

A Study on Effectiveness of Services Marketing Triangle in City Union Bank, Ramanathapuram

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Introduction

The current scenario of our country, Service sector accounts for more than half of India's GDP. According to data for the financial year 2006-2007, the share of services, industry, and agriculture in India's GDP is 55.1 per cent, 26.4 per cent, and 18.5 per cent respectively. The fact that the service sector now accounts for more than half the GDP marks a watershed in the evolution of the Indian economy and takes it closer to the fundamentals of a developed economy.

There was marked acceleration in services sector growth in the eighties and nineties, especially in the nineties. While the share of services in India's GDP increased by 21 per cent points in the 50 years between 1950 and 2000, nearly 40 per cent of that increase was concentrated in the nineties. Though almost all service sectors participated in this boom, there was a rapid growth in communication, banking, hotels and restaurants, community services, trade and business services. One of the reasons for the sudden growth in the services sector in India in the nineties was the liberalisation in the regulatory framework that gave rise to innovation and higher exports from the services sector.

The services Marketing triangle identifies three key players that are essential to ensure the success of a service offering. Figure 1.1 identifies the three key players as Company, Employees and Customers

Services Marketing Triangle



Significance of the Study

In this new era of E-Banking, mobile banking with updated technologies, we see enormous number of banks both private banks and public sector banks have grown exponentially. Also, when we look over the period of the past hundred years, many new concepts of stocks, shares, mutual funds and bonds have reached not only to the business man but also to every common man. Though the scenario changes CUB has its own tradition and customers in the banking sector. The primary aim of the study is to analyse how CUB maintain its service marketing triangle to adopt the technological and other growing banking areas thereby having consistent growth in number of customers

Objectives of the Study

The objectives of the study are

- To identify the important service quality factors of City Union Bank.
- To examine the level of satisfaction of customers towards City Union Bank Service.
- To know about the (7P's) Marketing Mix of City Union Bank.
- To analyse the relationship between City Union Bank and its Employees.

Scope of the Study

- The study was carried on City Union Bank in Coimbatore city only.
- The study covered from the point of Bankers and Customers who deal with City Union Bank, Ramanathapuram branch.
- The study helped to identify the key factors, which will add value to City Union Bank service in the market.
- This study enabled the company to identify the proper factor to concentrate more for their successful service of internal, external and interactive marketing.

Limitation of the Study

Due to time and cost constraints, the study area covered only Ramanathapuram and the result of the study is confined only to Ramanathapuram. The sample size is 100 only which may not be sufficient to conclude the accurate response. The respondent's bias and non-response error are the other constraints, to the study

Research Methodology

Research methodology is a system of principles or methods of procedure in any discipline, such as education, research, diagnosis, or treatment. It is the section of a research proposal in which the methods to be used are described. The research design, the population to be studied, and

the research instruments, or tools, to be used are discussed in the methodology. As the purpose of the study is to understand the services marketing triangle followed by City Union Bank with reference to Ramanathapuram, the researchers has adopted convenient sampling techniques to choose respondents and collect data from them. Interview schedule was made to 100 respondents from “City Union Bank” customers, Ramanathapuram for interactive marketing and for internal marketing the sample Size is 16.

Methodology for Collection of Data

The Primary data for the study has been collected through the interview schedule. The interview schedule prepared for respondents has been pre-tested by the researchers in person. Comments on the questions were noted and after careful analysis, necessary modification has been made in the interview schedule. After pre-testing, a pilot study was conducted on ten respondents. In the course of the interview, the researchers had experienced some difficulties in getting answers to some of the questions raised and suitable changes have been incorporated before finalizing the schedule. All the analyses and inferences were made on the basis of primary data. Secondary data has been collected from relevant books on services marketing and consumer behavior. The secondary data has also been collected from magazines, newspapers, websites and journals.

Analytical Tools

After conducting the interview schedule from the respondents, data were analyzed thoroughly. The master table has been prepared by the researchers to use classification table for further statistical treatment. With reference to the objective of the study, factors that were taken into consideration such as gender of the respondents, age of the respondents, and experience of the respondents. The data which were collected from the respondents were analyzed by using percentage analysis, five point scales that are Likert’s scale analysis, weighted average ranking and chi-square test. This study also used comparison table as tool in order to study the various factors of City Union Bank.

Review of Literature

1. Chun Wang, Zheng Wang, April 2006, “**The impact of Internet on service quality in the banking sector**” - the result of the study shows that the internet is a convenience tool available whenever and wherever customers need it. It is concluded that the internet has an important and positive effect on customer perceived banking services and the service quality has been improved since the internet has been used in banking sector.
2. Hoda Talebi, 2006, “**Competitive Trends in Service Marketing**”. - Services marketing is in the midst of a revolution today as social media has become more powerful than ever, giving customers a stronger voice than they have ever had. Bloggers are the new social media voice globally, and have already shown how powerful their voices are across many industries.
3. Yung Fu, March 2007, “**Managing Customer Services Using GIS in Banks: A Case in Chinese Competitive Environment**”. -The study shows that GIS can help banks to improve customer services management. The general processes are data collection, data analysis, and data display. Building a GIS support system based on “customer focus” in a bank is a good choice under the pressure of commercial competitions.
4. Emma Spetz, Laurence Butler, 2008, “**The influence of People: The Service marketing benefits of training**”. - This study developed a model showing the influence and benefits of training in the selected banks. It shows that training is not the only way, but plays an important role in marketing through people.

5. Lejla Charif, Marcus Aronsohn, Huseyn Charif, 2006, **“E-banking and Service Quality Online”**.- The result from the studies indicates several aspects showing that the interviewed banks have implemented the main part of the theories but may further improve their Internet banks.
6. Parmita Saha, Yanni Zhao, 2005, **“Relationship between online service quality and customer satisfaction: a study in Internet banking”**. - The researcher concluded that the quality performance of all the nine dimensions was shown to have a strong impact on customer satisfaction. Efficiency, reliability, responsiveness, fulfillment, privacy was found to be the core service quality dimensions in internet banking. Finally, technology update and logistical or technical support was two new dimensions found in this study.

Findings of the Study

1. The following are the findings of the study undertaken from customers.
 - It is inferred that out of 100 respondents 38 (38%) of the respondents have savings bank account in CUB.
 - From the study, it is clear that each of 22 (22%) of the respondents use CUB service for 1 to 2 years and 3 to 4 years.
 - The study revealed that out of 100 respondents 53 (53%) of the respondents have their accounts only in CUB and rest of them maintained their accounts in other banks also.
 - Out of 47 respondents 14 (30%) of the respondents maintain their accounts in State Bank of India.
 - It is opined that 29 (29%) of the respondents wait for 6 to 10 minutes for doing a particular transaction.
 - Among 100 respondents, 43 (43%) of the respondents are interested to use technologies in banks.
 - From the study, it is clear that 32 (32%) of the respondents are under the age group of more than 50 years of age.
 - Majority 87 (87%) are male respondents.
 - It is inferred that the respondents rank the customer service is their first influencing factor followed by the interest rates for deposits.
 - Different individuals are satisfied differently; it is perceived that the individuals who belong to the age group of 26 to 35 years have high level of satisfaction. Out of 20 respondents with high level of satisfaction 16 are male and 4 are female. It was observed that out of 8 respondents with low level of satisfaction, 1(3%) is an employee.
 - The study revealed that among 100 respondents, 20 customers give high level of satisfaction to the relevant factors 72 customers are with medium level of satisfaction and 8 of them are with low level of satisfaction respectively. The study showed that there is significant relationship between age group, occupation of the respondents with the level of satisfaction by them. The analysis also showed that the level of satisfaction is independent of certain factors namely gender.
 - Out of 59 respondents with medium level of attitude towards CUB, 51 (86%) are male and 8 (14%) are female. Among 100 respondents two respondents are in the age group above 55 years with low level of attitude. Out of 26 respondents with high level of attitude, 14 (54%) are employees and 2 (8%) are home makers.
 - The study revealed that among 100 respondents, 26 respondents have high level of attitude, 59 respondents belong to medium level of attitude category and 15 customers are of low level attitude category. The analysis showed that the level of attitude is independent of certain factors namely, gender, age group, and occupation

2. The following are the findings of the study made from Employees

- With regard to the experience of the sample respondents, 6 (37%) of the respondents are having 1 to 3 years of experience.
- The study indicated that 13 (81%) of the respondents would like to have job rotation in their work.
- It is observed that out of 16 respondents 7 (43%) of the respondents would like to have their recognition as promotion.
- It was seen that out of 16 respondents 11 (69%) of the respondents want to have relaxation room in their organization.
- Among 16 respondents 10 (63%) of respondents have medium level of satisfaction in their work
- It is inferred that out of 16 respondents 3 (19%) of the respondents have high level of attitude towards their bank management.

Recommendations

Suggestions to make impression of CUB through peripheral evidence:

- the colour, white and blue of CUB can be propagated to customers by placing the physical facilities, ambience, boards, pamphlets, challans, pens etc., Thus whenever customers see white and blue CUB should be remembered.
- City Union Bank can have tie up with the educational institutions like Schools and Colleges and encourage the students on savings and deposits by having attractive slogans like “Save while you learn”. Through that they can easily cover the young people.
- Every branch of City Union Bank can have customer relation officer.
- Cash counter can be split into two, like receipt counter and payments counter. So it can reduce the waiting time of the customer.
- Point system can be introduced to appraise the individual employee performance.
- Relaxation room for employees should be in every branch.
- CUB can introduce Loyalty program. For loyal customers they can provide a card (which is like debit card) worth of some amount, instead of reducing service charges or providing other benefits. This will delight and retain their customers.
- In every counter they can specify what kind of service they are providing (in a board), so that customers will know where to get their service without any confusion
- CUB can introduce Employees Stock Option Plan (ESOP), which will make the employees proud to be a part of the organisation.

Conclusion

If there is one word to describe the banking industry, it is change. The industry has undergone an almost complete transformation, and is still changing on a nearly daily basis. By having strong focus on services marketing triangle, the bank can easily place its image in this competitive industry and also it can retain competitive advantage over other. In the upcoming days, service industry will be a life blood for our Indian economy. So to withstand in the trend, everyone has to concentrate on services marketing triangle, and achieve success both internally and externally in their field.

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