

**THE IMPACT OF NEW PROMOTIONAL OFFERS OF
INTERNATIONAL FINANCIAL INSTITUTIONS ON STORE BRAND
RETAILERS IN INDIA-AN EMPIRICAL STUDY OF STANDARD
CHARTERED BANK , ANDHRA PRADESH**

Mahathi Kondapalli*
Tirthala Naga Sai Kumar**
Srinivas Rao Tirthala***
Tirthala Venkata Narasimha Murthy****

Abstract

The international financial institutions like standard chartered bank in India , have developed the growth of the Indian private label brand retailers to a substantial satisfaction level .The image of these banks certainly attracted the consumers opt for the services provided by these international institutions in India. The present study comprised of 14 important promotional strategies of these financial institutions in order to elicit the impact on Indian store brand retailers in Andhra Pradesh State. The sample size is 1700 respondents especially retailers from different zones of the Hyderabad and Secuderabad regions ,and Proddatur region in Andhra Pradesh state. The present study focuses on various schemes, offers, packages and services offered to retail companies & retail consumers. They include cash back offers and rewards and waivers along with concessional services and free sanction of credit cards to the customers.

Key Words: Customer services, cash back, waivers, Loans, rewards, credit cards, E-Banking,
INTRODUCTION:

The fast changing scenario in international banking industry is well received by the 130 billion populated market, resulted in many a number of foreign banks rushing to Indian market to find their place of prosperity and profuse. The international banking systems motivated Indian customers , attracted membership from rural as well as urban regions and freed them from money lenders in villages to the superior quality oriented international banks. The Banking ombudsman scheme,1995 helped customers gain confidence and demand for fair services from these international banks. The customer loyalty to the international banking system is the crucial key to the success of these international financial institutions. The word of mouth brought image and profits to the

Customer devoted international banks. Deposit Insurance and Guarantee corporation, Export Credit and Guarantee Corporation protected the welfare of the bank customers. The international banks considered the top priority to the customers' expectations. Quality, reliability, safety, understanding customer value based needs, communications in local languages, soft skills, and quicker delivery services, consumer sophistication have raised these banks to superior performance levels. The Indian Banks Association acts as moderator between the customers and Reserve Bank of India in availing banking services. The carefully chosen attributes in the present study are parameters associated with cash back strategies, waiver strategies, and rewards and free provision of credit and debit cards, parameter associated with loans, parameters associated with investments, parameters associated with insurance, parameters associated with Online - services, parameters associated with customer services

LITERATURE REVIEW

From the previous studies it is observed that there is a substantial support from the customers side to the company's growth and success.

Increased Customer Satisfaction

The self-service capabilities empowered the customers to manage their solution to various problems during transactions, in terms of defining user-permissions, based on hierarchy and roles, in order to provide greater convenience and offer better monitoring of banking transactions in real time. Thus, the new clients would become more satisfied and profitable customers.

More benefits through effective cost savings

The thin-client architecture through the Internet media results in reduction in the cost of maintenance associated with frequent upgrades and support. The deployment of Finacle enables a cost-effective channel through which serving customers effectively and efficiently. When the number of transactions completed on-line increases, then the number of more expensive branch transactions also decreases. Thus the small scale business customers who tend to use the branch as their primary channel, will be benefitted. This results in greater automation and efficient productivity, as well as effective reduced human error, further lead to the increased cost savings.

The most important safeguarding personal and financial information has become increasingly challenging, as the threat of cyber crimes and online fraud has increased. Personal computers, the Internet and e-mail posed a dangerous threat to the computer illiterate customers.

THE NEED FOR THE STUDY:

The changing perceptions of customers force the banks to adapt to the changes and make competitive strategies to counter the competitive forces in the banking industry and other external environments. The present study focuses on the retailer consumers perceptions in banking promotional strategies, policies and plans, product and services. The creativity based innovation service technology in information and communications and the liberalization, globalization and privatisation policies of economies resulted in a great opportunities in grabbing the potential markets in India.

OBJECTIVES OF STUDY:

- 1) To determine the attributes that influence the banking customers to avail the various promotional services of the banks.
- 2) To find out the solutions to overcome the customer service issues
- 3) To examine the effects of demographic geographic and psychographic variables on consumers preferences.
- 4) To trace the reasons retailers for selecting the international banks instead of national domestic banks

Limitations of the study:

The present study which is a part of the main research is confined to retailers of Andhra Pradesh state only. The authenticity and accuracy of the data varies from respondents to respondents, education, age, income levels etc.. The study did not take into account of regional and cultural differences

METHODOLOGY:

Data collection method: The data is collected from both primary and secondary sources based on empirical data. A thorough review of literature was made by using internet, digital libraries

, magazines etc. Sample design: In this research a multistage random sampling is used to select the 1700 retailers belonging to the ten cities of Telangana, Rayalaseema and Andhra regions. The study comprised of a well designed -structured questionnaire and also personal interviews with respondents. A 5 point Likert scales was used in finding the opinions of the respondents, ranging from HS (highly satisfied), satisfied, Neutral, Dissatisfied, to Highly Dissatisfied (HD). The statistical methods used in the present pilot study was i) Mean values. ii) Percentages. iii) Weighted averages Analysis:

The opinions of the respondents are measured on a qualitative Likert scale on satisfaction levels with 5 points ,from Highly Satisfied, Satisfied , Neutral, Dissatisfied, Highly Dissatisfied. The cell value indicates the number of consumers opted the option regarding the variable concerned

Table1.1: The promotional variables and consumers' responses

	HS(5)	S(4)	Nu(3)	DS(2)	HDs(1)	TOTAL		
							TOTAL weighted score	weighted Avg
POINTS FOR EACH VARIABLE->	5	4	3	2	1			
5%* cashback on all fuel spends	506	297	294	303	300	1700	5506	3.23
Exclusive Visa Platinum offers	356	562	302	253	227	1700	5667	3.33
2X* Rewards in all other categories	487	423	397	181	212	1700	5892	3.46
Special offer: No joining fee or Annual fee	582	319	287	291	221	1700	5850	3.44
10%* cashback* and 4X* rewards on spends at Yatra.com	552	472	298	183	195	1700	6103	3.59
2X* rewards on other spends except fuel	465	346	360	256	273	1700	5574	3.27
Fuel surcharge waiver	589	425	278	208	200	1700	6095	3.58
Joining fee waiver on annual spends of INR 30,000 (on 499 variant)	451	502	393	231	123	1700	6027	3.54
Annual fee of 499 with Yatra gift vouchers^ worth 4000	556	426	316	322	80	1700	6156	3.62
Annual fee of 999 with Yatra gift vouchers^ worth 8500	436	464	298	248	254	1700	5680	3.34
5%* on all utility bills	591	471	226	167	245	1700	6096	3.58
No Joining Fee, Annual fee INR 750	426	481	235	243	315	1700	5560	3.27
10%* cashback* and 4X* rewards on spends at Yatra.com	452	516	313	122	297	1700	5804	3.41
5X* Rewards on Dining, Hotels and Fuel	522	395	266	264	253	1700	5769	3.39
5%* cashback on telecom bills	561	307	254	263	315	1700	5636	3.31

Fig1.1: Chart showing promotional offers and consumers levels of satisfaction

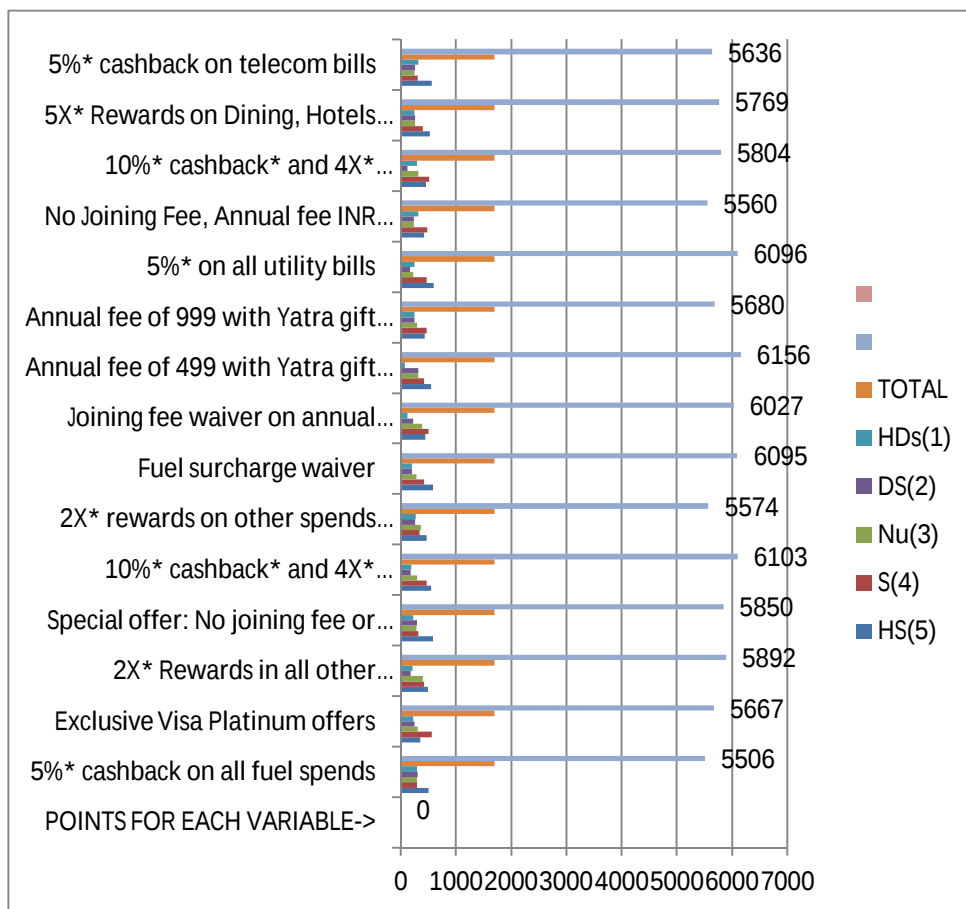


Fig1.2: Responses for exclusive visa platinum offers

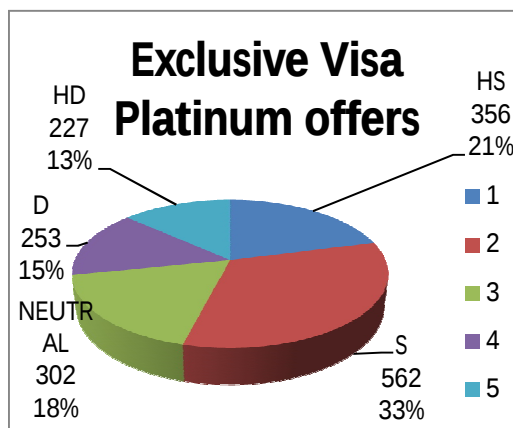


Fig1.3: Consumers responses to 2x*rewards in all other categories

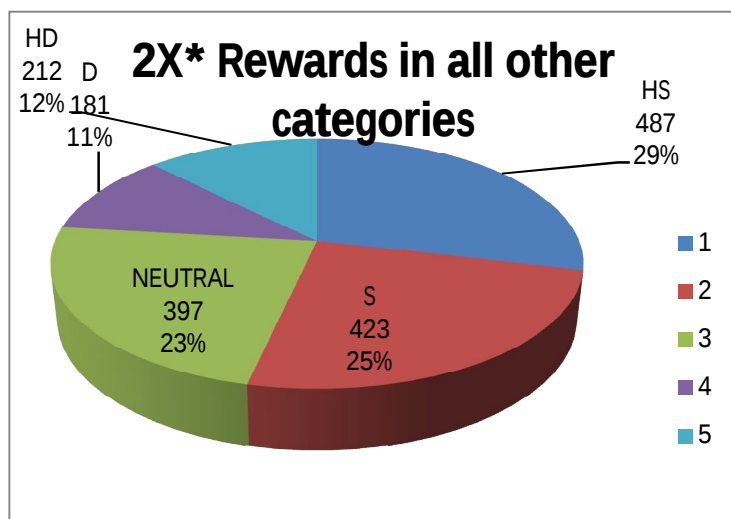


Fig1.4: Consumer responses to special offer of no joining or annual fee

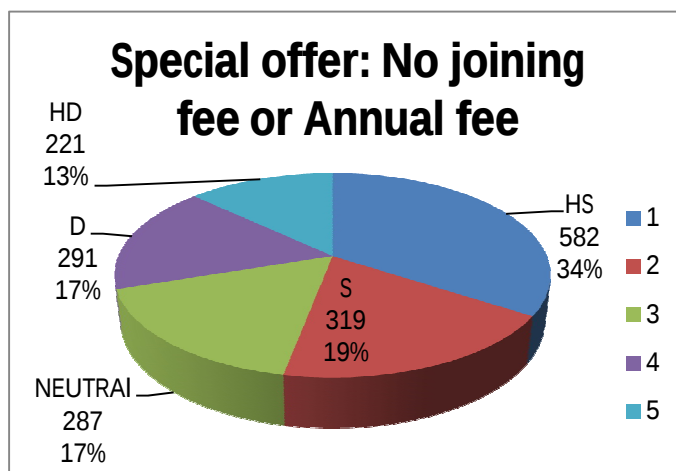


Fig1.5: Consumers' responses to 10%cash back and 4x*rewards on spends...

Fig1.6: Consumer responses to 5% cash back on telecom bills

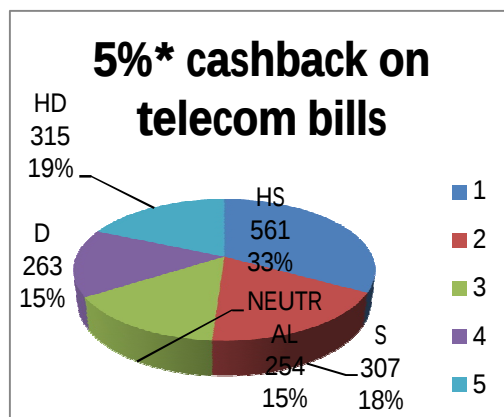


Fig1.7:Consumers' responses to 5xrewards on dining...

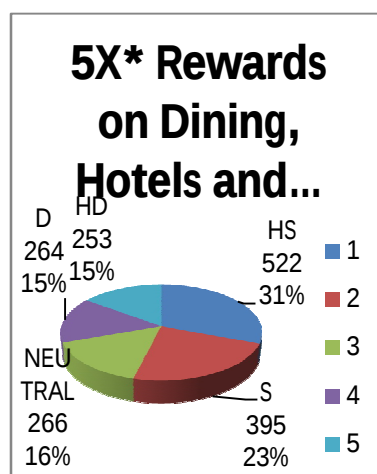


Fig1.8:Consumers responses to 10%cash back and 4x*rewards...

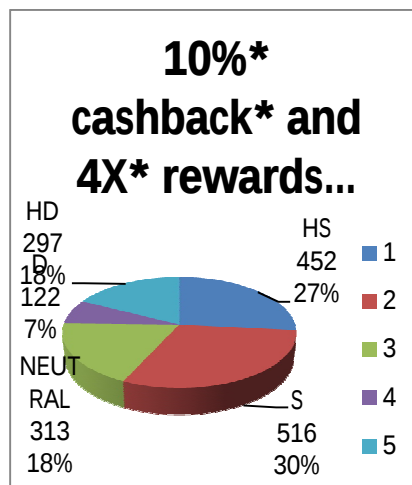


Fig1.9: Consumers' responses to no joining fee and annual fee on INR750

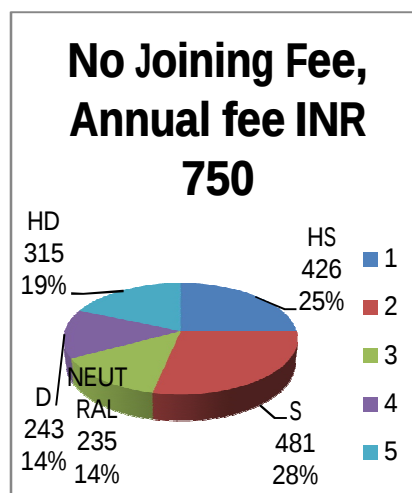


Fig1.10 Consumers responses to concession of 5% on utility bills

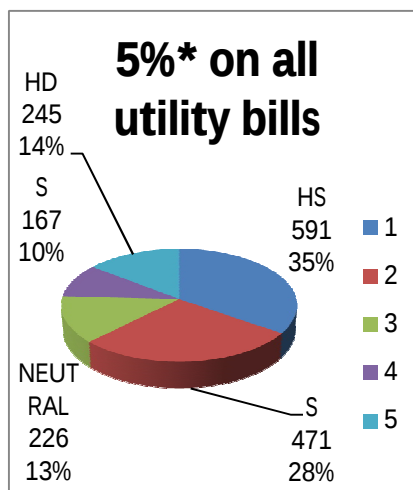


Fig1.11 Consumers responses to annual fee of INR999 with Yatra gift vouchers...

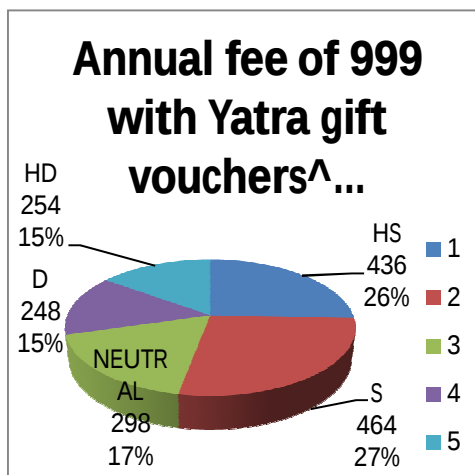


Fig1.12 Consumers responses to fuel surcharge waiver

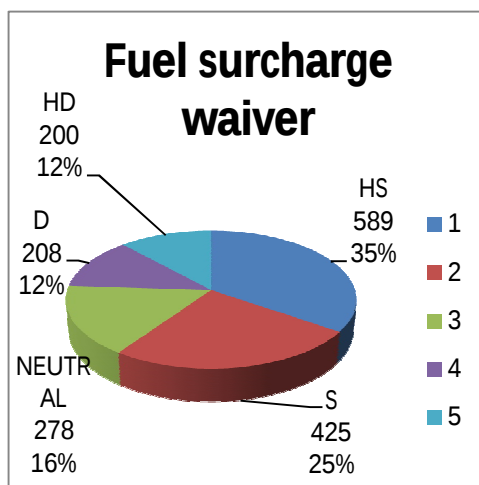


Fig1.13 Consumer responses to annual fee of INR499 with Yatra gift vouchers worth INR4000

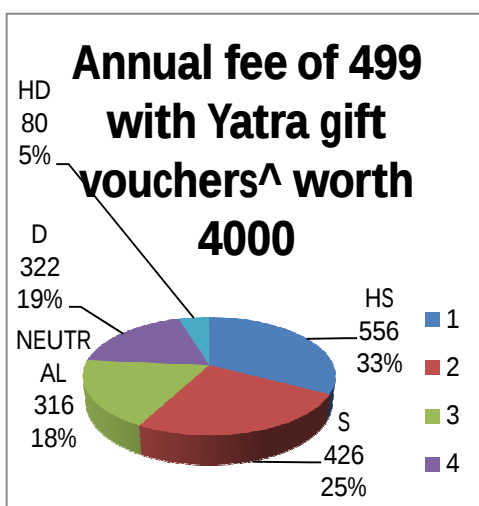


Fig1.14 Consumers' responses to joining fee waiver on annual spends of INR30,000

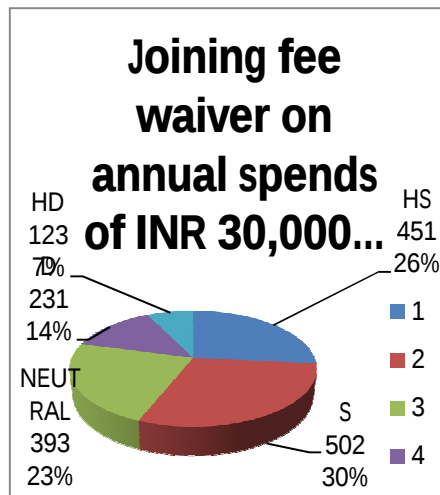
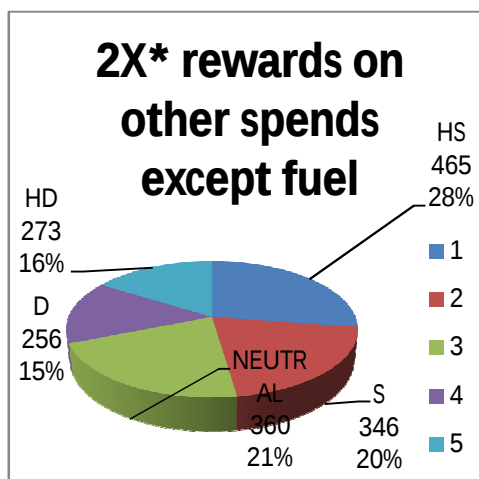


Fig1.15 Consumers responses 2x*rewards on other spends on other spends except fuel



The weighted average opinion of respondents regarding their satisfaction with the variables under study are given below

TYPE OF OFFER			WEIGHTED AVERAGE SCORE		
5%*	cashback	on	all	fuel	spends
3.23					
Exclusive		Visa	Platinum		offers
3.33					
2X*	Rewards	in	all	other	categories
3.46					

Special offer: No joining fee or Annual fee	3.44
10%* cashback* and 4X* rewards on spends at Yatra.com	3.59
2X* rewards on other spends except fuel	3.27
Fuel surcharge waiver	3.58
Joining fee waiver on annual spends of INR 30,000 (on 499 variant)	3.54
Annual fee of 499 with Yatra gift vouchers^ worth 4000	3.62
Annual fee of 999 with Yatra gift vouchers^ worth 8500	3.34
5%* on all utility bills	3.58
No Joining Fee, Annual fee INR 750	3.27
10%* cashback* and 4X* rewards on spends at Yatra.com	3.41
5X* Rewards on Dining, Hotels and Fuel	3.39
5%* cashback on telecom bills	3.31

i) The first offer attribute score is 3.23 indicating almost neutral level

ii) The second offer attribute score is 3.33, indicating satisfied level

iii) The third offer attribute score is 3.46 indicating satisfied level

iv) The fourth offer attribute score is 3.44, indicating satisfied level

v) The fifth offer attribute score is 2.27 indicating almost neutral level,

vi) The sixth offer attribute score is 3.58, indicating satisfied level

vii) The seventh offer attribute score is 3.54, indicating satisfied level

viii) The eighth offer attribute score is 3.54, indicating satisfied level

ix) The ninth offer attribute score is 3.62, indicating satisfied level

x) The tenth offer attribute score is 3.34, indicating satisfied level

XI) The eleventh offer attribute score is 3.58, indicating satisfied level

XII) The twelfth offer attribute score is 3.27 , indicating satisfied level

XIII) The thirteenth offer attribute score is 3.41 , indicating satisfied level

XIV) The fourteenth offer attribute score is 3.39 , indicating satisfied level

XV) The fifteenth offer attribute score is 3.31 , indicating satisfied level

Offer Attribute	RANK OF ATTRIBUT E
I	15
II	11
III	6
IV	7
V	2
VI	13
VII	4
VII	5
IX	1
X	10
XI	3
XI	14
XII	8
XI	9
X	12

RECOMMENDATIONS:

i) There is a need for establishing a more congenial and cooperative atmosphere by strengthening the promotional policies with intimacy and a good understanding of banking consumers is required in these foreign banks,

ii) It is essential for catering to selective services to improve the quality aspects.

iii) The top corporate management needs to develop more effective marketing strategies and public relations programs in dynamic environment to enhance retailers loyalty

CONCLUSIONS:

From the findings it is perceived that the cash back offers, waivers, fee, concessions on utilities and have direct and positive impact on the retailers' willingness to become members and utilize the various services offered by the banks and enhanced satisfaction levels and thus their likeliness to continue their membership in the banks. The promotional strategies must be in line with the customers wishes and they must be motivating their inner needs as well. The efficiency with which any bank could please the customers will bring utmost satisfaction to the standard levels set by the banks as well as the expected levels of the customers. This is reflected in the responsiveness aspect of the banks. The concern for customers plays thus an important role in the banking sector.

REFERENCES:

- i) The journal, III, Mumbai -marketing and public relations III.
- ii) <http://www.isixsigma.com>
- iii) M.S. Aftab Indian Banking: Realising global aspirations
- iv) RBI, and SCB Annual reports 2010-2011, & 2011-2012
- v) Tirthala Naga Sai Kumar, .M. Ravindar Reddy. “
The Loyalty Determinant Attributes of Store Brands in Food and Grocery in Indian Retailing-An Empirical Study in Twin Cities of Hyderabad “, *IOSR Journal Of Humanities And Social Science (IOSR-JHSS) Volume 17, Issue 3 (Nov. - Dec. 2013), PP 22-28 e-ISSN: 2279-0837, p-ISSN: 2279-0845. www.Iosrjournals.Org*
www.iosrjournals.org 22 | Page