they can get all their needs fulfilled; savings, credit, locker, and also branchless banking like internet banking, IMPS, wallets, smart cards. E-lobbies, kiosks, coin vending machines, cash deposit machines, ATMs have wiped out transaction times, catered to customised requirements and reduced the risk of liquid cash.

Erol et al. (1990) has concluded that customers give high score to fast and efficient services, bank’s reputation and image, friendliness of bank personnel, and confidentiality of bank. Confidentiality to clients’affairs and accountability primarily to the client , unless and until approached by law in the light greater or national interest, is the code of ethics of any career or profession

Customers gives highest importance to the reliability dimension of banking services, besides efficient customer service, responsiveness of the employees towards the customers, service quality and efficiency of the employees. Mistry, (2013) studied the customer satisfaction measures of Surat city by conducting a survey on 120 customers that had account on different banks using SERVQUAL model. The study revealed that banks mostly focus on reliability development, that is, a structure developed by the bank on which the customers can rely. It was also found that responsiveness of the bank employees, promptness of the bank in sorting their problems and willingness of the customer care team to help the customer are the factor that increase customer satisfaction.

Maiyaki (2011) points out that the most important determinants of the customers in bank selection are size of the bank and total assets, that is reliability, proximity to office or residence, convenient access , personal security of the customer, and the ease of procedures of account opening.
Hu Phuong Ta in "A study of bank selection decisions in Singapore using the Analytical Hierarchy Process", International Journal of Bank Marketing, Vol. 18 Iss: 4, pp.170 - 180 surveys undergraduates regarding their bank selection decisions. 198 UG students were surveyed. Nine parameters were studied and 5 banks were identified for study. The findings are that the target group prioritised pricing, that is cost effectiveness and product dimensions of the bank services. The study was beneficial to the bank, especially to the management as it threw light on the strengths and weaknesses of the bank and pointed out to the selection criteria of the target group.

Almossawi A 2001 “Bank selection Criteria employed by College students in Bahrain; an Empirical Analysis”, International Journal of Bank Marketing, Vol.19, Iss.3 pp 115-125- Commercial banks should identify what attracts potential customers to the bank and guides them through opting for a business relationship. The target group of this study are college students in Bahrain and the focus of study was finding out their bank selection choices criteria with a sample size of 1,000 who were of 19 to 24 years of age and students of the University of Bahrain. The researcher came across the following findings at the end of the study. They are as:

- Reputation of the bank
- Parking facility
- Friendly bank staff
- Accessible location of automated teller machines (ATM).

products. Another finding is that service problems and the bank's service recovery ability have a major impact on customer satisfaction and retention.

**Hafeez Ur Rehman, Saina Ahmed** “An Empirical Analysis of the Determinants of Bank Selection in Pakistan- A Customer view” 2008 Pakistan Economic and Social Review Vol.46, No.2 pp 147-160, analyses the major determinants of a bank selection by a customer in Pakistan. The study conducted among 358 Lahorites revealed the most important determinants of customer choice are customer services, convenience, online banking and overall environment of the bank. The study aimed at bridging the gap in banking literature concludes with some suggestions for improvements in banking.

**Ansar M** 2014An Empirical Study on the Determinants of Banks Selection in Ghana:Application of Principal Factor Analysis on Senior High School Teachers in the Kumasi metropolisInternational Journal of Academic Research in Business and Social Sciences July 2014, Vol. 4, No. 7 ISSN: 222 : The paper presents an empirical study of selection criteria used by teachers in the various Senior High Schools in Ghana towards the selection of their banks. The aim of this study is twofold: first, to investigate bank selection criteria among undergraduate students in the University of Ghana, and second, to relate this study with previous findings on the same phenomenon. Extant studies have adopted mainly quantitative approach. Qualitative research design was adopted, to identify and fill the gap, thereby contributing to knowledge thus facilitating in-depth understanding of the determinants of bank selection. Findings show that convenience, bank staff-customer relations and banking services/financial benefits are the first three most important determining factors. Furthermore, happiness, joyfulness, cheerfulness and delight are feelings derived after a banking service; while sadness, anger and deceit are avoided.

**Gerrard &Cunningham( 2001)** : According to his study, convenience factors were of utmost importance in banking context in banking selection criteria when compared to other factors based on their survey conducted on conventional banking customers in Bahrain.
Beckett & Hewer, 2000: Customer selection of banking services was mainly determined by dependability of institutions, accessibility, “easiness” of processes for transactions, variety of services offered and availability of loans at competitive interest rates. As per this study, in order to avoid cost for switching over and disruption avoidances, the customers prefer a relationship that lasts long as a criteria for selection. The study also confirms the bank product type and the cost for availing it is a key reason for formulation of purchasing behaviour of clients and trust based relationships which protect clients from parties who act in opportunistic manner. The bank relationship and service quality perception are the important bank selection criteria for selecting a bank. (Aregbeyen, 2011). Criteria like query handling ease, timely delivery of services, time for waiting to avail services are main reasons for presumed service excellence.

Krisnanto (2011) concludes that customers select the bank based on word of mouth, that is recommendations of friends and family members. While doing so, it is not just the speed of the transactions and attractive pricing, can be done, but the friendly attitude of staff and tellers.

Debashis and Mishra (2005) however felt new products and various schemes were not much decisive regarding bank selection.

Schlesinger et al. (1987) found that there were three most important factors namely lending rates, accessibility of borrowing, and the number of services offered for selecting a bank for small business customers.

Now small businesses are receiving greater thrust from government as well like Small and Medium enterprises. Many banks have products catering to small businessmen, assisting them to realise their entrepreneurial dreams. Also banks have targets to achieve in SME allocations, as fixed by the Government. Corporation bank has a product called Corp Vyapar which provides working capital credit from a minimum of rupees 2 lakhs till rupees 25 lakhs, to small businessmen, manufacturers, contractors, agents, also to individuals and units. The terms of sanction are comparatively simple with low
margins to even 10%. The loan is provided as term loan or overdraft on hypothecation if stock, or on pledges or mortgages.

Kayanak and Kucukemiroglu (1992) surveyed in Hong Kong to determine the importance of selection factors used in choosing domestic and foreign banks. Convenient location, available counselling, vault location, and loans and mortgages found to be major factors.

Kayanak (1991) has conducted his study in Turkey and as per this study friendly employees, branch locations close to their homes, fast and efficient service, availability of credit and financial services counseling are particularly important in banking selection. However there are differences in findings of this study and research on banking selection remain inconclusive.

Renman and Ahmed, (2008), According to this study, the most important determinant by customer was convenience. Other criteria such as service ad internet banking facility and banking office environment also play a crucial role for selection of the bank. Customers give a great importance to digital service which enables them convenient and quick availability to banking services. As per the study by Sharma & Rao, 2010 on bank selection criteria employed by MBA students in India, too arrives at convenience as a major determining factor in the selection of a bank. As the customer want to save time, they also want convenience such as free delivery of services, facility for parking, free home cash delivery and phone banking. As per Mokhlis, 2009, service factor came second in terms of relative importance considered by female customers than a male customer when exercising the choice of bank. The importance of service provision is further clarified by the study conducted by Gerrard and Cunningham, 2001 among the undergraduate students to find out how they choose the bank.

Kaufman (1967): It was found out by his studies that the most influential factors in customer’s selection of a bank were convenient location to home or place of business, and quality of services offered by the bank and length of bank customers relationships. As per Mason & Mayer (1974), there are many
criteria for selection for a customer of which location of the bank is found to be at the top priority. It is followed by factors such as recommendation of friends and relatives, easy loan terms, employees who are friendly. It is revealed by many other studies that the consumers’ bank choices depend on various criteria which include location of bank, loan availability, salary accounts and so on. This is confirmed by the study of Martenson, (1985)

Cunninghamand Gerrard (2001): According to his study, factors related to convenience were most important in selection criteria of banks while comparing to many factors which was based on survey done at Bahrain among customers of banks.

Beckett & Hewer, 2000: As per their study, the bank selection by customer was primarily decided by accessibility to the bank, transaction ease, process easiness, number of services, bank’s dependability, interest rates which are competitive in the market. The study shows that customers tend to consider the benefits of long-lasting relationships as a reason for choice, in order not to disturb the status-quo and avoid switching from one bank to another. The cost and type of bank product too is important in the purchasing behavior of consumers and that a relationship based on trust is important, especially those of professional associations that “protect consumers from third parties acting opportunistically”. Coupled with the relationship with a bank, perceived service quality was also seen to be an important bank selection criterion used to select a bank (Aregbeyen, 2011). Indeed, aspects of the service delivery process, such as ease of handling queries, delivering on services as promised, and the length of waiting time, are central tenets of the service related criterion.

Elliot & Shatto (1996) conducted a study on the US bank customers. They saw that access to services, speed of transacting and price factors were of much significance. Their findings reveal customer preferences on lower costs and quick transactions, than offering personalized services. Customers were ready for being less served and serviced for competitive pricing.

Reeves & Bednar (1996) however observe customer service as supreme to
pricing in transactions. Other determinants according to them could be access to banking and speed in transacting, price would be, of course. Their place of domicile or workplace also could be influencing selection of banks. Market conditions too had a role to play in.

**Khazeh & Decker (1992)** study on decision factors of bank customers made the following observations as most important. They were

- Policy on charges
- Reputation of the bank
- Interest rates
- Time for loan availability
- Friendly staff

**Mokhlis, (2009)** As per the study, the efficient and fast service, helpful and friendly staff and bank’s reputation are major criteria for bank selection. While some clients may shop for the better deals around, some were bothered of every aspect of their own banks and some others were sensitive only to the core products provided by their banks. As per this study, friendly staff play the main criteria in the selection of bank process. It is continued by personnel efficiency and locational convenience.


This paper analyses factors influencing customer’s online purchasing behaviour. By means of questionnaire survey and AHP (Analytic Hierarchy Process), the author performs an empirical analysis of the hierarchy model of influencing factors of online shopping which is built by domestic scholars, and gets the relative importance of these influencing factors. The results show that: security of online shopping, prices, and commercial credits are primary factors influencing consumers’ purchasing behaviors, and genders education levels of
consumers, and designs of store are the secondary ones. Accordingly, the author puts forward some suggestions for online retailers, as by strengthening the communication with consumers using reliable network security software to ensure the privacy and security reducing risks of purchasing. By adhering to honesty and credit, and ensuring the quality and competitive prices of products, as well as the service quality. Improving efficiency of distribution with low-cost shipping services and providing convenient shopping environment, all meant to improve the satisfaction of consumers.
Electronic banking

‘We are all now connected by the Internet like neurons in a great brain’ - Stephen Hawking

The nature and scope of banking have changed and so has society at a whole. In globalised settings, time too is globalised and gone are the traditional work timings from eight or nine or ten in the morning to four or five or six in the evening. Society is going cashless with the advent of smart cards to the latest card less wallets. One of the biggest inventions of the century is that of the Automated teller machine. ATMs facilitate anytime any place cash to the customers. ATMs are set up by different banks. A customer can use any ATM to withdraw cash. ATMs have become almost indispensible. Safety of funds, and swift communication systems demanding quick and prompt actions or reactions have made the public more dependent on cashless modes, ATM being the most popular one. There are even biometric ATMs for the illiterate.

Kamakodi and Khan (2008) with a sample of 292 bankcustomers, studied the determinants for bank selection decisions. Their findings are Safety of Funds, secured ATMs, ATMs availability, closeness to work, reputation, personal attention, pleasing manners, confidentiality, timely service and friendly staff willing to work. Mokhlis (2009) has suggested that customers were more emphasis on electronic services (ATM) which gives them quick and convenient access to the bank service. A convenient ATM services can save customers time .Riggall 1980 identifies location as the most important factor for selection of a bank by a new comer and a wider network of ATMs. This is beneficial to salary accounts and employers prefer such banks.

Shevlin and Graeber (2001) “Factors influencing Customers Bank selection decision in Ethiopia”, explored the various factor the influencing customers in deciding and choosing a particular bank. They pointed out that ATMs were
the primary customer choice for a bank. Next influence is referral from friends and relatives.

Sachin Mittal, Rajnish Jain (2010) in a review of banking industry and effect of IT based services on customer satisfaction, highlights customer satisfaction levels among younger customers in banking industry, and indicates the gaps between customer’s expectations and perception with respect to IT based banking services. The conclusion pointed to the need to improve the IT based services for enhancing customer satisfaction.

Amit and Anwarin (2006) point out Indian banks as providing retail banking services through tele-banking, online banking, any branch banking and bill pay services. Technology based services together with business intelligence are used by banks for better customer services.

Vijay M. Kumbhar (2011) examined the relationship between the demographics and customer satisfaction in internet banking, the relationship between service quality and customer satisfaction as well as satisfaction in internet banking service provided by the public sector bank and private sector banks. The study found out that overall satisfaction of employees, businessmen and professionals are higher in internet banking service and also the significant difference in the customers’ perception on internet banking services provided by the public and private sector banks.

Chigamba et al. (2012) Factors Influencing the Choice of Commercial Banks by University Students in South Africa, International Journal of Business and Management ISSN 1833-3850 pages 66-77: The study reveals that technology plays an important role in the selection of banks by university students. In today’s environment, customers require more and more personalized and value added services like ATM, e-Banking, and Phone banking.

was used to analyse the sample size of 615 bank customers, and interpreted that the customers concern was convenience, speed and quality of service of the bank staff. So the suggestion was that IT, infrastructure and online trading should be the bank’s main focus, along with improved facilities at the branch, professionalism and better marketing.

Banks have come up with many technology laden products, which are almost similar in nature. The marketing and research departments are coming up updated and competitive products. They include

**ATM cards:** This was a ground breaking development in banking. Indian banking witnessed the advent of ATM (Automated Teller Machine) in 1999. Teller was a service in a bank to facilitate quicker cash payments through single window system, of course with some restrictions on transaction volume, than at a regular cash counter. ATMs are automated tellers which replace the tellers in the banks, on self service systems.

On opening of an account, a customer is given a card, the ATM card. This plastic smart card contains a magnetic strip and chip, a unique card number and information about the individual bank account. The PIN is the password to enable use of ATM card. The machine reads the customer account details on insertion into it and offers service. This mainly is cash withdrawal. Other services from an ATM, apart from cash withdrawal include account balance queries, mini statements, mobile recharge, LIC premium payments, fund transfers to other accounts and so on.

ATM card is basically a debit card, linked to a bank account. This ushered in the a change in the identification of bank branches as the lone banking service outlets. It also joined hands with credit cards which had introduced plastic money through smart card entry. ATM along with CDM (cash deposit machine) has enabled the customer to bank, mainly cash transactions without actually going into a bank branch.
There are many types of cards based on accounts with and without frills, premium accounts with higher balances to be maintained and with different limits of withdrawal. Premium cards as Classic Card and Gold Card (Punjab National Bank), Platinum Card and Signature Card (Corporation Bank) and so on. These cards permit higher levels of withdrawal. Signature card permits a withdrawal of Rupees one lakh per day from an ATM. There are also Rupay cards catering to PMJDY (Pradhan Mantri Jan Dhan Yojana) accounts which are no-frill accounts. There are also biometric ATM facility for illiterate customers.

**POS machines** are yet another payment outlet at merchant establishments. Banks allot POS machines to non-customers too. POS machines and smart cards have facilitated cashless transactions, of course within limits. This is a win-win situation for the three parties involved: the merchant and the customer who need not receive and pay liquid cash for the transaction and be bound by the insecurities and anxieties behind cash holding and management and last the bank which generates an income.

**Internet Banking** which received RBI approval in 2001 has altered traditional banking practices, as it enabled the customer to bank at a place convenient to him, be it office or workplace or even while travelling. Internet banking, helped by mobile phones with OTPs (One Time Password) and messages for transactions has revolutionised banking, by enabling the customer to perform practically all functions of banking at his time and place of convenience. This includes.

- Fund transfers to any bank and or branch to self or third party accounts,
- Opening of term deposits
- Cheque book requisition
- Stop cheque payment request
- Account statements
- Demand draft issue request
The customer needs to visit the branch only for initiating a relationship through CASA accounts and for availing asset products, namely loan accounts

**Electronic Fund Transfer (EFT)**

This is a method of effecting fund remittances from one bank to another, for onward credit to customer accounts, by debiting the account of the remitter, through electronic platform, without the actual use of currency or clearing. It is almost an instant mode of payment, and has many advantages over cheques and drafts. There is no risk of losing the instrument or delay owing out from clearances. There are two main forms of EFT, namely RTGS and NEFT

**Real Time Gross Settlement (RTGS)**

This is an interbank electronic fund transfer facility facilitated by RTGS centres in RBI. The minimum amount is Rupees two lakhs per transaction. There is no upper limit. As indicated by the name, RTGS is real time transaction. Its timing is limited to bank working days and hours from 8.00 A.M. to 4.30 P.M. RTGS is not possible on holidays. RTGS through internet banking also has to adhere to this time limit. The transaction limit of RTGS on internet banking is Rupees ten lakhs per day

This is a smaller version of RTGS. The difference is in the limits of fund transfer and the speed of the remittances. Similar to RTGS, NEFT too is facilitated for interbank electronic payment by NEFT centres of the RBI. The limit for remittance is from Rupee one onwards. Sums of fund of Rupees two lakh and above are generally sent by RTGS. If needed NEFT can be used for any limit of funds through banking channels. NEFT is permitted on internet banking also. This is possible only during NEFT timings applicable to banks and not possible on holidays. The time for NEFT transactions is from 8.00 A.M. to 6.30 P.M. on bank working days. Transactions get transferred every 15 minutes, when compared to RTGS transactions which get moved to the RBI servers every 5 minutes. NEFT limits on internet banking is Rupees Ten lakhs.
Electronic Clearing Service (ECS)
This service enables recurring or monthly payments as salary, premium, EMI (Equated Monthly Installments) to loans, just as in a clearing system. It is an electronic interbank transfer. ECS facilitates fast and paperless debits and simultaneous credits. It is done on the basis of an ECS mandate or order given by a customer to his banker to debit a fixed sum for a period. The bank functions as an agency payment system. This has replaced cheque clearance to a large extent, and is used for recurring and periodic payments.

Mobile Banking
This is a product offered by a bank to its customers. It is more advanced than the ATM, in that it facilitates banking at any location of the customers, be it home, workplace, at a holiday, travel or in transit. Short of currency requirements and disposal, mobile banking provides all facilities provided at an ATM. The restrictions on mobile banking are placed by individual banks. This include limits that could be transacted. For example, a person can transfer up to Rupees two lakhs per day on IMPS (Immediate Payment Service) using account number and IFSC. The limit on fund transfers using MMID and Mobile number is Rupees ten thousand per day. IMPS is an interbank electronic money transfer on mobile phones. It requires an MMID or Mobile Money Identifier, a seven digit code, the first four digits being the unique identification number of the concerned bank. IMPS requires the following details of the beneficiary in a Person to Account transfer (P2A)
- Name of the beneficiary
- IFSC of the beneficiary’s bank
- Account number of the beneficiary

While activating a beneficiary a total of Rupees one lakh can be transferred either on the first day itself or through all the first four days. The limit of Rupees two lakhs per day applies only from the 5th day from the registration of the beneficiary.
In an IMPS Person to Person Transfer (P2P) the following details are required

- Name of the beneficiary
- Mobile Number of the beneficiary
- MMID of the beneficiary

Such transfers do not even require the bank account details. This is the extent to which mobile systems have revolutionized banking to facilitate transfers and remittances, barring bank, branch, account numbers, but just mobile identities!

Mobile phones are the one of the most favoured and popularly utilised revolution. What began as a mode of communicating over telecom with no chord or specific geography, has now burgeoned into something what controls day to day life, namely communication, banking, payment of utility bills and a basket of other facilities and apps. Mobile banking has now the lion’s share of daily transactions, it could facilitate much more than internet banking. Mobile based products include wallets, apps, mobile passbooks and so on. Its manoeuvrability over laptops, regarding space utility and simplicity of operations has given it an edge over other delivery channels. Now mobile phones are part of the nationwide banking activities. The ambitious JAM (Jan-Aadhaar-Mobile) plan of the Union Government, to facilitate Aadhaar linked subsidies and social security measures to the people through a mobile linked bank account. Some significant varieties of mobile banking include:

**SMS Banking** :This facilitates alerts on transactions real time. It helps the customer to track his accounts without him actively doing anything, including checking one’s account online. The customer just has to read the message. The messages include transactions and balance, information on cheque collection and bouncing, intimations regarding payment of dues, maturity of deposits, and so on. It also facilitates balance query through missed call facility.
**E-wallets:** this is actually like a purse or wallet which could be loaded by adding money electronically through ATM card or Internet Banking. They facilitate multiple purposes like bill payments, mobile recharging, transfer of funds to and from other wallets, online bookings and so on. Corp E-Purse is the wallet of Corporation Bank, SBI E-Buddy of State Bank of India. Pockets, the wallet of ICICI Bank is significant that it can be downloaded even by non-customers of ICICI Bank who can transact using their accounts and debit or credit cards. Other popular wallets apart from those floated by banks are Paytm, Mobikwik, Quikpay and so on.

**Mobile Apps:** This is the age of mobile applications or apps. Any and every field including study (Byju’s App for example), travel (IRCTC app), accounting, utility payments, groceries, movie booking (Book my show), online cab service (Ola and Uber), apps of institutions for their communications like Uola app designed by the Kendriya Vidyalaya Sangathan and so on goes the list. Mobile apps in banking are a subset of the internet banking. Apps facilitate most facilities offered by internet banking, including fund transfers, balance queries, stop cheque requests and so on. IMPS is an instant and hassle free app based fund transfer facility to any account, anywhere in domestic bounds. Apps are easier to handle than the parent Internet banking and facilitate quick, day to day transactions with least of formalities. SBI Freedom is the mobile app of State Bank of India, and Corporation bank has an app called ‘Corp Mobile’

**Missed Call Facility**

This is a facility extended to the customers. They are provided with a mobile phone contact, not a toll free number. The customer need just send a missed call, to make balance and effective balance query. Effective balance is the actual amount or net amount, which is free from lien or pending clearance, in an account which a customer can utilise for withdrawal as cash or effect remittances. The customer receives either an SMS or a telecall.
Just as the advent of mobile phones has revolutionized telecommunication and relationships among man, it has simultaneously revolutionized the field of banking

**E-Passbooks**

This is a mobile application which provides passbooks in the electronic form. Customers need not approach banks for passbook updation and balance queries. More than statement queries, which have limitation in number of entries, mostly recent entries, e-passbooks provide updates for longer period of transaction, just as recorded in the passbook.

**QR codes**

Payments systems effected by mobile banking, by storing bank account information in retrievable form in the mobile phone. QR or quick response code, is a machine reading code system, with a pattern of black and white squares used for storing URL to be read by a smart phone or camera. This serves the purpose of transactions effecting bill payments as well as purchases. It is a time saving method of payments. The customer just has to scan the code with the mobile loaded with bank account information. This also ensure safety in payments.

**CDM (Cash Deposit Machine)**

This functions as the reverse of ATM. The CDM is a machine which accepts cash receipts automatedly. This facility enables the customer to remit cash without being limited to bank business hours and staff intervention. CDMs are accessible both onsite and offsite.
E-Lobby (Electronic Lobby)

This is a full fledged service outlet of banks, out of the bounds of banking hours and enables self service technology to the customers. It is a limited space including an ATM, CDM, transfer and clearing cheques deposit facility, self servicable pass book printer and facility to log on to the bank’s website to enable internet banking. This facilitates delivery of comprehensive self service technology

Credit Cards

A credit card is a smart card or a payment card, a bank product issued to the customers. Just as it sounds, it is a card providing credit, or in simple terms a loan product. This is offered to customers who fall within the eligibility criteria prescribed by the respective banks. The customer is benefitted with not carrying cash or currency and payments are effected by card swipe. On swiping, the transaction is effected by the paying bank. The customer has a PIN which serves the password for transactions. The benefit of the credit card is that the customer gets interest free credit till the date of payment. But delayed payments are dear, or the penal interest charged is exorbitant, nullifying all the benefits of the credit card. So the customer should ensure timely and prompt repayment. Credit card repayments can also be in EMI, usually after high value purchases. It need to be fixed with the Card centre by the customer, prior to enlisting of payment schedules. Cash withdrawals using credit cards are possible, but at extremely high service charges. So it is not at all advised to use credit cards for cash transactions and swipes. Judicious use of credit cards is very beneficial to the customer and offers a win-win situation to both the bank and customer as well. The bank gets an annual service charge and more than that, its customer base widens with credit card usage and facility. With improved purchasing power and scope for spending, credit cards have assumed great importance.
Debit Card

Debit card is yet another smart card, similar to credit card. Appearances and usage of both credit and debit cards are similar, but the scope and functions are miles apart. A debit card is linked to an account. It is similar to a cheque book. The customer can utilize the funds available in his account in the case of liability accounts or the arrangements made with the bank in cash credits and or overdrafts. He is not given credit by the bank, or there is no credit loading in the card. Debit card can be used for anything related to funds, cash withdrawals, remittances, transfers and so on. As the account is debited, there is no need for repayment, there is no credit. Debit cards are operated with PIN or personal Identification Number. There are different brands of debit cards, namely Master card, Visa card, Europay and the latest Rupay card issued by the National Payments Corporation of India. Others are American express, Union pay and so on. The latest cards are a combination of EMV or Europay, Mastercard and Visa. EMV cards have multiprocessor chips, which offer manifold security to the customer’s bank accounts. It is of high importance in the security facts with increasing in swiping and smart card payments. EMV cards are used as both debit and credit cards. An ATM is a debit card.

E-Commerce

Online trade, or trade through the internet is what Electronic commerce is. It is an offshoot of Electronic banking. The parties to a trade or business need not move in space for arriving at a deal. They can enjoy the venue of their choice to transact, be it home or on travel, workplace or in transit. E-commerce facilitates electronic exchange of goods and services. Just the delivery of goods by the service provider need have a physical or manual intervention. E-commerce ranges from household purchases to shares. Periodic groceries, clothes, gadgets, books, utensils, stationeries, cosmetics, bags, ticket booking, hotel and holiday booking, almost anything and everything of goods or services that could be purchased online. There are many online service providers, namely, Amazon, Flipkart, Myntra, Snapdeal, Goibibo, Daily Fish catering to different products. Myntra specializes in apparels and accessories,
Goibibo to travel and holiday. The customer is assured door delivery of goods. E-commerce payments are facilitated by credit cards, debit cards, internet banking or mobile wallets. The advantages of this system include convenience, no loss of time purchasing and in transit, no compulsory currency dealings, though some payments facilitate cash on delivery payments. But this system is not free from certain disadvantages also. There could be unexpected delay in delivery, which could be a cause of concern especially after the payment is affected. Another issue is no quality checking, the customer does not see the product other than online and ensure its quality. The product could be exaggerated while being browsed, defective pieces could be dispatched, especially in the case of gadgets and electronics items, there could be mismatch in clothes actual fit and displayed fit. Fraudulent online transactions risk fund loss on the part of the customer, which he or she might not be able to even retrieve. So the customers should go in for online deals with only reliable providers with good credentials. E-commerce is a fast developing realm, now a good share of purchases are done online, enabled by electronic banking services. If earlier customers depended on banks to withdraw currency and clear cheques, now they bank almost every time they make a purchase.

**Special products of some banks**

**SBI Green Card**
This is a magstripe card, or a magnetic stripe card which is capable of storing data. This card is used without PIN at GCC (Green Channel Counter) or CDM (Cash Deposit Machine) of SBI. This product targets the customers for non-home cash deposit transactions alone, to other SBI accounts. The card is mapped to the beneficiary account. The daily cash limit is Rupees twenty five thousand and monthly limit Rupees one lakh. Both the parties to the transaction receive instant SMS with Green card reference number.

**HDFC Bank Welcome Kit**
This is a scheme for salary accounts. For the fresh recruits of a corporate or company which banks with HDFC, the employer takes initiative to open his or
her account as part of absorption into the institution. The newly inducted staff are given a kit loaded with the bank account number, passbook, cheque book, ATM card and so on. This is a matter of pride for the employee and is relieved of the burden to open an account.

**Premium Savings Bank accounts of Corporation Bank**

Mangalore base PSB, Corporation Bank is a pioneer in technological advances. The two premium Savings Bank accounts are SB Signature and SB Super. These two accounts have a bunch of add on facilities and frills, including insurance cover and higher ATM withdrawal limits, preferential loan processing, updates and statements, free of cost. Some salient features include:

**SB Signature**

This is an SB account with Quarterly average balance of Rupees One lakh. The benefits include,

- Free of charges Signature debit card (photo card) with Rupees one lakh withdrawal limit at ATMs and Rupees Five lakhs at merchant establishments.
- Free personal accident cover of Rupees 10 lakhs
- Free air accident insurance of Rupees 50 lakhs
- Unlimited free access to Visa ATMs
- Discounts on flight tickets, hotel bookings, dining and shopping
- Free access to selected air port lounges
- Free Demand Drafts
- Free NEFT (other bank remittance less than two lakhs)
- Free RTGS (other bank remittance of two lakhs and above), for 5 transactions per month
- Free SMS banking
- Free personalized cheque books
- Free stop payment and standing instructions
- Priority locker allotment and 50% concession in rentals for the first year
• 25% concessional charge in gold coin purchase
• Free statements and certificate issuances
• Assistance of Relationship Management for customers with Quarterly Average Balance of Rupees 5 lakhs

**SB Super**
This is a miniature version of the Signature scheme which specifies QAB (Quarterly Average Balance) of Rupees Fifteen thousand. The benefits are as
• Free of charges Platinum debit card with Rupees one lakh withdrawal limit at ATMs and Rupees Two lakhs at merchant establishments.
• Free personal accident cover of Rupees 5 lakhs
• Discounts on flight tickets, hotel bookings, dining and shopping
• Demand Drafts at half the commission and free through internet
• Free NEFT (other bank remittance less than two lakhs)
• Free RTGS (other bank remittance of two lakhs and above), for 2 transactions per month
• Free SMS banking
• Free Personalized Cheque books upto 60 leaves per annum
• Free stop payment and standing instructions
• Priority locker allotment and 25% concession in rentals for the first year
• 25% concessional charge in gold coin purchase
• Free statements and certificate issuances
• (Ref: [www.corpbank.com](http://www.corpbank.com))

Banks come up with many promotional drives and offers. Seasonal products are one such, like Monsoon Offer, Festival Offers and Bonanzas, Financial year end offers and so on. This includes asset and liability accounts with add on facilities and freebies, combo offers for availing more than a one product at a time, for example housing loan and vehicle loan, which would give some discounts on interest rates. Corporation Bank has a zero balance savings account named Corp new Saral, which levies just the annual insurance premium of a meagre rupees one hundred for personal insurance cover of rupees five lakhs. This applies to NRIs as well. Such offers increase customer
base on a low cost. Less or no processing charges on loans is yet another promotion. Free debit cards on running accounts or overdrafts for limited periods are part of bank’s promotional activities which provide a win-win situation for both the bank and the customer.

**Customers Oriented Products**

This is the well-known methods of product promotion and it is targeting customers to appeal to buy the products. Consumers are exposed to this and due to this many have become habituated and looking for extra benefits from banks most of the time, like insurance cover, free remittance and so on. Different segments of the society, namely students, senior citizens, pensioners, salaried class, entrepreneurs, women, associations and the like need suitable products. Different types of product promotion methods are used by the banks like

(i) **Discount:** ‘Price off’ is one of the mainly used techniques for promotion of a product. Customers can save money through the price reduction, in the transaction. The price at lower rate is offered to the customer and hence the customer’s money value escalates. The price off is the reduction given in the real price and discount is the percentage of price off. Advertising is the best medium for the large scale communication of these methods. The customers’ attention is well gained through such methods of promotion. For example loans and accounts processed amidst some festival season or offers, are free of or are at reduced service charges.

(ii) **Premium:** Amidst certain transactions, the customers get additional benefits, for example reinvestment deposits. This scheme of interest fetching interest, giving value for customer or additional benefit is
provided. The customer can earn, rather he saves money. Seasons and offers bring more attractive schemes, attractive to the customer in the form of premiums and to the bank in the form of business volumes. Reward points earned on card transactions, and which can be redeemed is another extra mile for the customers. When a customer is having a transaction, say an SB account, an extra benefit is insurance cover, with an ATM card. This is the counter premium. Such transactions market ATM cards, along with accounts, which graduate to complete online banking. A busy customer who is unable to keep to the business hours of the bank, receives all banking facilities at his place and time of interest, rather ‘the bank is where the customer is’, and the bank does not lose a good customer. This is a win-win situation for both the bank as well as the customer.

(iii) **Freebies**: In this business development method, the customers are given many products free, like they do not have to pay transaction cost for a new product, for example, other branch remittances. The main objective of this method is to attract consumers to try out a new product and thereby create new customers. This goes on large scale, students staying away from home open accounts in the same bank as the parents do have, entrepreneurs make and receive pan India payments. The Bank’s existing customers themselves market the bank and its products to those with whom they do have financial dealings. Once the scheme or facility matures, the bank starts levying a nominal fee, slab wise perhaps. This is income for the bank, and the customer used to this mode of banking is not dissatisfied either.

(iv) **Rewards and Coupons**: The customers gain rewards points through use of plastic money, namely cards and wallets. This can be redeemed at purchases. Also customers who have maximum availed of the products and gained points are felicitated by the Bank and given incentives for further business improvement.
(v) **Fairs and exhibitions**: This is one of the methods of business development for creating awareness of the new products as well as existing products to new customers. Fairs and exhibitions may be organized at local, regional, national or international level to introduce new products, demonstrate and explain special features and usefulness of the products.

(vi) **Tie-up finance scheme**: This loan scheme is offered by the banks in association with auto companies, builders, educational institutions when the premium is shared by the trio of the deal - the bank, the other company/builder/institution and the customer. Both the bank and the company get business and the customer saves in time and business hurdles and also interest concession and motivates them to buy houses, cars and so on.

(b) **Promotion Methods with Trader Orientation**

In order to win the support from the market, the banks use methods of promotion in different manners. Such promotional activities intended at traders are known as traders oriented promotion methods. The traders like builders, automobile showrooms, educational institutions give a crucial connect with customers. The traders community, are inclusive of wholesalers, dealers and retailers This method is used to foster the team play among all stake holders of sales. Some of the methods for alluring traders are following;

(i) **Purchase Point Display**: This targets traders and dealers. This facilitates displaying facilities given by the banks for display at the showrooms or shops. Products like vehicle loan are displayed in auto showrooms and also other products. The various products which are displayed at the showroom outlet are displayed here too. It shows that these types of products are sold at the outlets at concessional rate of interest or free of or subsidized transaction costs. By this display the customers are confirmed that the products are available for buying. This arrangement supports the traders for improving the store’s external and
Because of this activity, the customers would be attracted towards the bank, which will result in an increase of customers for the bank also. The bank’s visibility also get a boost, which will enhance selling of other products and service of the bank. The store’s status and image also get a boost out of this activity.

(ii) **Trade fair.** This is a means used for promotion of traders’ activities. A number of banks display various products and get loan orders at these shows. For example in a housing exhibition, bank stalls are maintained and the first stage of loan process is initiated there itself. Banks spend a handsome amount on this type of show. The bank provide prospective clients an occasion to get detailed on products, services, clearing enquiries, and enable the customers compare their services with that of competitors. The traders get motivated as the purchasing power of potential customers is enhanced through the loan.

A study on Oriental Bank of Commerce by **Agarwal & Kamal, (2015)** also aimed to identify the factors that satisfied the customers of the particular bank by conducting a survey among 100 respondents. Reliability, services and interaction of the employees with the customers were found to be significant and had a positive effect on customer satisfaction but efficiency of the employees was found to be insignificant. Though tangibility has a positive association, the degree was not found to be highly reliable. The customers of the bank were satisfied with the services such as ATM but were inconvenienced with services like faulty machine and ill-maintained service of the machine, which had a negative impact of customer satisfaction.

The urban-rural divide seems applicable to banking business as well. As usual, the urban target group of customers seem to enjoy better banking facilities like accessibility, ATM networking, Internet and other online banking products, which are more pro-urban. Tech related service charges is hard to be comprehended by the rural customers.
Raul and Ahmed (2005) This study concentrated customer service of Public Sector Banks in Assam. They found that communication gap between conveying the policies and procedures of bank is the largest cause of service of poor nature. They also found that level of customer service is at different levels in rural with reference to urban areas.

Sharma and Sharma (2006) They studied urban consumer banking for consumer delight. The consumers were not happy with the formalities for loans but rather satisfied with bank environment, routine procedures of other banking related works, location and so on.

Access, ambience and layout, product range, brand value, reliability, speedy delivery, low service charges, customer friendly interest regimes, staff aptitude and attitude, technological updations and end user delivery, ATM/CDM/Kiosk/E-lobby and the like services which ensure 24X7 banking a week are among the determinants influencing customers to select a Bank for transacting with, and if conducive to maintain a sustainable relationship, branching out to family and friends.

Credit has always been banks’ major portfolio. In liability accounts, bank is creditor and asset or advances, public is creditor. Availability of credit still is the major stake of banking. A sizeable cross section of the society consider being banked or of opening an account as a prelude or even a necessity for availing an advance or a loan. Hassle free credit is still an attraction to the public.

During the course of literature review, the researcher was able identify certain attributes which could be uses as variables in the study or determinants. These included the topics which were seen as influencing the customer. The researcher has classified them into as

- Physical convenience
- Process Convenience
- Product Convenience
• Self Service Technology Convenience
• Reliability factors
• Tangibles
• Promotional Excellence
• Service excellence
• Pricing

These could individually or collectively influence determination for continuing relationships.

Kerala has a good track record of banking. At a time in 1899 there were only five banks in the whole of India, the state of Kerala had one bank, the Nedungadi Bank established by Appu Nedungadi at Calicut. This was the first bank of Kerala. As in any civilization money lenders were the first bankers in Kerala too. There was also the presence and practice of chitty or chit finances in Kerala history. The Kerala State Financial Enterprises (KSFE) is an offshoot of the chitty fund specialty of the keralites. A study on the geographical cross section of Kerala during the early 20th century reveals presence of banks in all areas. The study is conducted in Ernakulam district of Kerala, which is the present financial capital of Kerala.

The district of Ernakulam occupies many a vantage position in the topography of Kerala. The perennial river Periyar and Ernakulam being a coastal district as well as seaport on the banks of the Arabian Sea, has given the city access to the whole world. The industrial and economic development of Ernakulam is facilitated by this vantage position, along with its almost central location in the state. A quarter of the state's industries are on the banks of the Periyar. Cochin harbor is a natural harbor. Earlier the port was at Muziris. The great flood of 1341 in the River Periyar, ultimately changed its very course, towards Ernakulam coastal areas. This facilitated the emergence of the natural harbor of Cochin facilitated by unmasking the then water covered present day island of Vypeen. This was entirely a natural process. The result of all these events was that, it led to the opening of the gateways of Ernakulam or Cochin as it is locally referred to as, to the whole world through the port. This had a
widespread influence on the entire length and breadth of Kerala. Cochin is called the ‘Queen of the Arabian Sea’. There is a mix of population of all castes and creeds: Christians, Hindus, Muslims, Jews, Sikhs and so on. The entrepreneurial culture of Ernakulam has made it a home for almost all Indian regionals, including Gujarathis, Punjabis, Konkanis, Andhrites, Kannadigas, Tamils and so on. This gives a sample from the population of niche retail bank customers, a national character.

**History of banking in Kerala**

Trissur district in Kerala was a hub of financial activities, right from olden days. This accounts for the maximum number of Thrissur based old generation private banks, namely the Dhanalaxmi Bank, the Catholic Syrian Bank and the South Indian Bank. Other banks in the erstwhile Kerala include the Palai Central Bank, the Cochin Nayar Bank, The Central Banking Corporation of Travancore, the Kottayam Bank (1926), Bank of Cochin, Travancore Forward Bank, Travancore Federal Bank which was later called The Federal Bank, and many more banks floated by many business houses and groups of people during the beginning of the 20th century.

A characteristic feature of banks in Kerala was that they were not concentrated on any area and were spread through the entire geography of the state. This facilitated banking access to the cross section of the society. They ranged from the southern regions, to the central Travancore, to the Midlands, to the coastal belt and the Malabar region, namely Travancore, Palai, Thiruvalla, Cochin, Paravur, Calicut, Thrissur, Kottayam Alappuzha and so on. Another feature of Kerala banking was that it went an extra mile than traditional bank functions of acceptance of deposits and lending credit. The chit fund business, which was a favourite scheme of the educated and enlightened people of Kerala, was a business of the then banks. The Companies regulation Act was enacted in the year 1917 and many banks got registered under the act. The first bank in Kerala to do so was the Ambalappuzha Christian Bank in the year 1918. From a meagre number of
five banks in the year 1918, the number of banks in Kerala rose to almost 300 within almost 15 years. Such a record was the privilege of Kerala alone and accounted for 20% of the banks in pre-independent India.

Many of these banks are no longer in existence today. Some of them got merged with bigger banks, the Cochin Nayar Bank got amalgamated with the State bank of Travancore, Nedungadi Bank was taken over by Punjab National Bank, in 2002 on RBI instructions. Bank of Cochin was taken over by State Bank of India in 1985, Parur Central Bank by the Bank of India in 1988. Lord Krishna Bank went through multiple or mergers, it was taken over by the Centurion bank of Punjab in 2007, to be soon merged with HDFC Bank. Now LKB is part of HDFC Bank. Some other banks faced liquidation, the Travancore national Quilon Bank which had a pan India presence of 80 banks in the beginning of the previous century got liquidated in 1938. Same was the fate of the Palai Central Bank, which suffered liquidation in 1960 along with the Laxmi Bank. Many of the private banks in Kerala collapsed and some of them were amalgamated into bigger and stronger banks to prevent liquidation. This served as an eye opener to the nation wide banking sector and commissions were set up to study the causes of collapse of the banks. The Bank Award Commission (1955) came to a conclusion on the ‘overbanked’ situation of the Travancore-Cochin state with most ‘illiquid’ banks. The paid up capital of the banks was only about 12% of the national average. Just five banks in the state had a paid up capital of Rupees one lakh and above. In the light of this revelation the Commission suggested weeding out the weak banks to strengthen the whole state banking scenario. Any how the non-award banks in the erstwhile state of Travancore decreased from 143 numbers in 1955 to 90 banks in 1958. This occurred due to either liquidation or amalgamation, the weak banks survived no more. It was the failure of the Palai Central Bank, a major bank of those times which attracted national level interest in studying the causes of bank failure and finding methods to prevent further liquidation.

This brought about some significant and relevant methods and measures from which the nationwide banking system benefitted, from the lessons of failure in
Kerala Banking. The Banking Commission came out with the following observations on the causes of and remedies to bank failure. They are

- The loss of deposits failed the Laxmi Bank and the Palai Central Bank. This led to the establishment of the Deposit Insurance Corporation, following the enactment of the Deposit Insurance Corporation Act.

- The need of Comprehensive Banking reforms and legislation to offer protection and legal support to banks especially in trying times.

- The amalgamation of smaller and weak banks with large and strong banks to prevent further liquidation, this would reduce the number of banks, but branch network would be maintained and strengthened.

Whatever be the drawbacks, the private banks had played a main role in the financial scenario of Kerala. Some banks like Federal Bank, South Indian Bank, Catholic Syrian Bank, Dhanalaxmi Bank and State Bank of Travancore stood the test of time and remain to date. From about 300 banks in the 1930s, 5 numbers saw the light of the second decade of the 21st century.

**The Catholic Syrian Bank Limited** was founded in 1920 in the Trichur district of Kerala. It is an ‘A’ class scheduled bank and included in the Second Schedule according to the RBI Act.

**The Dhanalakshmi Bank** was founded by a group of entrepreneurs at Thrissur, in the year 1927. It is a scheduled commercial bank with a pan India presence.

**The Federal Bank Limited**, was first named the Travancore Federal Bank, founded by K P Hormis near Tiruvalla in Central Travancore in the year 1931. The bank witnessed both success and failure alternatively, even up to the verge of bankruptcy, thanks to the vision of its founder, who along with likeminded people saved the bank. The bank shifted its registered office to Aluva in Ernakulam district in 1945 and came to be called the Federal Bank.
Limited in 1947. The bank went about a series of acquisitions and amalgamations within about 20 years from then which increased the bank’s size. Some banks taken over by Federal Bank include the Alleppey Bank, the Chalakudy Public Bank, the Cochin Union Bank, the St.George Union Bank, the Marthandom Commercial Bank and the Ganesh Bank, Kurundwad. Federal Bank attained the status of a Scheduled Commercial Bank in 1970.

The South Indian Bank Limited was founded in 1929 again in Trichur, the birth place of two other banks which exist today, namely Dhanalakshmi Bank and Catholic Syrian Bank. It was founded by a group of 44 people and a capital of Rupees twenty two thousand only. The motive behind the establishment of the bank was almost godlike, to put an end to the menace of the moneylenders who had clenched the entrepreneurs in Trichur locality. From its humble and modest beginning, the bank burgeoned into a well-established entity, and never had to look back. During the banking crisis in Kerala in the 1960s, the bank acquired many small and weak banks. It was the first private sector bank to open a currency chest, an NRI branch, an overseas branch and to issue credit cards.

State Bank of Travancore (since merged with State Bank of India) was founded in the year 1945, the then name was the Travancore Bank. The bank holds the legacy of a regal past as owned by the royal family of Travancore and its founder was Sree Chittira Tirunal BalaramaVarma, the Maharaja of Travancore. But actually the credit goes to the Diwan of Travancore Sir C. P. Ramaswamy Iyer, under whose initiative the bank was founded. The state government treasury was managed by the bank. By the provision of the SBI Subsidiary Banks Act of 1959 of the Indian Parliament, the Travancore Bank along with six other banks belonging to royal families of Patiala, Mysore, Bikaner and Jaipur, Saurashtra, Indore and the Nizam of Hyderabad became associate banks of State Bank of India and came to be named with a prefix of State Bank, like State Bank of Travancore. It turned out to become the most common and popular bank of Kerala, aligned with the needs and habits of the community. SBT alone was the government bank based in Kerala. SBT
acquired nine banks in Kerala as part of amalgamation in order to prevent liquidation of weak banks and thus protect them from failing and falling. They are

- The Indo Mercantile Bank in 1959
- The Travancore Forward Bank, Kottayam Orient Bank, The Bank of New India, in 1960
- The Vasudeva Vilasom Bank in 1963
- The Bank of Alwaye and The Chaldean Syrian Bank. In 1965

The acquisitions of SBT was above all divisions of class, caste, creed, community, locale, thus in keeping with the secular and democratic traditions and culture of the ruling royal family of Travancore. Also it gave the bank a pan Kerala character, by absorption of entities throughout the length and breadth of the state. This speciality along with its public commitments and transactions, keeps the bank close to the heart of the Keralites.

In the year 1965 the bank commenced government transactions and business, including that of the treasury. The bank has played a major role in the development of the state of Kerala by helping with provision of loans and government sponsored subsidies for the development of agriculture and small scale industries. The bank has also played an active role in the development of co-operative societies which are very close to the people and are locally specific. Taking into consideration the nature of Kerala society, including the NRI belt, the bank has evolved with a basket of multiple loan and liability products, bancassurance as well as arrangements with other agencies to better serve the customers. The bank has products suiting many cross sections of customers, namely, farmers, salaried customers, NRIs and so on. Some schemes of SBT include:
Farmers as target group

- **Homestead Farming** - This targeted the farmers with small and medium land holdings in Kerala. Kerala was primarily an agrarian society and the development of the state is closely linked with that of agriculture. Rubber and spices are the main produce of the state.

- **Kisaan Credit Card Scheme** - This was meant to take care of the short term credit needs of farmers or Kisaan, including familial contingencies. This is a cash credit facility, operated just as a demand deposit.

- **Tractor Special Loan Scheme** – This facilitates purchase of tractors by farmers as well as organizations into agricultural business and activity.

Non-Resident Indians

- **NRI Family Welfare Schemes** - This targets the NRIs based in Kerala. Kerala has the largest NRI population of the country. The NRIs can be categorized into the niche customers, the target group of the study. Keralites work in every possible areas of the globe including the Middle East, Europe, the Americas, Africa and even in the Southern hemisphere of the globe, that is Australia and New Zealand. This scheme offers Personal accident cover for self and health cover for self and family. This is in collaboration with United India Insurance Company Ltd.

- **SBT Nurses Suvidha Scheme** - More than 80% of Indian nurses are Keralites. They are either NRIs or potential NRIs. A large number of these nurses work abroad and add to foreign exchange and the gross national product. This is a loan product which helps the nurses seeking overseas employment and covers all expenses for either going abroad or migration to other countries.
Asset Products

- **Liquid Gold** - loan against security of gold for personal as well as business customers.

- **Gyan Jyothi** - Educational loan for domestic and foreign study. Kerala has always been in the forefront in education and literacy. Students from Kerala study in different places, locally, nationally and even globally. This scheme is in keeping with the educational trends of Kerala.

- **Sahaya Varsha** – A clean demand loan catering to personal requirements of customers.

- **Mitra Varsha** – An overdraft against a single or more than one securities from among National Savings Certificate, Kisaan Vikas Patrikas, LIC policies and even gold.

- **Akshaya** – This is a personal loan scheme targeting the employees of selected and rated institutions.

- **New SBT Akshaya Overdraft Scheme** – This is based on an agreement between SBT and CUSAT (Cochin University of Science and Technology). The employees can avail of an overdraft from Rupees Fifty thousand up to Two lakhs, based on fulfilling eligibility criteria. The bank has been awarded with MSME Banking Excellence Awards for Eco-Tech savviness as well as for Corporate Social Responsibility.

Liability Products

- **Super Surplus** – A flexible recurring deposit scheme, which permits multiples of the contracted amount to be deposited, thus benefiting the customer with term deposit rates on his surplus funds.
• **Nava Swarna Varsha** – This is an insurance linked liability account. The depositor gets exemption from capital gains tax by investing in this scheme.

• **786 Scheme** – This targets liability customers who do not need interest on deposits. Some sects of Muslims consider earning interest as sinful and avoid receiving interest. This scheme should benefit the Muslim community in Kerala.

SBT being a bank forged in the flow of the Kerala culture has customized to any extend which facilitates easy transactions to customers, of even other banks through remittance and agency services. The bank has arrangements enabling hassle free foreign remittances to the customers, without the burden of foreign currency conversion and exchange. Remittances can be made in foreign currency if needed by the customer. The arrangements are as:

• **City Flash** – The bank has entered into an arrangement with City Exchange LLC of Dubai to effect remittances directly to accounts within one to two days selected branches. The bank also has made arrangements for special drawing facilities targeting the Keralite NRI customers in the Middle East.

• Tie up with Al-Fardan Exchange of Abu Dhabi to effect quick remittances in India Rupees as well as in US dollars. This would also help the bank to increase its share of deposits, especially foreign fund deposits.

• Tie up with Al Rajhi Banking and Investment Corporation of Saudi Arabia. This is also meant to speed up remittances from Saudi Arabia. Saudi Arabia is a hub of Indian nurses and other laborers. This would help to gain foreign exchange for the country.

The services rendered to the NRI customer community has earned the bank the ‘Sevarathna’ award by the Indo Arab Confederation Council and the NRI Welfare Committee.
The review of existing literature has thrown light on customers’ expectations from banking business and the realization of which turns out to be deciding factors or determinants in selecting a bank to deal with. Banking is a very old concept, actually with origins along with human settlements. India with its rich and recorded cultural heritage of over 5000 years, has experienced banking in its rudimentary or primitive form onwards. Kerala with its unique culture, facilitated by natural and geographical advantages, along with a progressive community, in keeping with times, was fast receptive to the concept of banking. In a time when change alone is constant and changes are taking place at never ever expected rate, customers and their needs too keep on pace. Technological advances are at a breath taking speed. With more of modernization and adherence to universal standards, customers have more choices, which is just at a distance of a ‘mouse click’ or a ‘missed call’ or an ‘SMS’. The determinants may be a few or a group of factors, and while deciding the customers cut corners of their priorities as well. The determinants would naturally be in alignment with the present day tech savvy society and generation.

The Research Gap

New studies are cropping up in this stream, in other economies but a few in India. Banking is a global phenomenon post 1991 and the literature hence is reviewed from a global perspective, targeting multiple groups, namely students, salaried class, entrepreneurs, pensioners and so on. So the studies are relevant to the Indian situation as well. There exists a dearth of study in the captioned study in the Indian context. The researcher has identified some gaps in the subject. They are

- The dearth of literature in the study on determinants of bank selection among customers
- The importance of study in banking which is the prime financial industry connecting public to policy, which has to be continuously updated
• The need to study the rising importance of customers, whose actions are decisive for the sustainability in any service industry
• The need to address the dimensions relevant in Retail banking, which is of greatest significance to both the bank and the customer, by studying a target group of niche loan and liability customers
2.6. SUMMARY

The review of relevant literature shows the importance of customer expectations and satisfaction in a banking or for that matter any service industry. Many priorities among customers or many conveniences were come across, namely: physical and tangible attributes like proximity and ambience, product varieties, simple processes, technology laden products catering to self-service also, reliability, promotional activities, service excellence, staff qualities, clear policies, customization of products and service, service recovery and so on.

With the advent of banking reforms, globalization and technology upgradation, customer choices are more with more service providers, better options and simplified procedures than before. Retention of customers is a task banker’s face today. Banks need to be abreast with fast changing times and customer choices, for preventing drain of customer pool to ensure sustainability and market share.

The conduct of the study was made in the ErnakulumMetropolitan area in Kerala State. The topic of the study is DETERMINANTS OF BANK SELECTION CHOICES BY NICHE RETAIL CUSTOMERS. It is inferred by Selection of Bank is the intention to choose a bank as well as the loyalty to stay with that particular bank for his transactions. The niche Customers are defined as the customers with balance of Rs.1.00 lakh or above as a major Bank in India. State Bank of India offers such customers many concessions for loan eligibility, fees concessions etc.. The design of questionnaire was done based on literature review and study, and later changed as per feedback on pilot study conducted.

This is a subject with lesser studies in India, and especially in Kerala. The target group of this research, the retail loan and liability customers with a bank business of minimum one lakh rupees and above 18 years of age is not specifically studied so far. The city limits of Ernakulam district in the state of Kerala, which is home to almost every regional citizen in India, is taken as a
cross section for study. The researcher expects that this sample could be considered as a full-fledged representation of niche retail customers as defined, taking into consideration, similarities among customer choices at large. There is the need to fill in this gap, by developing and validating a scale inclusive of the trends or specifically the determinants of the concerned target group of this region.

This literature review has thus led to the reinforcement of the problem, and given clarity to the researcher in identifying variables to study determinants of bank selection among niche retail customers in the project area, in the design of questionnaire as a tool to extract customer responses as data to be codifies, tabulated, analyzed and interpreted, to enrich the body of knowledge.