CUSTOMER SWITCHING BEHAVIOUR IN RETAIL BANKING INDUSTRY OF INDIA

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Abstract: The importance of Banking and financial sector in the development of an economy is well established in India. In this study we explore the various factors that affect the customer’s switching behaviour in banking industry. The study examines the gainful effects of the use of knowledge management and also gives a critical analysis of the impact of Consumer switching behaviour in Retail banking Industry of India performance and customer services. In the past researchers have emphasized on the importance of banks in the financial economy and External Switching Behaviour. My approach is internal switching behaviour and external switching behaviour. Now, many more people switching internally for type of accounts with facilitation and some kind of people switching external from one bank to another bank. Consumers’ intention to stay loyal or to switch banks is a result of multiple factors. Lees et al. (2007) analyzed prices, competition, service failure and other reasons to predict the probability of consumers switching. Clemens (2007) investigated prices, service quality, reputation service products and commitment as independent variables. The study examined that quality assurance practice, like Marketing Strategy (P’s & C’s) along with knowledge management can be an effective strategy for banking sector in India. Finally, the study proposed a model for banking sector to ensure high quality products and services.

Keywords: Retail Banking, Switching Behaviour (External & Internal), Satisfaction, Retention, Price

Research purpose and objectives: Customers’ switching behavior has been investigated in the service sector; however, there are few empirical studies on developing countries that provide conclusive evidence on why customers switch providers. This study explores the factors influencing customers’ bank switching behaviour in the retail banking industry in India. The research objectives of this study are: To identify the factors that influence customers’ switching behavior internal and external factors in the India’s Retail banking industry. To determine the most important factors that influence customers’ switching behavior in the India’s retail banking industry. To determine the least important factors that influence customers’ switching behavior in the India’s retail banking industry. To determine the impact of the demographic characteristics on customers’ switching behavior in the India’s retail banking industry. To determine the customer service satisfaction and retention.

Introduction: Indian banking is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy. Today, Indian banks can confidently compete with modern banks of the world. Increased competition and greater choice have forced many banks to adapt their business models to serve these changing needs. Some of these models are based on low-cost competition, some on
high-touch service and others on accessibility. Large, full-service banks need to defend market share against new entrants and those offer greater specialization, while retaining the ability to meet a wide range of needs and sustain profitability.

**Users of banking services:**

The emerging trends in the level of expectation affect the formulation of marketing mix. Innovative efforts become essential the moment it finds a change in the level of expectations. There are two types of customers using the services of banks, such as general customers and the industrial customers.

**General users:**

Persons having an account in the bank and using the banking facilities at the terms and conditions fixed by a bank are known as general users of the banking services. Generally, they are the users having small sized and less frequent transactions or availing very limited services of banks.

**Industrial users:**

The industrialists, entrepreneurs having an account in the bank and using credit facilities and other services for their numerous operations like establishments and expansion, mergers, acquisitions etc. of their businesses are known as industrial users. Generally, they are found a few but large sized customers.

**Literature review:**

The literature review focuses on the major factors influencing customers’ bank switching behaviour, such as price, reputation, service quality, effective advertising competition, involuntary switching, distance, and switching costs. Clemes (2010) established that price, reputation, service quality, effective advertising, involuntary switching, distance, and switching costs impact customers’ bank switching behavior. The findings also reveal that the young and high-income groups are more likely to switch banks. When a consumer changes from one bank to another bank, it can be caused by single or multiple events.

Six events which were considerably important in order to understand the factors of bank switching were labeled as inconvenience, services failures, pricing, unacceptable behavior, attitude or knowledge of staff, involuntary mentioned incidents and attraction by competitors (Gerrard & Cunningham, 2004). In banking industry, single incident or event of switching from bank to bank is far less than multiple incidents for switching. In case of other financial service providers, customers are known to switch institutions after they face multiple problems. Moreover in banks unlike other financial institutions, customers are not bonded to any contractual relationship bidding the customers to stay in the same bank.

Other preferences documented included obligation to open accounts with banks where the employer would want an employee to open in order to be able to transfer salaries. Other factors that may make it obligatory for the customers to have bank accounts with specified banks include usage of safe deposit vaults, credit card facilities or even nearness of the banks’ vicinity.

**Price:**

The Pricing factor included all critical switching behaviors that involved prices, rates, fees, charges, surcharges, service charges, penalties, price deals, coupons, and/or price promotions. In the
financial service industry, price has wider implications than in other services industries. Price in banking industry refers to fee implementation, bank charges, interest on loans, interest for saving account and deposits. Price is consideration of what one pays for the benefit or service he gets from another. Price may include the benefit also.

Customers in general are price conscious in their purchasing behavior (Beckett et al., 2000; Levesque & McDougall, 1996a). Price is an important factor in choice situations as a consumer’s choices typically relies heavily on the price of alternatives (Engel, Blackwell & Miniard, 1995). Similarly, Varki & Colgate (2001) identify that the role of price, as an attribute of performance, can have a direct effect on customer satisfaction and behavioral intentions.

I found that the price element in a banking industry influences the young customer to compare between two banks and induce them to switch over from one bank to another bank. C Segment accounts people consider influences the price is most important like DD charges and consolidate charges compare to P segment accounts people.

Reputation:

Reputation has been described as a social identity, and an important and intangible resource that can significantly contribute to a firm's performance and its survival (Rao, 1994; Hall, 1993; Formbrun & Shanley, 1990). According to Clemes et al.,(2007) reputation depended on three elements, namely the reliability of banks, trust worthiness of the bank, and the financial stability of the bank. The coefficient value for reputation revealed that, a bank with bad reputation led to the tendency of bank switching by customers. Intensive competition offers customers greater varieties and choices in the market. Thus, reputation is identified by firms in the services sector as an essential part of their competitive strategies. The intangible characteristic of reputation forces researchers to analysis reputation with other elements. For example, reputation has been analysed by economists relating to product quality and price (Shapiro, 1983).

Product quality and services produce benefits not only by lowering costs, but also by increasing competitiveness through the establishment of a good reputation and the attraction and retention of customers (Wang et al., 2003). In addition, reputation can enhance customer loyalty, especially in the retail banking industry where quality cannot be evaluated accurately before purchase (Nguyen & Leblanc, 2001; Andreassen & Lindestad, 1998; Barich & Kotler, 1991).

Service quality:

Service is largely intangible and is normally experienced simultaneously with the occurrence of production and consumption, and it is the interaction between the buyer and the seller that renders the service to customers (Gronroos, 1988). In order to distinguish services from goods, Gronroos (1990) identifies five unique characteristics of service: intangibility, inseparability between production, delivery, and consumption, heterogeneity, perish ability, and no ordinary transfer of ownership.

Since the interactions between a customer and a service provider create opportunities for customers to evaluate services, service quality is defined as a customer's overall, quality as a measure of how well the service level delivered matches customer expectations. Lehtinen & Lehtinen (1982) describe three service
quality dimensions: physical quality, which represents the tangible aspects of the service (e.g. machines or building), corporate quality which involves the company’s image or profile, and interaction quality which is derived from the interaction between service providers and customers as well as the interaction between customers (Parasuraman, Zeithaml & Berry 1985).

**Advertising:**
Advertising is important to all the banks in this highly competitive market and it seems to be the most popular way of marketing. Advertising is defined as promoting the products or services of a brand or company for the purpose of letting the consumers know the existence of it. Advertising efficiency has a direct positive effect on bank image as well as customer expectation. Promoting the business through announcing various offers attracted more customers. Attractions such as free gifts or lucky draw may help reduce the switching behaviour (Gerrard & Cunningham, 2004).

Effective advertising can broaden the communication channel between customers and institutions which enhances the chance of success. Advertising refers to activities undertaken to increase sales or enhance the image of a service, firm or business, and the primary purpose of advertising is to inform the potential customer of the characteristics of products or services.

**Involuntary switching:**
One of the factors that influencing household’s decision on staying or switching to another service is involuntary switching (Kiser, 2002). Switching behaviour is caused not only by distinct decision, but also by involuntary factors not related to the distinct decision (Roos, 1999). Keaveney (1995) describes the factors beyond the control of either customers or the service providers as involuntary switching factors. Customers may switch unintentionally, such as by moving house, changing jobs, or branches being closed in their resident area.

Therefore, relocation or other factors that are beyond the control of customers or service providers can destroy even the most satisfied service relationship (Taylor, Roos & Hamer, 2009). Involuntary switching is defined as an unwillingness of customer to switch bank however they may be induced to switch due to unavoidable factors such as shifting residence, closure of business by the service provider etc.

**Distance:**
Convenient location is a critical factor influencing customers’ evaluation about firms’ performance (Levesque & McDougall, 1996). Keaveney’s (1995) explains that a service provider’s location is an important factor influencing switching behaviour under the inconvenience category. Customers tend to switch to a new provider if the new provider is closer to their work or home.

Location has special meaning in the financial service industry because it is at the branch or office that banks and the customer are connected; it is where the customers have their accounts (Peppard, 2000). Levesque & McDougall (1996) suggest that a convenient bank location is an important factor influencing customers’ switching behaviour because it directly determines whether the customers can access their banks on a regular basis.

People may prefer to select the nearest branch of a bank from their either residential place or work place (Kisser, 2002). Convenient location is the one of
the important factors that influences the bank selection decision.

Switching cost:
In the banking context, Matthews & Murray (2007) interpret switching costs as the range of costs that bank customers incur if they wish to transfer their banking relationship, in part or in full, from one financial institution to another. Kiser (2002) states that switching costs for bank customers may include the time necessary to open a new account, close an old account, and notify parties with who automated payments occur. The existence of switching cost does have impact on market operation, monopolistic profits and entry barriers. This problem arose because of the influence of switching cost on customer behavior as customers are bonded with their service provider and it is hard for them to change to a new provider.

A study was carried out by Matthews. (2009) identified various elements of switching costs namely learning costs, search cost, monetary loss, personal relationship, brand relationship, hassle and uncertainty. The result of above research study showed that hassle is the most important variable among all the others in switching cost, while monetary loss has surprisingly become the least important variable.

Research methodology:
Theoretical Frame work:
The researches objectives are identified in the 7 hypotheses proposed in this study are discussed. Finally, the theoretical research model of customers’ switching behavior is presented, most significant factor to least significant factor.

Hypothesis development:
Price:
There is a positive relationship between price increases and defection rates in the banking industry. Therefore, the following hypothesis is proposed:
H1: There is a positive relationship between an unfavorable perception of price and customers’ switching banks.

Reputation:
A good reputation can strengthen customers’ trusts and confidences in a bank, while an unfavorable reputation can increase the probability of customers’ decision to switch banks. Therefore, the following hypothesis is proposed:
H2: There is a positive relationship between unfavorable bank reputation and customers’ switching banks.

Service Quality
Banking products and services has a positive effect on decreasing switching behavior. Therefore, the following hypothesis is proposed:
H3: There is a positive relationship between unfavorable good service quality and customers’ switching banks.

Advertising:
Advertising is positively associated with customers’ expectation of benefits and guides their purchasing behavior. Therefore, the following hypothesis is proposed:
H4: There is a positive relationship between effective advertising competition and customers’ switching banks.

Involuntary switching:
Provide a perfect service and meet their customers’ requirements, firms can still lose customers due to reasons beyond the control of either party (Taylor, Roots & Hamer, 2009). Therefore, the following hypothesis is proposed:
H5: Involuntary switching factors affect customers’ switching banks.
Distance:

A convenient location can encourage customers to stay at their current bank and delay the idea of switching, even if the satisfaction rate is not high (Lee & Cunningham, 2001). Therefore, the following hypothesis is proposed: H6: There is a positive relationship between a unfavorable perception of distance and customers’ switching banks.

Switching costs:

In the banking industry, switching costs can be interpreted in terms of money, time, and effort, such as transferring funds, opening a new account, and registering for online banking systems. These switching barriers are seen as one of the reasons that inhibit customer switching behavior. Therefore, the following hypothesis is proposed: H7: There is a negative relationship between high switching costs and customers’ switching banks.

<table>
<thead>
<tr>
<th>TABLE - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographic characteristics</strong></td>
</tr>
<tr>
<td>Switch within last 3 year: Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Gender:</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Age:</td>
</tr>
<tr>
<td>21 to 35</td>
</tr>
<tr>
<td>36 to 50</td>
</tr>
<tr>
<td>51 to 65</td>
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<tr>
<td>65+</td>
</tr>
<tr>
<td>Education:</td>
</tr>
<tr>
<td>Professional &amp; PG</td>
</tr>
<tr>
<td>Bachelor Degree</td>
</tr>
<tr>
<td>Hr.Sec &amp; Diploma</td>
</tr>
<tr>
<td>High school Others</td>
</tr>
<tr>
<td>Occupation:</td>
</tr>
<tr>
<td>Business</td>
</tr>
<tr>
<td>Professional</td>
</tr>
<tr>
<td>Government servant</td>
</tr>
<tr>
<td>Private employee</td>
</tr>
<tr>
<td>unemployed</td>
</tr>
<tr>
<td>Students</td>
</tr>
<tr>
<td>Retired &amp; Others</td>
</tr>
<tr>
<td>Income Per month[INR]:</td>
</tr>
<tr>
<td>Rs. 1.0 Lakh +</td>
</tr>
<tr>
<td>Rs.50000 To 1.0 L</td>
</tr>
<tr>
<td>Rs. 25,000 To 50,000</td>
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<tr>
<td>Rs.16,000 To 25,000</td>
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<tr>
<td>Rs.5000 To 15000 Below Rs.5000</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Segments:</td>
</tr>
<tr>
<td>C Segments (Current A/c)</td>
</tr>
<tr>
<td>P Segments (Personal A/c)</td>
</tr>
</tbody>
</table>

Sampling method and data collection procedure:

The focus on customers’ bank switching behavior made it necessary to collect primary data to test the 7 hypotheses and satisfy the five research objectives. The primary data was collected through a survey questionnaire.

Results Pertaining to Research Objective (Hypotheses 1 to 7)

The sample was drawn from bank customers in Vellore City. The data was collected from a convenience sample of individuals, irrespective of their banking purpose, gender, occupation or income. Respondents aged above 18 years were included from the survey, as it was perceived they might have encountered difficulties interpreting the survey questions.
The Survey took one month to complete in which 300 questionnaires were randomly distributed out of which 146 were returned and 154 were found appropriate for analysis with responses rate of 51.33%.

Research findings:
Descriptive Results
The overall profile of the participating responds demographic characteristics is presented in banks.

Logistic regression analysis has been used to satisfy research. Table 4 shows the logistic regression analysis results. All predicted factors are statistically significant (Chi-Square = 220.0517, P value = 0.000, Degree of Freedom = 20), and are summarized in Table 2.

Table – 2: logistic regression results for influencing factors:

<table>
<thead>
<tr>
<th>Factors</th>
<th>B</th>
<th>S.E.</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.739</td>
<td>0.145</td>
<td>0.00*</td>
</tr>
<tr>
<td>Reputation</td>
<td>0.570</td>
<td>0.010</td>
<td>0.00*</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.248</td>
<td>0.176</td>
<td>0.00*</td>
</tr>
<tr>
<td>Effective Advertising</td>
<td>0.583</td>
<td>0.129</td>
<td>0.00*</td>
</tr>
<tr>
<td>Competition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involuntary Switching</td>
<td>-0.423</td>
<td>0.162</td>
<td>0.00*</td>
</tr>
<tr>
<td>Distance</td>
<td>0.633</td>
<td>0.147</td>
<td>0.00*</td>
</tr>
<tr>
<td>Switching Costs</td>
<td>-0.546</td>
<td>0.159</td>
<td>0.00*</td>
</tr>
</tbody>
</table>

The coefficient value for Price, Reputation, Service Quality, Effective Advertising Competition, Involuntary Switching, Distance, and Switching Costs are significant at 0.05 level of significance. B is the estimated logit coefficient S.E. is the

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Support ed</th>
<th>Non Sup.</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between an unfavorable perception of price and customers’ switching banks.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>H2: There is a positive relationship between unfavorable bank reputation and customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>H3: There is a positive relationship between unfavorable good service quality and customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>H4: There is a positive relationship between effective advertising competition and customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>H5: Involuntary switching factors affect customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>H6: There is a positive relationship between a unfavorable perception of distance and customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>H7: There is a negative relationship between high switching costs and customers’ switching banks.</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Service Quality, Effective Advertising Competition, Involuntary Switching, Distance, and Switching Costs are significant at 0.05 level of significance. B is the estimated logit coefficient S.E. is the
standard error of the coefficient
Consequently, Hypotheses 1 to 7 are summarized in Table – 3

Table – 4: Marginal Effects Of Customer Switching Behavior

<table>
<thead>
<tr>
<th>Factors</th>
<th>Marginal Effect</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.186</td>
<td>1</td>
</tr>
<tr>
<td>Distance</td>
<td>-0.173</td>
<td>2</td>
</tr>
<tr>
<td>Service Quality</td>
<td>-0.167</td>
<td>3</td>
</tr>
<tr>
<td>Effective Advertising Competition</td>
<td>-0.097</td>
<td>4</td>
</tr>
<tr>
<td>Reputation</td>
<td>-0.084</td>
<td>5</td>
</tr>
<tr>
<td>Switching Costs</td>
<td>-0.054</td>
<td>6</td>
</tr>
<tr>
<td>Involuntary Switching</td>
<td>-0.045</td>
<td>7</td>
</tr>
</tbody>
</table>

The marginal effects table shows that Price has the maximum impact on customers’ bank switching behavior. For example, the results show that a unit decrease in Price (eg. bank fees, Consolidation charges and etc.,) results in a 18.6% probability that a customer will switch banks. Distance has the second highest impact on customers’ bank switching behavior. A unit increase in the Distance factor results in a 17.3% probability of customers’ switching banks. The third most important factor influencing customers to switch banks is Service Quality. The marginal changes in the probability for Service Quality indicates that a unit decrease in the Service Quality score results in a 16.7% probability that customers will switch banks. Similarly, Effective Advertising Competition, Reputation, Switching cost and Involuntary Switching are the fourth, fifth, sixth and seventh important factors that impact customers’ bank switching behavior.

Suggestions & Recommendation

Customer Retention with Bank Marketing Mix and Strategies:

The first task before the public sector commercial Banks is to formulate that Bank marketing mix which suits the national socio-economic requirements. Some have 4 P's and some have 7 P's of marketing mix. The common four Ps of Marketing mix are as follows:-

Product:
To be more specific the peripheral services need frequent innovations, since this would be helpful in excelling competition. The product portfolio designing is found significant to maintain the commercial viability of the banking Industry. The banks professionals need to assign due weight age to their physical properties. They are supposed to look smart active and attractive.

Price:
Price is a critical and important factor of bank marketing mix due numerous players in the industry. Most consumers will only be prepared to invest their money in search of extraordinary or higher returns. They are ready to pay additional value if there is a perception of extra product value. This value may be improved performance, function, services, reliability, and promptness for problem solving and of course, higher rate of return.

Promotion:
Bank Marketing is actually is the marketing of reliability and faith of the people. It is the responsibility of the banking industry to take people in favor through Word of mouth publicity, reliability showing through long years of establishment and other services.

Place:
The choice of where and when to make a product available will have significant impact on the customers. Customers often need to avail banking
services fast for this they require the bank branches near to their official area or the place of easy access.

**Partnership:**
The choice of whom to make a Partnership available will have significant impact on the customers. The bank places a special emphasis on serving under banked populations. Eg. Banking industry made Partnership with Insurance, telecommunication and financial, non financial company. Combine strengths of banking and telecom sectors to deliver banking services through the ubiquitous mobile platform.

**Process:**
Banks are extremely convenient, flexible and quick Keep It Simple and Swift. That's the idea behind the easy and quick application process of Transaction, loan, and etc.

**Promises:**
Bank has promises that price, reputation, service quality, service products, Service their location and etc. Eg. ICICI Bank has launched a campaign to showcase ‘Tab Banking’, through which it is promising customers a smoother account opening experience from the comfort of their location.

**Marketing from "4 P's" to "4 C's" to "4 V's":**

**Product vs. Consumer vs. Validity:**
The old Product approach is to develop and produce a product as good as possible to market. The Consumer approach is to study consumer wants and needs, and to products in response to those needs. Validity discover that product with great consumer needs may not be valid and need to be addressed. Marketing should not only consider the wants and needs of the consumers, but also other product factors of safety, environment, and social issues, viz. Validity.

**Price vs. Cost vs. Value:**
Price charged to consumer is no longer a sufficient marketing parameter for it is only one part of consumer cost. Value marketing go one step further to advocate that lowest price and considerate cost are not sufficient in today's marketing solution.

**Place vs. Convenience vs. Venue:**
The whole Thai centuries old retail Banking is almost totally wiped out in a short time span of 3-4 years because of the shift of marketing from Place to Convenience. A distribution channel of providing just a place to buy is longer competitive. Retails Banking by providing conveniences of all kind to customers. Convenience needs to take one step higher up to the Venue level. Venue is not only providing place for customer to come.

**Promotion vs. Communication vs. Vogue:**
Lauterborn advocated communication instead of promotion. Promotion is one way street advertisement in telling what you think is best in the promoting product. Communication, however, applies two ways traffics between the Banker and customer to advertisement. It is an "interactive" program using phone, web site, etc. to get response from advertisement. Vogue requires more than just getting a message across and 2 ways communications.

This chapter discussed customer switching behavior in the retail banking industry. The literature supports the contention that price, reputation, service quality, service products, effective advertising competition, involuntary switching, distance, switching costs, and demographic characteristics can influence
customers’ switching behavior. Banks generally must determine all these issues especially when they implement their marketing strategies. Make low-cost digital channels customers’ preferred choice. Banks should encourage customers to use digital channels whenever possible by using price incentives.

Prioritize investment on critical customer interactions. Banks should focus operational improvements on customers’ most valued interactions, optimizing the resulting impact on attrition, dormancy and loyalty.

Use innovative technology to deliver the retail bank of the future. The use of technology is crucial to delivering a lower cost, more reliable, more flexible but still personal customer experience. 

Encourage customer self service. Banks need to improve the way they provide information and advice to interest and convince self-directed customers, including financial planning tools, ranges of product and pricing bundles.

Personalized banking. Customers who report a more tailored experience are often most willing to provide their banks with more frequent updates.

Better value and service. Customers are demanding more control of their relationships and will look around for the most attractive fees and rates for the level of service provided.

Leverage customer advocacy. Banks should embrace the use of social media as a source of banking information, as views of online communities and affinity groups become more influential.

Make pricing and service promises transparent. Pricing is critical to customer satisfaction, but most customers have no idea how much they pay each year. Transparency over pricing and service promises is vital if banks are to deliver something customers value.

Conclusion:
In conclusion, determinates of customers’ bank switching behavior is important. Age, education, ethnics, geographical areas or any other issues related to demography may have an impact on bank switching behavior. Worldwide, the proportion of customers planning to change banks has increased from 7% to 12% since 2011. Customers with one bank have fallen from 41% to 31%, while those with three or more have increased from 21% to 32% since 2011. Customer confidence remains low, with 40% of customers losing trust in the industry — little better than in 2011 (44%). Customers losing trust in Banking Industry India 16%.

The banking environment of today is rapidly changing and the rules of yesterday no longer applicable. The corporate and the legal barriers that separate the various banking, investment and insurance sectors are less well defined and the cross-over are increasing. As a consequence the marketing function is also changing to better support the bank in this dynamic market environment. The key marketing challenge today is to support and advice on the focus positioning and marketing resources needed to deliver performance on the banking products and services. Marketing, as an investment advisor, is about defining 4Ps and implementing key strategic initiatives to Market segments, increasingly redefined, relevant micro-segments to survive and flourish in the highly competitive market. Banking customers generally demonstrate increased sensitivity to high fees or rates on deposits and it is the primary reason that most switch their banks (Eg. Jewel
loan interest and rates, consolidation charges, Bank statement charges and etc.) Banking customers in India attribute lack of personalized service as a key reason for switching their banks (Loan Facility eg. Vehicle loan and house Loan etc.) Past one year highly switching for C Segmentation account compare to P segmentation Account for the reason of net banking facility restriction (RBI Rule). User friendly net banking facility.

Changes to beneficiary maintenance – Internet Banking
Limitation of Beneficiaries can be added / registered for each type of funds transfer in a day.
Beneficiaries activate cooling period. Transfer of funds to the newly added beneficiary can be done after cooling period.

Despite a growing awareness of the factor that may influence customers’ to switch banks among academic and practitioners, there are still research gaps in the literature. The theoretical model for customers’ switching behaviour in types of accounts with same bank and same branch in future research study.

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