CHAPTER II

REVIEW OF LITERATURE

Introduction

The financial sector's involvement with marketing has had a relatively short and turbulent history. Almost all organisations have adopted the concept since it came into fashion in the mid-1960s, but few have implemented it fully. Much research studies have not been undertaken in the field of financial service marketing in India. The commercial banks in their administered and over-controlled set up were not concerned with market research. The continuous deterioration in the quality of customer services voiced by various sections of the people and the press forced the Government of India and Reserve Bank of India to appoint committees and working groups to examine the matter in detail. Besides the Indian Bankers Association also conducted certain studies regarding customer service through National Institute of Bank Management, Pune and other institutes. Commercial banks had also studied the different marketing aspects but the results were used only for their internal use. In this situation, the present study reviewed the research work in two dimensions. The first being the findings and recommendations of various committees and commissions and the second dimension highlighted the empirical studies conducted by bankers and academicians.

The All India Rural Credit Review Committee (1969) observed that commercial banks have generally been more successful than co-operative institutions.
in mobilising deposits in the semi-urban areas. This may be partly on account of superior customer services and partly because of a more sustained drive for deposits. The committee further pointed out that an important implication of the challenge which awaits banks generally and co-operative banks in particular is that they can win the confidence and patronage of the prospective depositor, urban or rural, only if they can provide him with banking services attuned to his needs, preferences and convenience. What is more important, in providing these services the banks have to display a degree of enterprise and spirit of innovation. The innovation may have to vary from area to area and can only come up from experience depending on the local circumstances and preferences.

The case studies conducted by the Agricultural Credit Review Committee while framing their report found that almost all branches irrespective of the bank to which they belonged depended mostly on walk-in business or sponsored loan applications. There was no evidence to show that the branch managers studied the area of their operation in terms of credit needs of the people and the opportunities available for provision of credit. The committee remarked that owing to traditional, institutional and attitudinal factors many of the commercial bank staff do not stir themselves often from their parlours into the field to canvass deposits on the one side and attract potential borrowers. The committee also viewed that acceleration of the process of computerisation is important to the commercial banks not only from the point of view of improved customer service, but also for reducing transaction cost. Because of the very large number of branches spread all over the country and the need
to compile and furnish information on various issues, considerable time has to be spent manually by the bank staff.

The Banking Commission (1972) viewed that proximity of institutions to the depositor and availability of varying schemes tailored to suit the liquidity and other considerations, which weigh with the depositors, the return on deposits appeared to be of some significance. Hence the effects of administered interest rates on bank deposits need to be studied carefully and a well thought out comprehensive approach to the question of the structure of interest rates on deposits worked out. It is necessary for banks to take into account the motivation for savings to attain a larger measure of success in deposit mobilization from small persons. While the efforts that the banks have been taking to mobilise deposits have to continue, it is important to see that the standard of services for the existing depositors is also maintained at a high level. The availability of ancillary banking services also influence the choice of the depositors, particularly in smaller towns. The Commission further stated that efficient service and courteous and personalised attention have been found to be among the most important considerations in depositor's choice of a bank and recommended waiting time of customers at the cash counters be reduced by procedural adjustments and introduction of teller system.

In their report, the PEP Committee (1977) opined that the rationale behind the need for a business plan or performance budget is that banking operations should be re-oriented to provide better service and to obtain the maximum business growth by adopting a market approach. Banks world over have been making increasing use of
Marketing approach. It is recognised that market segmentation leads to better quality customer services. The Committee warned that if diversity of market is ignored, it is possible that market opportunities represented by unfulfilled customer needs might be ignored and lost.

The working group on customer service (1977) noted that there was considerable ignorance about the facilities and services offered by banks and the roles they were required to play. Most bank customers are unaware of various schemes and services offered by banks. The group recommended educational campaigns to be carried out by banks illustratively and every customer of bank should be provided a booklet containing the range of services offered by banks. The survey conducted by the working group pointed out that by and large less educated people and females are far away from banks. Since developing banking habits is not a strategy for social uplift only but is equally important a strategy for bank marketing in the long run the committee took serious note on this finding.

In order to improve operational efficiency, quality of customer service and to speed it up, the Committee on public Sector banks (1978) recommended a judicious use of computers for selected services of banks. Apart from an increase in efficiency, it will reduce the load of routine and repetitive work and leave sufficient time for staff to provide better customer service.

Laurent (1979) studied the perception of customers on five competing banks in a medium size city in UK for private deposits. He observed that these five banks
differed from each other as a result of oligopolistic market situation only on seven attributes i.e., friendliness, quality of service, community spirit, modern facilities, convenience, range of services and ownership. These seven attributes accounted for 91 percent of the overall differences between the five banks. The study revealed that on the basis of perception of overall image of the five banks relative to each other, there existed three different market segments. And there is a high probability that two persons with similar perceptions of the same set of items have similar socio-economic profiles. This was evident by the identification of three segments on the basis of commonality of perception having distinct and internally consistent socio-economic profiles.

The quality of customer service of Syndicate Bank, Bombay city region was examined by Kammath (1979) in order to identify the areas requiring improvement in system, procedures and customer education. He found that majority of customers of sub-urban and small branches were satisfied with the bank service whereas large and medium size branch customers reported delay in counter service and collection of cheques. Eighty percent of the customers do not know the branch manager and 72 percent were of the opinion that it is not necessary to know some one in the branch to expedite their transactions. In credit related matters, majority of the respondents complained on unnecessary information asked by the bankers and some of them reported that officers discouraged renewal/enhancement of loan proposals. The study strongly recommended for marketing approach in these branches.

Barry et al. (1980) studied among the members of the Bank Marketing Association (London) regarding satisfaction of their bank marketing job. It was
observed that the most satisfying part of marketing was the establishment of goals or objective that are to be accomplished overtime. It is most satisfying because it requires a coordinated internal and external marketing approach that normally includes nearly all aspects of bank marketing. The study pointed out that the most frustrating in bank marketing was a perceived lack of top management support for the marketing function. Even in marketing oriented bank (declared so by management) marketing was often separated apart as something done in addition to or not vital to the central process and functioning of banking.

The role of Branch Manager in the marketing of bank services was evaluated by Turnbull (1982) in the North West region of one of the major clearing banks in England. His study was done through personal interview with branch manager and tried to highlight the existing role of branch managers and how he perceives both his own role and his customer's needs. The knowledge and attitude of managers towards marketing and the communication process between himself and his customers were evaluated in this study. The survey demonstrated a fundamental lack of understanding of the concept of marketing among branch managers. They had only a narrow view of marketing as majority of them equated marketing with selling. Many managers confessed that they lacked detailed knowledge of many of the services and they had only a general understanding of the range of services. More than 70 percent of the respondents recognised the importance of good personal relationship with their customers.

A survey of two towns and 10 villages in East Godavari and West Godawari districts of Andhrapradesh to find out the influence of different forms of
advertisement and personal selling on deposit mobilization of banks was conducted by Subha Rao (1982). It was observed that different media advertisements have limited influence on customers in opening current account. Similarly personal selling was somewhat less powerful than advertisement in motivating urban customers to open current accounts. But in rural areas personal selling was more effective than advertisement. Fixed depositors in urban and rural areas are mostly motivated by personal selling and advertising was not effective in mobilising fixed deposits from urban and rural areas. It was also found that among urban customers, their friends and relatives had more influence than bank staff whereas rural customers were mostly induced by branch managers and other staff of the bank. Illiteracy, ignorance and unawareness about various deposits schemes on the part of small savers and their psychological inertia are problems of deposit mobilisation. Personal selling or contact is the best way of educating the rural potential customers.

The study on bank advertising in India from 1971-'80 Singh (1983) found that convenience in banking, quality of service rendered and prestige associated in dealing with a given bank were the major themes of bank advertisements surveyed. However the factors of friendliness and dependability that go a long way towards customer traffic as well as loyalty for a bank were found to have been received lesser emphasis in the themes of advertisement released in 1980 in comparison with 1971.

Some of the gaps identified by the study in bank advertisement were:

1. Lack of specification in the identification of target groups and consequent inability to use market segmentation strategy.
2. Incongruity between advertising objectives pursued and the schemes or services offered.

3. Disproportionate marketing mix with over emphasis on deposit and savings schemes and neglect of the promotion of other customer services offered as well as marketing of credit. The way out lies in the adoption of marketing philosophy on the part of top management and in the usage of marketing approach to bank advertising.

American Bankers Association's observation on consumer attitudes (1984) - a three part telephone study of 500 hundred middle income and affluent U.S. households covered competitive advertising and positioning, consumer financial services usage and their perceptions. (Carcione 1985). The survey revealed that though banks where by far still the most popular financial service provider, particularly for traditional accounts like checking, savings accounts and loans, brokers are often the preferred vendors of "newer" more profitable services. The study highlighted a growing perpetual blurring of financial institutions, with all institutions more likely to be perceived to offer "any service", compared to the previous years. 62 percent customers were found confident of the safety of their own money in banks.

While commenting on the operational efficiency of banks the Chakravarthy Committee (1985) expressed their view that the concept of operational efficiency of commercial banks in India is associated with such diverse aspects of its operations as cost effectiveness, profitability, customer services, priority sector lending, mobilisation of deposits and deployment of credit. Operational efficiency in banks has attained a wider connotation. The committee again observed that there is a need to
introduce some element of price competition among banks. The 'controlled competition' was recommended by the committee in this regard.

As part of a nation wide survey conducted by Bank Marketing Association and Booz-Allen \(^{15}(1986)\) among bank marketing directors, it was identified that lack of commitment, management difficulties and environmental uncertainty as three major problems affecting the development of new services. One of the respondents accused the management of "not thinking what the customer wants, but trying to program the customer to the computer". Most of the bankers feel that there is a need for a clearly defined series of steps to generate, evaluate and develop new service ideas. Without a formal process bankers are at a loss as to how or where to begin developing new services.

Avadhani et al.\(^{16}(1987)\) studied the performance of rural branches of some commercial banks in order to identify the factors influencing deposit mobilisation in rural areas in different states. They came out with the opinion that there existed sufficient relationship between the deposits of a rural branch and its age. The growth of deposits is at a faster rate in the first six years and tapers off subsequently. The growth rate in deposits of commercial banks cannot be explained in terms of price differentials as co-operatives offer high rates of interest. Therefore product differentials would offer a better explanation of the disparate growth rates in deposits. This relates to difference in customer services, liquidity, attitude of the manager and the bank staff and their local involvement. It is to be noted that there was no special schemes for deposit mobilisation or any incentives given to bank staff. Yet each
branch management had evolved its own strategy to mobilise deposits in order to achieve the targets fixed by the Head office.

In a nation wide survey conducted by Raddon Financial Group in America (1987) on importance of quality of service criteria, consumers were asked to rate on a scale of 1 to 5 the relative importance of numerous service quality criteria. It was found that generally pricing criteria formed the most important group of factors in consumer ratings. This category includes competitive deposit rates, loan rates and minimum balance requirements. Image was the second criterion, which takes into account stability, progressiveness, conservativeness and management of the institution. 43 percent of consumers surveyed opined that they considered switching financial institutions when a problem went unresolved. Over 42 percent said that they have changed financial institutions because of service problems. The study suggested that by understanding that service strategy is a low-cost profit strategy, financial institutions should install a quality service orientation throughout the organisation.

The 64th report of the Parliament Estimates Committee (1988) noted that more than a decade after approval of the recommendations of the Working Group on customer services, only 7 out of 28 public sector banks implemented all the 121 recommendations accepted by the Government. Since the primary function of banks is provision of customer oriented services to the satisfaction of customers, the Committee expects the RBI to monitor its implementation vigorously. They recommended that the basic requirements to be complied by banks as customer service must be notified in the form of rules and regulations under the Acts. The committee found that time norms are not being displayed and adhered to by most of
the public sector banks. Immediate credit for outstation cheques up to Rs.2500/- was not given and payment of savings bank interest rate on delayed collection of cheques were not complied with. The Committee also noted that inspite of instructions given by R.B.I in 1987 banks insisted on succession certificate on deceased depositor's credit balance below Rs.25000/-. 

Archana Mathur (1988)\textsuperscript{19} in her study on the position of customer service of State Bank of India and State Bank of Bikanir and Jaipur found that majority of the customers were taking advantage of savings bank account. Nearly 57 percent respondents were dissatisfied regarding passbook entries. The general environment of the banks were satisfying to the respondents. More than 80 percent of the customers interviewed held the view that there was need for improvement in bank services. The degree of consciousness about bank services among the customers were as high as 57 percent and the behavior of the bank staff was found satisfactory.

The overall reactions of customers towards the Syndicate Bank's dealing with credit in Nellore district of Andrapradesh was examined and assessed the attitude of customers towards bank credit in raising their living standards by Malayadri (1988).\textsuperscript{20} It was revealed that majority of the borrowers were satisfied with the bank personnel in understanding and helping to solve their problems, providing advice and assisting in proper utilisation of credit. But disbursal of loan within reasonable time and supervising the field were lacking. Sixtysix percent of the respondents were unable to follow bank rules and procedures and 54 percent found the working time unsuitable and suggested change of working hours. Fourty percent of customers considered bank
credit as a risk in future and a few of them stated that taking loans eroded their social prestige.

A comparative study of customer service in public sector and private sector banks had been undertaken by Raganathan (1988) in Coimbatore district of Tamilnadu. He touched up on a few parameters of customer service such as efficiency or speed of the transactions and behavior of bank staff. The study revealed that private sector banks were providing comparatively better services than public sector banks in the following respects.

1. Deposit of cash and obtaining receipts.
2. Purchase of bank drafts.
3. Behavior of bank staff of all categories.

However, he suggested improvements in the following areas such as:

1. Collection of local cheques and outstation cheques.
2. Issue, renewal and encashment of fixed deposits.
3. Issue of demand drafts and telegraphic transfers.

Sarkar (1989) attempted to find out the extent of utilisation of existing services by corporate customers and to identify the difficulties faced by them in availing the existing service of UCO bank. He observed that the sample bank has not been able to attract an appreciable extent of new customers. The customers in the manufacturing sector use more service than trade and service sectors. But their turnover credit limit (9 times) in credit service was lower than those of trade and
service sectors (27 and 23 times respectively). Non-fund based services like letter of credit, letter of guarantee, underwriting management etc were not availed to an appreciable extent. The difficulties and complaints were mostly on delay in credit decision, delay in counter service, remittance and attitude of staff. The study recommend that at the corporate level the culture of marketing has to be developed by conscious effort.

A nation wide survey of 90,000 households and 10,000 institutions was conducted by National Institute of Bank Management, Pune. Interviews were conducted for the financial year 1984-85 and multi stage stratified sampling was adopted for the survey which was carried out in 250 selected towns and 500 selected villages from all states and Union territories of India. (NIBM 1985)23. This was a comprehensive survey and brought out considerable amount of information. The evaluation of the customer service revealed that 61 percent of the customers were either non-committal or observed that collection of local cheques took more than three days and 82 percent opined that collection of outstation cheques took more than seven days. Majority of the respondents pointed out the negative attitude of bank staff towards customers. The customers were not aware of deposit related schemes except savings accounts and the usage of other schemes were also poor. Among credit related services also a good number of services were not popular owing to low awareness and usage.

The Rangarajan committee (1989)24 observed that one of the interesting feature of banking scene is its multi-faceted character. The class of customers and their expectation differ widely from one population segment to other - rural, semi
urban, urban and metropolitan. Similarly the number of transactions and staff also
vary widely. Therefore it is difficult to generalise on the pattern of services to be
provided by banks at their various branches. Customer interface at the branch level is
dominant and customers expect warm and courteous behavior from staff which can be
cultivated through attitudinal changes. The committee thus recommended for
computerisation which will lead to reduction in working time, accuracy in reporting,
provision of additional innovative services and expeditious transfer of funds. They
further pointed out that a time has come now to move to on-line real time transaction
processing environment in relation to branch banking so as to enable the customer to
have better service.

A comparative performance of foreign and Indian banks was undertaken by
Nag and Shivaswamy (1990) and observed that there was a distinct preference of
bank customers to bank with foreign banks notwithstanding the fact that foreign banks
stipulate relatively high levels of minimum amounts to be maintained as deposits and
charge relatively high interest rates and service costs. In respect of deposit supplies,
their strategy had been to procure from a segmented part of the total supplies of
deposits of large size from a relatively small number of depositors. Large accretion of
non-resident deposits with foreign banks was mainly because of the familiarity of the
names of foreign banks operating in India to banks abroad. Many foreign banks have
assiduously built up the reputation of being sensitive to the needs of non resident
Indians by quick response to their queries through modern communication systems.
The study underlined the quality of customer service required for mobilising deposits
of non-resident Indians.
In his study on Lead Bank Scheme in Kerala, Joseph (1990)\(^2\) analysed the mobilisation of bank deposits in Kerala by commercial Banks since the introduction of lead bank scheme. He observed that competition from co-operative and other institutions was the main obstacles to achieving the deposit mobilisation target. The popularity of private financial institutions was due to their personal relations with local people. 56.4 percent of the customers (self employed) surveyed had their first dealing with banks for taking loans. Irrespective of the borrowers income and education level, majority of the customers opined that their first dealing with the bank was to take advances, 44 percent of self employed borrowers reported that it took 76 to 181 days for getting advances and bank officials rarely conducted inspection. The study pointed out the need for adopting adequate marketing techniques to inform the rural masses about the different schemes of the banks.

Brahmanandam et al (1990)\(^2\) tried to find out the problems of customers in transacting with bank branches and to measure the extent of customer satisfaction with the service of banks. The study revealed that convenient location and suitable timings have played a dominant role in selecting a branch. Punctuality in opening and closing the branch was observed and at times work even extended beyond normal hours to clear off waiting customers. Withdrawal of cash was possible within 10 minutes. About 33 percent of the respondents faced problems in getting the passbook entries updated and illegible handwriting, abbreviations used, wrong entries were all problems faced with passbook entries. Ninety-three Percent of the respondents opined that they were not given instant credit for outstation cheques below Rs. 2500 as per R.B.I. guidelines.
The Narasimham Committee (1991)observed that the productivity and efficiency of banking system have suffered, its profitability has been eroded and its portfolio quality has deteriorated. Customer service has been poor, work technology out dated and transaction costs are high. In the process several banks have themselves become weak financially and unable to meet the challenges of a competitive environment. The committee added that branch is the cutting edge of banking industry where there is direct interface with the depositor and credit customer. It is the functioning of the branch that shows the measure of efficiency in respect of customer services. Banks should therefore need to give attention to the organisation, staffing, work technology, work culture and attitudes of bank staff.

A comprehensive appraisal of customer service was made by Goiporia Committee. (1991) The committee found that there was divergence among different states in the matter of providing service right from the commencement of business hours. The same time prescribed for commencement of the working hours of the staff and business hours for the public was regarded as the main reason for delay in timely opening of branches for business transactions. The committee pointed out that every customer who is in the banking hall prior to the close of business hours needs to be attended to. Regarding unattended counters the committee expressed the opinion that there is ample scope for banks to improve upon this aspect of customer service. The committee recommended that commencement of employees working hours 15 minutes before commencement of business hours in metropolitan and urban branches. All branches, except very small branches should have "may I help you?" counter. Banks must provide nomination facility in the account opening from itself and nomination should cover all existing and new accounts. Regular updating of pass
books should be made. Term deposits should be marketed innovatively and change in interest rates should be made applicable to the existing deposits also. Similarly the committee recommended corrective measures to reduce delay in collection of local and outstation cheques.

Sen Gupta (1991) studied the attitude of branch managers towards the changing bank environment and their approach towards credit business. His study highlighted that 76 percent of the respondents felt the need of marketing orientation, of which 30 percent perceived the importance of personalised customer service as the major criteria for tapping credit business and 46 percent favoured aggressive salesmanship. The study further revealed that though marketing belief existed in majority of managerial personal, implementation of strategies was lacking. They neither attempted to SWOT analysis or endeavored to assess the potential demand for credit deployment in their respective command areas. Similarly the involvement of staff members in credit marketing was found lacking. The study recommended organisational intervention by way of team spirit at the branch level to make the branch a marketing outfit for bank lending.

In a survey on the implementation of customer service on public sector banks in Kerala, Purushothaman Nair (1991) highlighted that the performance of implementation of customer service measures in the public sector banks in Kerala was average. The customer service rendered by urban branches were better than that of rural branches. This difference was mainly due to the performance in respect of three variables viz.

1. Immediate credit of outstation cheques up to Rs. 2500
2. Speedy disposal of loan proposals of SSI and
3. Expeditious collection of outstation cheques.

The study pointed out that much attention was needed by rural banks on these variables.

The study on credit card marketing of Andhra Bank undertaken by Nagraj (1991)\textsuperscript{32} to identify the potential segments for formulating appropriate strategies and assessing the level of satisfaction of card holders. Data were collected from 49 merchants and 271 others using Andhra bank credit card and analysed using lotus and stat pal programs. It was observed that $\frac{1}{4}$ of the card holders surveyed were patronising the bank's credit card for more than five years and the average membership age was 3-4 years. About 80 percent of the card holders had turnover of less than Rs 3000 and the number of card holders decreases with the increase in turnover. Fifty six percent of the respondents had credit cards from other agencies also. It was noticed that 77 percent of card holders had acquired for its convenience of use, 37 percent for emergencies and 17 percent as status symbol. Setting up of marketing efforts among professionals, government officials and public sector employees etc and motivation for employees were recommended by the study.

Sathish N. (1992)\textsuperscript{33} evaluated the quality of customer service in public sector banks so as to find out the reason for the deterioration of customer service in these banks. The study used five variables such as employees attitude, basic amenities, speed of transactions, customer redressal and schemes offered by banks to evaluate the customer service. It was found that most of the customers of public sector banks have been treated courteously by bank staff. Availability of basic amenities were also
found satisfactory. Interest for delayed collection of outstation cheque is given only when the customer ask for it in most cases. It was observed that public sector banks were not adhering RBI time norms in completing various transactions. No significant difference was noticed in the quality of service offered to urban, semi-urban, and rural branches. The study recommended strict adherence to time norms, extension of working hours and more representation on customer meetings.

The Committee on Consortium Lending (1993)\textsuperscript{34} recognised the need to shift to market driven banking from the present practices. The recommendations of the committee have therefore been to ensure financial discipline on the part of borrowers together with improvement in the services offered by banking system in the inter-regnum till the system completely switches over to market driven banking. So they recommended the introduction of syndication together with continuation of the existing consortium arrangement with substantial modifications. In order to usher in market driven banking the committee recommended enhancement of threshold limit to Rs. 25 crores for mandatory formation of consortium when a borrower enjoys fund based credit limits from more than one bank.

The levels of savings and the manner of their distribution among different physical and financial assets of household sector in Kerala were studied by Raju (1993)\textsuperscript{35} and identified the factors influencing their savings behavior. He found that major portions of the savings of house holds in Kerala was in the form of financial savings and that too in the form of bank deposits. Banks still have an upper hand in mobilising the savings of households especially in the matter of foreign remittances. Personal selling and exchange of ideas with friends and relatives were the major
influencing factors in spreading the information about financial savings schemes among the households. He observed that the rate of growth in bank deposits did not match with the rate of growth in domestic savings. The surplus generated in the economy was being diverted to other forms of savings, some of which were non-productive. The study recommended that the banks should chalk out suitable deposit promotion strategies to educate and motivate different categories of households.

An empirical analysis on dis-intermediation from the household sectors portfolio preferences point of view based on demand model of five assets including bank deposits was made by Subramanyam (1993). The study revealed that the household sectors preferences between bank deposits and lending to private corporate sector tended to be in favour of the latter and against the former. Similarly, if investments in life insurance and pension funds were to become more attractive in terms of new schemes, concessions etc, then these investments were most likely to cut in to bank intermeadiation and deposit growth.

The study suggested that bank's ability to market service oriented deposit accounts will have to be boosted to target the urban salaried and business population for meeting their structured needs in the process of which new deposit expansion opportunities are created.

Srivastava (1994) attempted to find out the extent of satisfaction with customer service offered by four premier nationalised banks from Northern and Southern regions. The study brought out some of the critical areas of customer dissatisfaction. He found that 32 part of the respondents were unhappy and 16 percent
respondents muterals after a visit to their bank. The most frequently faced problems by depositors were categorized into behavioural problems and procedural problems. Majority of customers surveyed opined that the banks were not opening at the proper time and too much delay in opening accounts and other transactions. The study strongly recommended marketing approach in the functioning of these banks.

In an empirical study on effectiveness of bank managers in commercial and co-operative banks in Punjab (Bhatia et al. 1994) found that commercial bank branch managers are found to be more effective as compared to co-operative bank branch managers. The poor academic and professional qualifications and nature of appointment were important reasons stated against this. For improving upon the effectiveness of bank managers in India and thus to carry out the task of economic development a learning based marketing model was recommended by the study. In this model the branch manager must thoroughly study the demographic, geographic as well as psychographic aspects of the market.

Rajagopala Nair(1994) studied the rural bank marketing in Kerala and evaluated the products or services offered by banks in rural areas. He has also tried to examine the diversified needs of rural customers in the state through a field survey of 250 rural bank customers in Ernakulam District. The study showed that proximity, quick loan facility and better services were the three major variables influencing the rural customer for selecting the banks. Interest rate on deposit was not a criteria for rural depositors and they give preference to security and liquidity. He observed that delay in sanctioning loans and procedural inconvenience in rural commercial banks have paved the way for flourishing business of money lenders. Commercial banks in
rural areas have not adopted any novel method to promote banking activities in their operational areas. 89 percent of the customers were totally unaware of the interest rate on any of the bank deposit schemes and 64 percent were unaware of rate of interest on lending schemes. The faith of rural customers in nationalised banks was comparatively high. So they should impart better services to improve their image. Personal selling was suggested as the best marketing technique for rural branches.

The extent and variation in the level of customer satisfaction and trend to find out the factors influencing customer satisfaction in Pollachi branch of Indian Bank was undertaken by Christopher and Pandian (1995). They surveyed a sample of 100 savings bank account customers regarding their opinion on aspects like speed of transactions, behaviour of staff, convenience of working hours etc. The study revealed that customers with longer years of account holding were more satisfied than new customers. Middle income groups and lower income groups were more satisfied than higher income group customers. The level of education has been found to be associated with satisfaction. Regular customers were more satisfied than irregular customers. Similarly business groups had higher satisfaction while farmers had lower satisfaction. The general opinion showed that customers were dissatisfied with various services. It was also found that there was mis-match between time norms displayed and actual time taken for various transactions. The working hours were not suitable to some respondents and some others expressed difficulty in understanding the procedures. The study recommended an overhaul of existing services and introduction of need based services emphasising computerised banking.
In her study on the impact of mutual funds on the deposit mobilisation of commercial banks Nalini (1996) examined the awareness level and adoption level of mutual funds among household investors in Thiruvananthapuram District. She found that the advent of mutual funds has brought in expected changes in the growth of bank deposits and their ownership pattern, but the changes were not of a significant magnitude. New capital issues and UTI units were found influencing bank deposits adversely. The low interest on bank deposits and the competition from other investments avenues like capital market and real estate created difficulty for banks in their deposit mobilisation. The study revealed that a major portion of the financial savings of the household sector was held in the form of provident fund, LIC and Post office savings schemes. The location of residence influenced significantly the investors preference to banks and mutual funds. The occupation of investors also exerted influence on their decision of investment in mutual funds. The study recommended the introduction of new deposit schemes tailored to suit the needs of household investors.

Conclusion

The views of the various committees and empirical studies reviewed above proved that bank marketing had not been fully adopted in India in all its aspects. In certain areas like deposit mobilisation and publicity were undertaken here and there. Customer satisfaction, the sine-qua-non of bank marketing has been given adequate emphasis only recently. So studies are required to identify customer needs and preferences in order to develop innovative services of his choice in a fast changing environment characterised by information and technological revolution.
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