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

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DATA COLLECTION
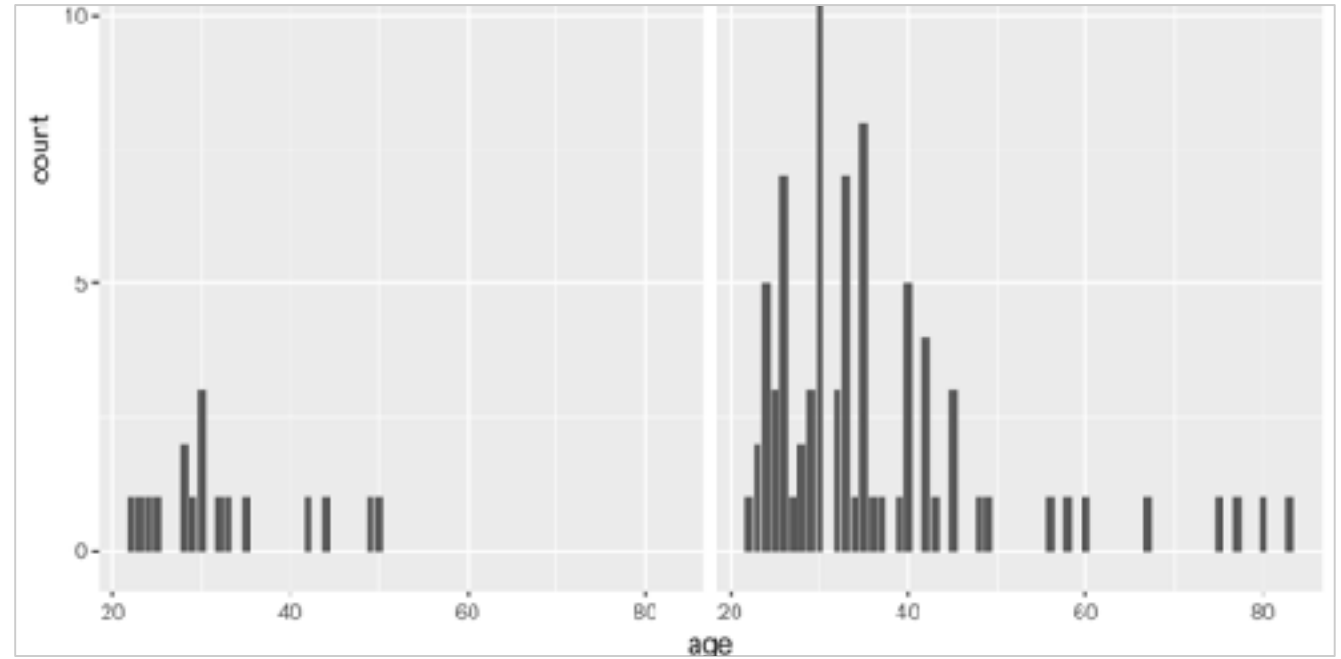
- No of responses – 100
- Male – 84 (83.2 %)
- Female – 17 (16.8%)

CRONBACH'S ALPHA

Scale name	Cronbach's alpha	No of items
PCV	0.89	8
Service Performance	0.712	10
Customer Satisfaction	0.96	4
Customer Loyalty	0.927	5

DESCRIPTIVE STATISTICS

Item	Mean	SD
PCV	3.06	1.37
Customer Satisfaction	2.968	0.98
Overall service	2.80	1.49
Service Performance	3.01	1.0428
Loyalty	3.07	0.368

HYPOTHESIS

- H1 - Psychological Contract Violation has negative influence on customer satisfaction.

- H2 - Service performance is a determinant of Overall Service

- H3 - Overall service has a positive impact on customer satisfaction

- H4 - Customer satisfaction has positive influence on customer loyalty.
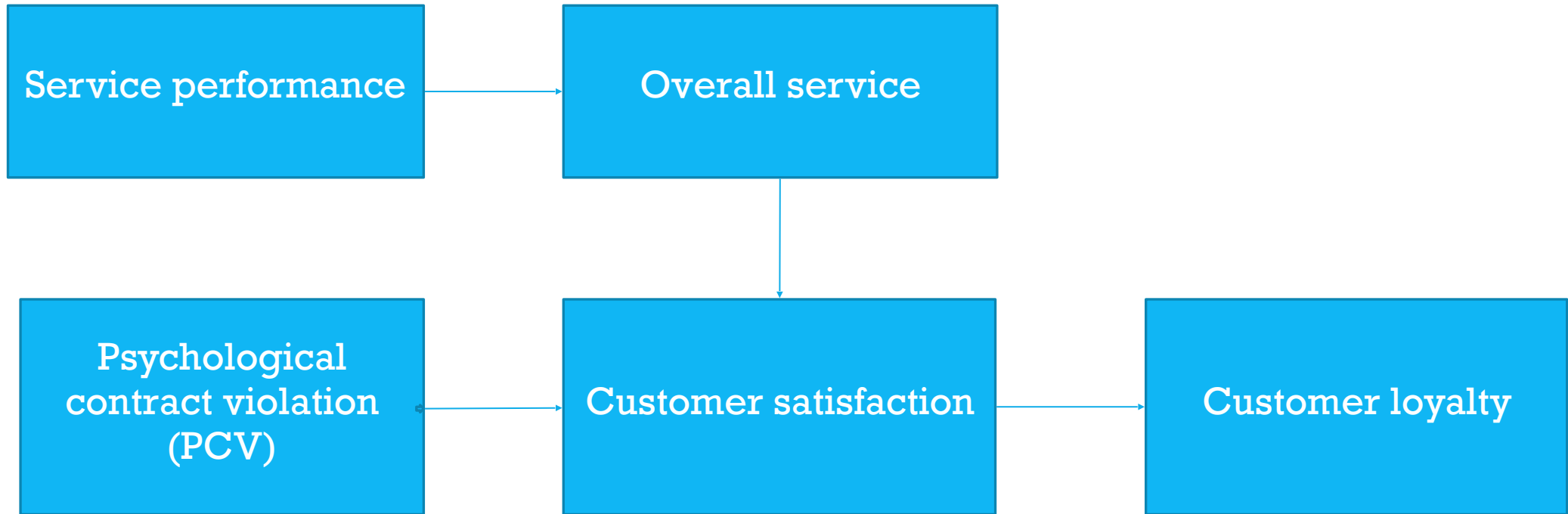
PEARSON CORRELATION

	Correlation Value
PCV vs Customer Satisfaction	-0.662
Service performance vs overall service	-0.830
Overall service vs customer satisfaction	0.907
Customer satisfaction vs customer loyalty	0.602

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.638a	.407	.401	1.06621	.407

a. Predictors: (Constant), pcv

b. Dependent Variable: customer_satisfaction

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.084	1	77.084	67.807	.000b
	Residual	112.544	99	1.137		
	Total	189.629	100			

a. Dependent Variable: customer_satisfaction

b. Predictors: (Constant), pcv

H1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.744[a]	.554	.550	1.000	.554

a. Predictors: (Constant), service_performance

b. Dependent Variable: service

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	123.026	1	123.026	123.009	.000[b]
	Residual	99.014	99	1.000		
	Total	222.040	100			

a. Dependent Variable: service

b. Predictors: (Constant), service_performance

H2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.949[a]	.900	.899	.43710	.900

a. Predictors: (Constant), service

b. Dependent Variable: customer_satisfaction

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	170.715	1	170.715	893.550	.000[b]
	Residual	18.914	99	.191		
	Total	109.629	100			

a. Dependent Variable: customer_satisfaction

b. Predictors: (Constant), service

H3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.396[a]	.157	.148	.3397467670	.157

a. Predictors: (Constant), customer_satisfaction

b. Dependent Variable: loyalty

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.120	1	2.120	18.370	.000[b]
	Residual	11.427	99	.115		
	Total	13.548	100			

a. Dependent Variable: loyalty

b. Predictors: (Constant), customer_satisfaction

H4

INTERPRETATION

- PCV and customer satisfaction are negatively correlated. (-0.662). This indicates as customer perceives more PCV, his satisfaction gets affected. **SO H1 is accepted.**

- PCV influences 41% of variance in customer satisfaction.

CTD…

- Service performance explains 55.4% of variance in overall service.

- Service performance is negatively correlated with overall service. This indicates overall service doesn't depend on service performance. **H2 is rejected.**

CTD

- Overall service has a correlation with customer satisfaction. As overall service increases, customer satisfaction tends to increase. **H3 is accepted.**

- Overall service explains 89.9% variance in customer satisfaction.

CTD

- Customer satisfaction and loyalty are postively correlated. This indicates a satisfied customer will be more loyal to the bank and spreads word of mouth. **H4 is accepted.**

- Customer satisfaction influences 14.8% of variance in loyalty.

CONCLUSION

- Though merger is beneficial to management in terms of financial perspective and synergies, merger often brings a lot of pain to customer. In our case many branches were shut down, customers lost identities etc. So merger should be planned with customer in mind to ensure smooth functioning and service.

FUTURE RESEARCH DIRECTIONS

- During response collection it was found that, many of the people preferred private banks over SBI/PSU banks. So a study can be conducted to know the areas in which private banks excel and it can be used to improve the service of PSU banks.