POST MERGER ANALYSIS OF CUSTOMER SATISFACTION AND LOYALTY - A STUDY ON RECENT MERGER OF ASSOCIATE BANKS OF SBI WITH ITSELF

A PROJECT REPORT

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BONAFIDE CERTIFICATE

Certified that this project report **”POST MERGER ANALYSIS OF CUSTOMER SATISFACTION AND LOYALTY - A STUDY ON RECENT MERGER OF ASSOCIATE BANKS OF SBI WITH ITSELF”** is the bonafide work of **”ADHITHYAN V (2016201002)”** who carried out the project work under my supervision.

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ABSTRACT

Mergers typically involve two relatively equal companies making the mutually beneficial decision to become a single legal entity. They are different from acquisitions, which usually involve a larger company absorbing a smaller company, sometimes against the will of the smaller company?s management. Mergers are undertaken to improve long-term shareholder value and overall company performance. They are often done to reduce operating costs, improve market pentration and diversification.

A satisfied customer remains loyal and spreads positive word of mouth. Mergers and acquisitions often focus on financial aspects but rarely consider the customer facet of mergers. Studies show that 2/3 rd of mergers fail due to dissatisfied customers.A dissatisfied customer also switches the brand.Merger process are often done without considering the customers. Studies have found that more than half of all mergers fail to deliver the intended improvement in stakeholder value and that customer defections contribute to that high failure rate. Thus, a harmonious integration of the beliefs and values of a merging firm and the ability to integrate organisational cultures is more important to success than the financial or strategic factors. Customer switching also increases post merger. This study aims to find out loyalty and customer satisfaction post merger considering various factors such as demographics, brand image, psychological breach of contract etc taking the recent merger of associate banks of SBI with itself as a case study.

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