

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

**REVIEW 3 - REPORT**

*Submitted by*

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## DATA COLLECTION

Data was collected in 2 modes **online** mode using **Google Forms** and **offline mode** in which some part of data was collected from erstwhile SBT pollachi branch and SBH Thiruvanniyur branch. For online mode data collection twitter was used as medium to communicate with people. Those who have mentioned SBH, SBT, SBBJ, SBP and SBM were identified from their tweets and they were contacted to obtain response.

## ANALYSIS

### No of data

A total of **101** responses were obtained using Google forms and some of the data was collected in the bank premises in Chennai and Pollachi.

### Demographics

Out of 101 responses

- 17 were Female (16.8 %)
- 84 were Male (83.2 %)

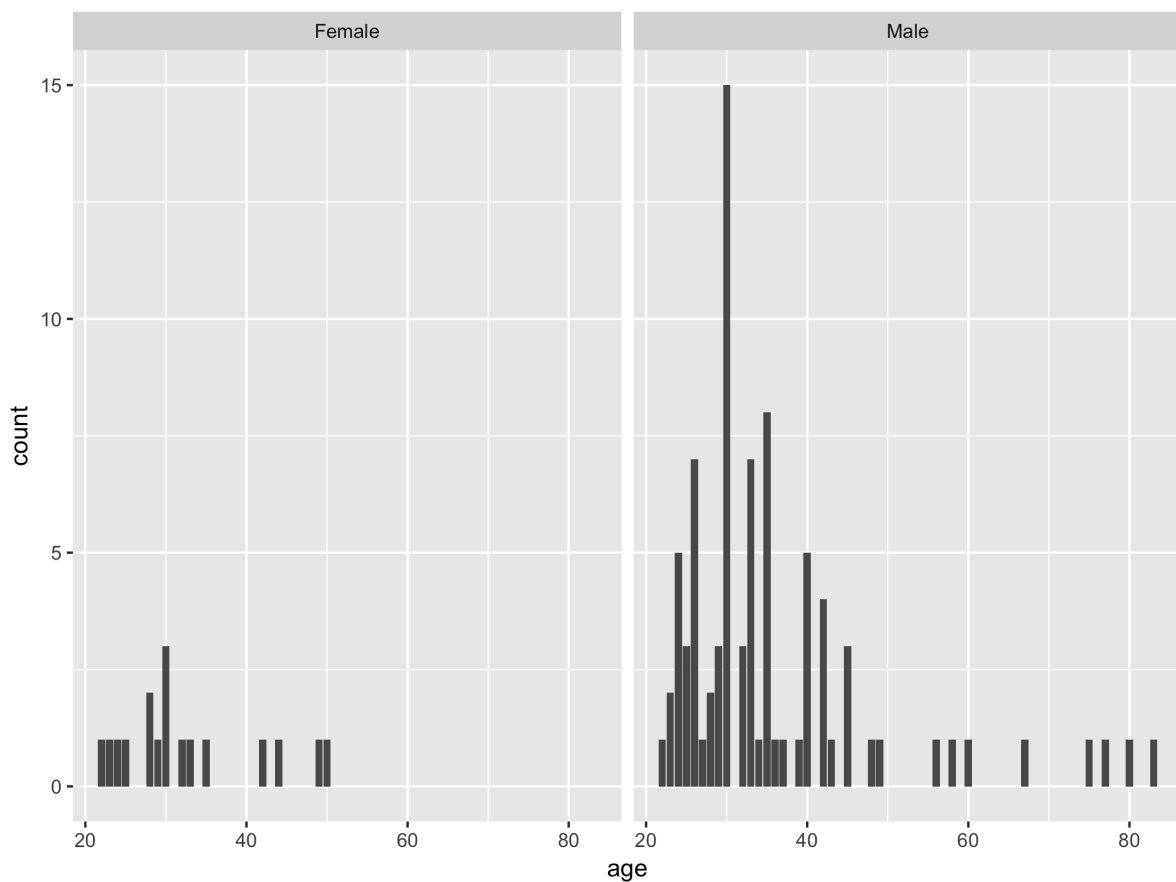


Figure 1: Age distribution of respondents

## Cronbach's alpha

Scale name	Cronbach $\alpha$	No of items
Psychological Contract Violation	<b>0.218</b>	8
Service Performance	<b>0.712</b>	10
Customer Satisfaction	<b>0.96</b>	4
Customer Loyalty	<b>0.927</b>	5

## DESCRIPTIVE STATISTICS

Item	Mean	SD	N
Customer satisfaction	2.7847	1.33706	101
PCV	2.87005	.503091	101
Overall service	2.8	1.49	101
Service performance	2.81	.6437	101
Loyalty	2.685	.368	101

## HYPOTHESIS

- H0 - Psychological Contract Violation has negative influence on customer satisfaction.
- H1 - Service performance is a determinant of Overall Service
- H2 - Overall service has a positive impact on customer satisfaction
- H3 - Customer satisfaction has positive influence on customer loyalty.

## Pearson Correlation

Variables	Correlation Value
PCV vs Customer Satisfaction	<b>-0.638</b>
Service Performance vs Overall Service	<b>-0.744</b>
Overall service vs Customer Satisfaction	<b>0.949</b>
Customer Satisfaction vs Customer Loyalty	<b>0.396</b>

## MODEL SUMMARY

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

a. Predictors: (Constant), pcv

b. Dependent Variable: customer\_satisfaction

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.084	1	77.084	67.807	.000 <sup>b</sup>
	Residual	112.544	99	1.137		
	Total	189.629	100			

a. Dependent Variable: customer\_satisfaction

b. Predictors: (Constant), pcv

Figure 2: H0 - Psychological Contract Violation has negative influence on customer satisfaction.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.744 <sup>a</sup>	.554	.550	1.000	.554

a. Predictors: (Constant), service\_performance

b. Dependent Variable: service

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	123.026	1	123.026	123.009	.000 <sup>b</sup>
	Residual	99.014	99	1.000		
	Total	222.040	100			

a. Dependent Variable: service

b. Predictors: (Constant), service\_performance

Figure 3: H1 - Service performance is a determinant of Overall Service

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.949 <sup>a</sup>	.900	.899	.43710	.900

a. Predictors: (Constant), service

b. Dependent Variable: customer\_satisfaction

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	170.715	1	170.715	893.550	.000 <sup>b</sup>
	Residual	18.914	99	.191		
	Total	189.629	100			

a. Dependent Variable: customer\_satisfaction

b. Predictors: (Constant), service

Figure 4: H2 - Overall service has a positive impact on customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.396 <sup>a</sup>	.157	.148	.3397467670	.157

a. Predictors: (Constant), customer\_satisfaction

b. Dependent Variable: loyalty

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.120	1	2.120	18.370	.000 <sup>b</sup>
	Residual	11.427	99	.115		
	Total	13.548	100			

a. Dependent Variable: loyalty

b. Predictors: (Constant), customer\_satisfaction

Figure 5: H3 - Customer satisfaction has positive influence on customer loyalty.

## INTERPRETATION

- PCV and customer satisfaction are negatively correlated. This indicates as customer perceives more PCV, his satisfaction gets affected.
- Service performance is negatively correlated with overall service. This indicates overall service doesn't depend on service performance.
- Overall service has a correlation with customer satisfaction. As overall service increases, customer satisfaction tends to increase.
- Customer satisfaction and loyalty are positively correlated. This indicates a satisfied customer will be more loyal to the bank and spreads word of mouth.

- R squared value for H0 is 0.407 at 95% significance level.
- R squared value for H1 is 0.554 at 95% significance level.
- R squared value for H2 is 0.9 at 95% significance level.
- R squared value for H3 is 0.157 at 95% significance level.

## **IMPLICATION**

## **CONCLUSION**

## **FUTURE RESEARCH DIRECTIONS**