

A STUDY ON CUSTOMERS ATTITUDE TOWARDS MOTIVATION OF SELECTING THE BANK

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ABSTRACT:

The aim of this study is to investigate the factors influencing the consumers attitude towards motivation of selecting bank. The *Efficient Services, Reliable services, Bank Offerings and Personalized Service* along with demographic profile of selected bank users were examined. 320 respondents from eleven major banking service users of different bank operators participated in the consumer survey. The infrastructural facility of updated user-friendly technology and its availability was found to be the most important factor that motivated consumers' attitudes in selected bank. By addressing the concerns of and benefits sought by the consumers, marketers can create positive attractions and policy makers can set regulations for the expansion of mobile banking services.

INTRODUCTION:

The research examines and measures the service variables which influence relationship quality of E-CRM by the bank. Because most E_CRM implementation cannot be directly seen or recognized by customers. The banking industry were used to develop a new construct called “Customer –based service attributes” to measure service variable which influence relationship quality of E-CRM from customer’s perspectives. In the emerging competitive driven banking era, banks have to strive hard for set their customer base.

Table No: 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.586
Bartlett's Test of Sphericity	Approx. Chi-Square	2362.538
	Df	55
	Sig.	.000

Table No: 2

Communalities

	Initial	Extraction
The bank offers high rate of interest on deposits	1.000	.599
The bank offers lower rate of interest on loans	1.000	.746
The bank understand my needs	1.000	.874
The bank provides efficient service	1.000	.804
The bank offers prompt cashing/queue time	1.000	.859
The bank offers personalize services	1.000	.606
The bank is community minded and socially responsible	1.000	.849
The bank is very proximity	1.000	.917
ATM is very efficient and reliable	1.000	.789
There is an opportunity to complain	1.000	.854
The bank has ability to resolve complains on schedule	1.000	.690
Extraction Method: Principal Component Analysis.		

In table Bartlett’s test of sphericity and KAISER MEYER OLKIN measures of sample adequacy were used to test the appropriateness of the factor model. Bartlett’s test was used to test the null hypothesis that the variables of this study are not correlated. Since the approximate chi-square satisfaction is 2362.538 which is significant at 1% level, the test leads to the rejection of the null hypothesis.

The value of KMO statistics (0.586) was also large and it revealed that factor analysis might be considered as an appropriate technique for analysing the correlation matrix. The communality table showed the initial and extraction values.

Table No: 3

Total Variance Explained

Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.704	42.763	42.763	4.704	42.763	42.763	3.076	27.965	27.965
2	1.570	14.269	57.033	1.570	14.269	57.033	2.140	19.458	47.423
3	1.294	11.768	68.800	1.294	11.768	68.800	2.125	19.318	66.741
4	1.019	9.262	78.063	1.019	9.262	78.063	1.245	11.322	78.063
5	.941	8.552	86.615						
6	.575	5.223	91.837						
7	.286	2.598	94.436						
8	.236	2.145	96.581						
9	.169	1.538	98.118						
10	.144	1.305	99.424						
11	.063	.576	100.000						

Extraction Method: Principal Component Analysis.

From the table it is observed that the labelled “Initial Eigen Values” gives the EIGEN values. The EIGEN Value for a factor indicates the ‘Total Variance’ attributed to the factor. From the extraction sum of squared loadings, it was learnt that the I factor accounted for the variance of 4.704 which was 42.763%, the II factor accounted for the variance of 1.570 which was 14.269%, the III factor accounted for the variance of 1.294 which was 11.768%, the IV factor accounted for the variance of 1.019 which was 9.262%. The four components extracted accounted for the total cumulative variance of 78.063%

Determination of factors based on Eigen Values

In this approach only factors with Eigen values greater than 1.00 are retained and the other factors are not included in this model. The four components possessing the Eigen values which were greater than 1.0 were taken as the components extracted.

Table No: 4 Component Matrix^a

	Component			
	1	2	3	4
The bank provides efficient service	.840			
The bank understand my needs	.835			
The bank offers lower rate of interest on loans	.762			
ATM is very efficient and reliable	.715			
The bank offers high rate of interest on deposits	.622			
The bank has ability to resolve complains on schedule	.603	-.566		
The bank is community minded and socially responsible	.560			
The bank offers personalize services	.503			
The bank offers prompt cashing/queue time	.594		.634	
The bank is very proximity			-.544	
There is an opportunity to complain	.585			.601
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

Table No: 5 Rotated Component Matrix^a

	Component			
	1	2	3	4
The bank is very proximity	0.911			
The bank offers prompt cashing / queue time	0.880			
The bank provides efficient service	0.808			
The bank has ability to resolve complaints on schedule		0.788		
There is an opportunity to complain		0.786		
Atm is very efficient and reliable		0.770		
The bank offers lower rate of interest on loans			0.749	
The bank offers high rate of interest on deposits			0.758	
The bank understand my needs				0.796
The bank is community minded and socially responsible				0.694
The bank offers personalize services				0.686
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 6 iterations.				

The rotated component matrix shown in table is a result of VARIMAX procedure of factor rotation. Interpretation is facilitated by identifying the variables that have large loadings on the same factor. Hence, those factors with high factor loadings in each component were selected. The selected factors were shown in the table.

Table No: 6 Clustering of inducing variables into factors

Factor	Inducing variable	Rotated factor loadings
I (27.965) <i>Efficient Services</i>	The Bank is very proximity X8	0.911
	The Bank offers prompt cashing / Queue time X5	0.880
	The Bank provides efficient service X4	0.808
II(47.423) <i>Reliable services</i>	The Bank has ability to resolve complaints on schedule X11	0.788
	There is an opportunity to complain X10	0.786
	ATM is very efficient and reliable X9	0.770
III(66.741) <i>Bank Offerings</i>	The Bank offers lower rate of interest on loans X2	0.749
	The Bank offers high rate of interest on deposits X1	0.758
IV (78.063) <i>Personalized Service</i>	The Bank understand my needs X3	0.796
	The Bank is community minded and socially responsible X7	0.694
	The Bank offers personalize services X6	0.686

In this table four factors were identified as being maximum percentage variance accounted. The variable X8, X5 and X4 constitutes factor I and it accounts for 27.965 per cent of the total variance. The variable X11, X10 and X9 constitutes factor II and it accounts for 47.423 per cent of the total variance. The variable X2 and X1 constitutes factor III and it accounts for 66.741 per cent of the total variance. The variable X3, X7 and X6 constitutes factor IV and it accounts for 78.063 per cent of the total variance.

EFFICIENT SERVICES

The customer has selected a particular bank as the bank is very near to the place where they live in, and the bank offers cashing services and reduced queue time in an efficient way.

RELIABLE SERVICES:

The present day customers judge the banks on the various services rendered by them, the efficient handling of complaints, ATM efficiency, branches available and the various services rendered are the few bench marks of measuring reliability.

BANK OFFERING:

The customer now-a-days makes multiple comparisons on the various services provided. The customer compares and finds the bank which provides lower rate of interest and high rate of interest on deposits.

PERSONALIZED SERVICE:

The customer expects a variety of services from the bank and, they wish that the bank has to understand their needs. In addition they wanted the bank to be community minded and socially responsible.

The following section explains the association between the cluster groups formed and the demographic variables of the customer.

Table No: 7

Significant difference between efficient services and demographic profile

H0: There is no significant difference between efficient services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Ha: There is significant difference between efficient services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Source of variance		Sum of Squares	Mean Square	f value	Sig.	Result
Gender	Between Groups	9.844	4.922	27.017	.000	Significant
	Within Groups	57.753	.182			
	Total	67.597				
Age	Between Groups	56.940	28.470	36.829	.000	Significant
	Within Groups	245.048	.773			
	Total	301.988				
Education qualification	Between Groups	61.620	30.810	27.353	.000	Significant
	Within Groups	357.068	1.126			
	Total	418.687				
Occupation	Between Groups	2.953	1.477	3.899	.001	Significant

	Within Groups	120.047	.379			
	Total	123.000				
Nature of family	Between Groups	3.161	1.581	8.523	.000	Significant
	Within Groups	58.789	.185			
	Total	61.950				
Monthly income	Between Groups	25.291	12.645	21.545	.000	Significant
	Within Groups	186.056	.587			
	Total	211.347				
Type of bank account	Between Groups	.414	.207	.692	.001	Significant
	Within Groups	94.786	.299			
	Total	95.200				
Duration of holding bank a/c	Between Groups	7.069	3.534	6.680	.001	Significant
	Within Groups	167.728	.529			
	Total	174.797				
Type of bank prefer	Between Groups	1.655	.827	2.758	.000	Significant
	Within Groups	95.092	.300			
	Total	96.747				

Source: Computed from primary data.

Level of Significance: 5 percent.

As the values are resulting in low significant the hypothesis is accepted and it is concluded that there is no significant difference between efficient services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Table No: 8

Significant difference between reliable services and demographic profile

H0: There is no significant difference between reliable services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Ha: There is significant difference between reliable services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Source of variance		Sum of Squares	Mean Square	f value	Sig.	Result
Gender	Between Groups	5.717	2.859	14.644	.000	Significant
	Within Groups	61.880	.195			
	Total	67.597				
Age	Between Groups	41.255	20.628	25.079	.000	Significant
	Within Groups	260.732	.822			

	Total	301.988				
Education qualification	Between Groups	70.326	35.163	31.997	.000	Significant
	Within Groups	348.362	1.099			
	Total	418.688				
Occupation	Between Groups	2.234	1.117	2.932	.004	Significant
	Within Groups	120.766	.381			
	Total	123.000				
Nature of family	Between Groups	4.278	2.139	11.758	.000	Significant
	Within Groups	57.672	.182			
	Total	61.950				
Monthly income	Between Groups	18.382	9.191	15.099	.000	Significant
	Within Groups	192.964	.609			
	Total	211.347				
Type of bank account	Between Groups	.739	.370	1.240	.001	Significant
	Within Groups	94.461	.298			
	Total	95.200				
Duration of holding bank a/c	Between Groups	39.589	19.794	46.408	.000	Significant
	Within Groups	135.208	.427			
	Total	174.797				
Type of bank prefer	Between Groups	7.029	3.514	12.417	.000	Significant
	Within Groups	89.718	.283			
	Total	96.747				

Source: Computed from primary data.

Level of Significance: 5 percent.

As the values are resulting in low significant the hypothesis is accepted and it is concluded that there is no significant difference between reliable services and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Table No: 9

Significant difference between bank offerings and demographic profile

H0: There is no significant difference between bank offerings and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Ha: There is significant difference between bank offerings and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Source of variance		Sum of Squares	Mean Square	f value	Sig.	Result
Gender	Between Groups	6.054	6.054	31.282	.000	Significant
	Within Groups	61.543	.194			
	Total	67.597				
Age	Between Groups	9.486	9.486	10.313	.001	Significant
	Within Groups	292.502	.920			
	Total	301.987				
Education qualification	Between Groups	68.516	68.516	62.222	.000	Significant
	Within Groups	350.171	1.101			
	Total	418.688				
Occupation	Between Groups	.281	.281	.729	.004	Significant
	Within Groups	122.719	.386			
	Total	123.000				
Nature of family	Between Groups	.926	.926	4.825	.002	Significant
	Within Groups	61.024	.192			
	Total	61.950				
Monthly income	Between Groups	.321	.321	.483	.004	Significant
	Within Groups	211.026	.664			
	Total	211.347				
Type of bank account	Between Groups	2.984	2.984	10.291	.001	Significant
	Within Groups	92.216	.290			
	Total	95.200				
Duration of holding bank a/c	Between Groups	6.299	6.299	11.888	.001	Significant
	Within Groups	168.498	.530			
	Total	174.797				
Type of bank prefer	Between Groups	2.002	2.002	6.720	.001	Significant
	Within Groups	94.745	.298			
	Total	96.747				

Source: Computed from primary data.

Level of Significance: 5 percent.

As the values are resulting in low significant the hypothesis is accepted and it is concluded that there is no significant difference between bank offerings and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Table No: 10

Significant difference between personalized service and demographic profile

H0: There is no significant difference between personalized service and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Ha: There is significant difference between personalized service and gender, age, educational qualification, occupation, nature of family, monthly income, type of bank account, duration of holding account in the bank, type of bank preferred.

Source of variance		Sum of Squares	Mean Square	f value	Sig.	Result
Gender	Between Groups	4.074	2.037	10.165	.000	Significant
	Within Groups	63.523	.200			
	Total	67.597				
Age	Between Groups	20.866	10.433	11.764	.000	Significant
	Within Groups	281.122	.887			
	Total	301.988				
Education qualification	Between Groups	6.050	3.025	2.324	.000	Significant
	Within Groups	412.637	1.302			
	Total	418.687				
Occupation	Between Groups	2.998	1.499	3.960	.000	Significant
	Within Groups	120.002	.379			
	Total	123.000				
Nature of family	Between Groups	19.327	9.663	71.870	.000	Significant
	Within Groups	42.623	.134			
	Total	61.950				
Monthly income	Between Groups	12.721	6.361	10.151	.000	Significant
	Within Groups	198.626	.627			
	Total	211.347				
Type of bank account	Between Groups	4.502	2.251	7.867	.000	Significant
	Within Groups	90.698	.286			
	Total	95.200				
Duration of holding bank a/c	Between Groups	9.522	4.761	9.132	.000	Significant
	Within Groups	165.275	.521			
	Total	174.797				
Type of bank prefer	Between Groups	8.790	4.395	15.840	.000	Significant
	Within Groups	87.957	.277			
	Total	96.747				

Source: Computed from primary data.

Level of Significance: 5 percent.

As the values are resulting in low significant the hypothesis is accepted and it is concluded that there is no significant difference between Personalized Service and Gender, Age, Educational qualification, Occupation, Nature of family, Monthly income, Type of bank account, Duration of holding account in the bank, Type of bank preferred.

CONCLUSION:

The study has identified four concrete factors which induce the Customers Attitude Towards Motivation Of Selecting The Bank The different dimensions include 1.Efficient Services 2. Reliable services 3. Bank Offerings and 4. Personalized Service.

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