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

**PROPOSED MODEL:**



**HYPOTHESIS:**

**H0 –** Psychological contract violation has negative impact on customer satisfaction.

**H1 -** Customer satisfaction has positive impact on customer loyalty.

**RESEARCH METHODOLOGY:**

Cronbach’s Alpha is used here to test reliability of scales used. Preliminary data analysis involves testing correlation among variables to explore hypothesized relationships. Survey method is used to collect data and random sampling was followed. Customers of State Bank of India (SBI), State Bank of Travancore (SBT), State Bank of Mysore (SBM), and state Bank of Hyderabad (SBH) participated in the survey. The questionnaires were given to willing customers and doubts were clarified while answering the questionnaire.

**INSTRUMENT:**

The questionnaire consists of 27 questions and 8 standard scales were used.

* PCV was measured using Psycones (2005) – 5 point scale
  + Service performance was measured using Cronin, Brady, Thomas, Hult (2000) – 5 point scale
* Customer satisfaction was measured using
  + Angelova & Zekiri (2011) - 5 point scale.
  + Cronin, Brady, Thomas, Hult (2000) – 5 point scale
* Customer loyalty was measured using
  + Danaher & Haddrell (1996) – 4 point scale
  + Angelova & Zekiri (2011) – 5 point scale.

**PILOT TESTING**

Cronbach’s coefficient was used to test the reliability.

**Table 1 - Reliability of measures**

|  |  |  |
| --- | --- | --- |
| **Measures** | **Cronbach’s α** | **Number of items** |
| Psychological contract violation | 0.86 | 8 |
| After merger service performance | 0.79 | 10 |
| Customer satisfaction | 0.84 | 4 |
| Loyalty | 0.73 | 5 |

If Cronbach coefficient alphas are above 0.7 or 0.8 the scales are reliable. From the table all measures are greater than 0.7. So our scales are reliable.

**LIMITATIONS**

The survey was carried out in the premises of SBI and SBT (pollachi), SBM and SBH (Coimbatore). In addition online survey was also conducted and the responses obtained was from places like Chennai, Jaipur, Trichy and Bangalore.