

***A STUDY OF CUSTOMERS' ATTITUDE TOWARDS MARKETING OF
FINANCIAL SERVICES IN NANDED DISTRICT***

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Abstract:

Marketing of financial services involves the various activities such as various decisions on Products / services, pricing of financial services, promotional tools to be used, place mix, people, processes and physical evidence of these financial services. This is basically 7 P's framework in Services Marketing. Marketing activity is normally structured around the 4 P's – product, price, promotion and place. The marketing mix consists of basically 4 Ps of marketing and along with the extended 3 Ps of marketing. The 4 Ps of marketing are Product, Price, Place and Promotion further the extended 3 Ps of marketing includes People, process and physical **evidences**. Customers' attitude towards marketing of financial services in Nanded district has been studied by the researcher.

Keywords: Marketing mix, financial services, Product, Price, Place, Promotion, People, process and physical evidences.

Introduction:

According to Leonard Berry, “Goods can be defined as objects, devices or things whereas services can be defined as deeds, efforts or performances”.

Christopher Lovelock defines services as, “Services is an act or performance offered by the one party to another. Although the process may be tied up to a physical product, the performance is essentially intangible and does not normally result in the ownership of any of the factors of the product”.

According to American Marketing Association, “Services can be defined as those activities, benefits or satisfaction which are offered for sale or provided in connection with the sale of goods”.

According to Philip Kotler (2012) ‘A service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. Increasingly, manufacturers, distributors, and retailers are providing value-added services, of simply excellent customers’ service, to differentiate them. Many pure service firmware now using the Internet to reach customers; some are purely online. Monster.com a Webby-award-winning site offers online career advice and employment recruiting. Done right, improvements of innovations in customer service can have a big payoff.

Marketing of Financial Services:-

Marketing of financial services involves the various activities such as various decisions on Products / services, pricing of financial services, promotional tools to be used, place mix, people, processes and physical evidence of these financial services. This is basically 7 P’s framework in Services Marketing. Marketing activity is normally structured around the 4 P’s – product, price, promotion and place.

Marketing Mix for Financial Services:-

The marketing mix consists of basically 4 Ps of marketing and along with the extended 3 Ps of marketing. The 4 Ps of marketing are Product, Price, Place and Promotion further the extended 3 Ps of marketing includes People, process and physical evidences.

Objectives of the Study:-

The researcher has undertaken the study with following objectives.

1. To compare different product lines or services and marketing of financial services of Banking and non-banking financial companies in Nanded Distrist.
2. To study the customer and employee attitude towards banking and non-banking companies in Nanded Distrist.
3. To study the financial service quality of banking and non-banking companies in Nanded Distrist.

Hypothesis of the Study:-

1. There is no significant difference between products offered by banking and non-banking companies in Nanded Distrist.

Research Methodology:-

It is the systematic efforts carried out by the researcher with scientific, structured and systematic way. Firstly researcher has considered financial services marketing companies in Nanded Distrist, and then these companies are classified in Banking and non-banking companies depending on their nature of business. Further sample is drawn from Managers, Employees and customers of selected banking and non-banking companies.

Sampling:-

Sampling procedure followed for the survey was multilevel non probability convenient sampling or purposive sampling. The ratio of managers to employees to customers selected was kept as 1:2:6 for banking and non-banking companies. The table shows the sampling.

Table 1 Sample Design

Financial institute	Type of the respondents		
	Managers	Employees	Customers
Banks	21	42	126
NBFCs	21	42	126
Total	42	84	252

Comparing Product Related Strategies through Knowledge or Opinion about Different Products

Hypothesis 1. There is no significant difference between Products offered by Banking and Non-Banking Financial Companies in Nanded District.

The products of banks and NBFCs are compared with similar product attributes or specifications. Hence it includes Loans, Deposits and Fee Based Services. These products or services are compared to verify the null hypothesis as

Table No. 2 Cross tabulation of Products Offered/preferred * Respondents

Respondents and its Percentage wise Distribution for Products Offered	Products offered or preferred						Total	
	Loan		Deposits		Fee Based Services		Count	%
	Count	%	Count	%	Count	%		
Bank Customers	46	36.50%	51	40.47%	29	23.03%	126	100.0%
NBFC Customers	72	57.14%	47	37.30%	7	5.56%	126	100.0%
Bank Managers	7	33.33%	10	47.62%	4	19.05%	21	100.0%
NBFC Managers	12	57.15%	6	28.57%	3	14.28%	21	100.0%
Bank Employees	16	38.09%	18	42.86%	8	19.05%	42	100.0%
NBFC Employees	25	59.53%	13	30.95%	4	9.52%	42	100.0%
Total	178	47.08%	145	38.37%	55	14.55%	378	100.0%

From the above table no. 2, it is found that the bank customers prefer banks for loans with the count 46 (36.9%), deposits are the reason for 51(40.1%) bank customers and fee based services are consumed by 29 (23%) bank customers. It means that the all types of

products i.e. Loans, Deposits and Fee Based Services are utilized by bank customers where as 72 (56.1 %) NBFC customers prefer NBFC for loan purpose and 47 (40.1%) NBFC customers prefer NBFC for Deposits. Fee based services are consumed by 29 (23%) NBFC customers. In the case of bank managers, their opinion is that the loans are preferred by 7 (33.3%) respondents, 10 (47.5%) bank managers agree that deposits are consumed by respondents and fee based services are consumed by respondents according to (21.2%). Loans are preferred by customers, according to 12 (61.8%) NBFC managers and Deposits preferred by customers are known to 6 (29.4%) NBFC managers and fee based services used by respondents are indicated by 3 (8.8%) NBFC managers. Bank employees uttered that the deposits are consumed more by 18 (42.9%) respondents. The NBFC employees stated that Loans are more taken by 25 (59.72%) respondents.

Through above table, it is clear that the Fee base services are mostly consumed by Banks' respondents as compared to NBFCs' respondents .Since both variables are nominal variables and both variables are not two points scaled. There is a distinction made between a dependent and an independent variable. The statistics is based on number of cases in each category. Hence it is recommended to use Goodman's and Kruskal Tau test to take decision regarding null hypothesis as below value 0.05, hence the null hypothesis for the same is rejected. Hence there is significant difference between Products offered by Banking and Non-Banking Financial Companies in Nanded District.

Comparing customer attitude towards banks' marketing or NBFCs' Marketing

Table No. 3 Customers' Attitude

	Positive Customer Attitude					Total
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Bank Customers	11	16	9	57	33	126
NBFC Customers	26	61	11	17	11	126
Bank Managers	1	5	4	5	6	21
NBFC Managers	6	8	2	2	3	21
Bank Employees	3	5	4	20	10	42
NBFC Employees	14	19	3	4	2	42
Total	61	114	33	105	65	378

Bank Customers	8.73%	12.68%	7.15%	45.23%	26.2%	100.0%
NBFC Customers	20.63%	48.42%	8.73%	13.49%	8.73%	100.0%
Bank Managers	4.76%	23.80%	19.06%	23.81%	28.57%	100.0%
NBFC Managers	28.57%	38.09%	9.52%	9.53%	14.29%	100.0%
Bank Employees	7.14%	11.90%	9.54%	47.61%	23.81%	100.0%
NBFC Employees	33.33%	45.23%	7.16%	9.52%	4.76%	100.0%
Total	16.14%	30.15%	8.74%	27.78%	17.19	100.0%

From the above table no. 3, it is clear that the 44.9% bank customers agree that they have positive attitude towards bank marketing practices followed by strongly agree response of 26.2% bank customers. In the case of 48.1% NBFC customers, they disagree about their altitude towards NBFC marketing practices. In the case of 66.6% bank managers agree and strongly agree that they have positive attitude towards bank marketing practices and 76.5% NBFC managers disagree and strongly disagree that the NBFC customers have positive customer attitude. 71% bank employees agree that the customers have positive attitude toward marketing practices adopted by them where as 79.4% NBFC employees disagree and strongly disagree that their customers have positive attitude towards marketing practices.

From the above cross tabulation, it is observed that the banks' customers, managers and employees opinion that their customers have positive attitude towards the marketing practices adopted by them where as NBFCs' customers, managers and employees opinion is that their customers have negative attitude towards the marketing practices adopted by them.

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