



## COMPARING 7 P'S OF MARKETING MIX TO THE CUSTOMER SATISFACTION IN REGARD TO BANKING SERVICES PROVIDED BY THE STATE BANK OF INDIA

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### ABSTRACT

The paper is specially aimed at finding out the relationship between 7 P's of Marketing Mix with the attainment of customer satisfaction in special reference to the State Bank of India. The objective is also to find out the most effective 'P' that works to achieve the customer satisfaction and to know the correlation among 7 P's and the customer satisfaction. The primary data is collected through questionnaire for the sake of research and testing is done by using Anova, Correlation and Mean Values.

**KEYWORDS:** 7 P's of Marketing Mix, Customer Satisfaction.

### 1. INTRODUCTION

7 P's of Marketing Mix i.e. Product, Price, Place, Promotion, People, Process and Physical Evidence are the most effective factors that work in the direction of success of the goods and services of the organization and achieving the customer satisfaction in result. In banking sector, the success and failure of any product and service provided to the customer is mainly depends upon the marketing strategies. In context to present era, the marketing strategies should be technologically advanced and should be available through online medium also so that they can be accessed to anywhere and anytime. State Bank of India which is a largest public sector bank in India is working in a robust way in the direction of online products and services. Since, the goods and services have 24\*7 accesses by the customers, they tend to achieve higher customer satisfaction in terms of ease of banking, debit/credit card facilities, queue less banking and online funds transfer through online and mobile banking etc. are few to name here.

### REVIEW OF LITERATURE

**(Feras Alnaser)<sup>1</sup>** In their study of 7 P's of Marketing Mix to the Customer Satisfaction used the structural equation model to test the hypothesis and they studied the marketing through Shariat law. They concluded that Islamic marketing strategies satisfy the customers based on the human values, marketing cultures according to the Islamic rules and regulations only.

**(G.Kalaimani)<sup>2</sup>** In their study "7 Ps of Service Marketing in Insurance and Banking Services" explained the concept of 7 Ps in detail and concluded that synchronization of new technologies and a committed team of employees can lead to the successful functioning of indigenous banks and by this way only the Indian banks can be put at par with the foreign banks.

**(Bhardwaj)<sup>3</sup>** In their study "Role Played by Elements of Marketing Mix in Customer Retention in Retail Banking: An Empirical Study" focused on the role played by each P in retaining the customer of a bank and which P among the 7 P's affect the most to the customer. The t-test is applied to test the hypothesis and it's concluded that all Ps of the marketing mix contribute equally.

### NEED OF THE STUDY

Marketing is what drives business today in the real sense. Without proper marketing, even a good quality product cannot be sold in the market. An effective marketing strategy is required for any organisation, to make its goods and services successful in the today's business arena. This can be achieved through a proper mix of 7 P's of marketing i.e., Product, Price, Place, Promotion, People, Process and Physical Evidence.

So, an effective study is required in the field of 7 P's of Marketing Mix to achieve the customer satisfaction.

<sup>1</sup>FerasAlnaser, Mazuri Abd. Ghani, Majeed Mansour& Samar Rahi in research paper "The Influence of Services Marketing Mix (7 Ps.) and Subjective Norms on Customer's Satisfaction in Islamic Banks of Palestine" in European Journal of Business and Management, October 2017, Vol.9, No.27, pages 20-25.

<sup>2</sup>G.Kalaimani in research paper 7 Ps of Service Marketing in Insurance and Banking Services in Journal of Management and Science JMS ISSN 2250-1819 (Online) / ISSN 2249-1260 (Printed), Pages 1-3

<sup>3</sup>Niharika Maharishi, Nitin Bhardwaj in research paper "Role Played by Elements of Marketing Mix in Customer Retention in Retail Banking: An Empirical Study" in International Journal of Science and Research (IJSR) Volume 3 Issue 8, August 2014, pages 803-806



**OBJECTIVES OF THE STUDY**

The study is aimed to:

1. Find a relationship between 7 P’s of Marketing Mix with the customer satisfaction.
2. To find out the most effective ‘P’ among the 7 P’s which helps in attaining the customer satisfaction and
3. To find the correlation among 7 P’s of marketing mix and the customer satisfaction.

**RESEARCH METHODOLOGY**

The primary data is collected through a questionnaire and 273 responses are considered to carry out the testing for the hypotheses. The questionnaire is based on 5 point Likert scale technique. The Anova test is applied to find out the P-value for hypothesis testing. MS-Excel is used to calculate the Anova, Correlation and Mean values etc.

**HYPOTHESIS AND TESTING**

The hypotheses are as:

H0: There is no significant difference between the level of customer satisfaction and the 7 P’s of marketing.

H1: There is a significant difference between the level of customer satisfaction and the 7 P’s of marketing.

**Table 1: Anova test**

	Df	SS	MS	F	Significance F
Regression	1	0.230	0.230	0.714	0.399
Residual	275	88.704	0.323		
Total	276	88.934			

Source: Questionnaire values

So, from the Table 1 results it can be interpreted that the P-value which is indicated through Significance F is greater than the alpha i.e. 0.05. Thus, the null hypothesis cannot be rejected and it can be said that there is no significant difference between the level of customer satisfaction and the 7 P’s of Marketing Mix and a positive relationship can be established between the factors.

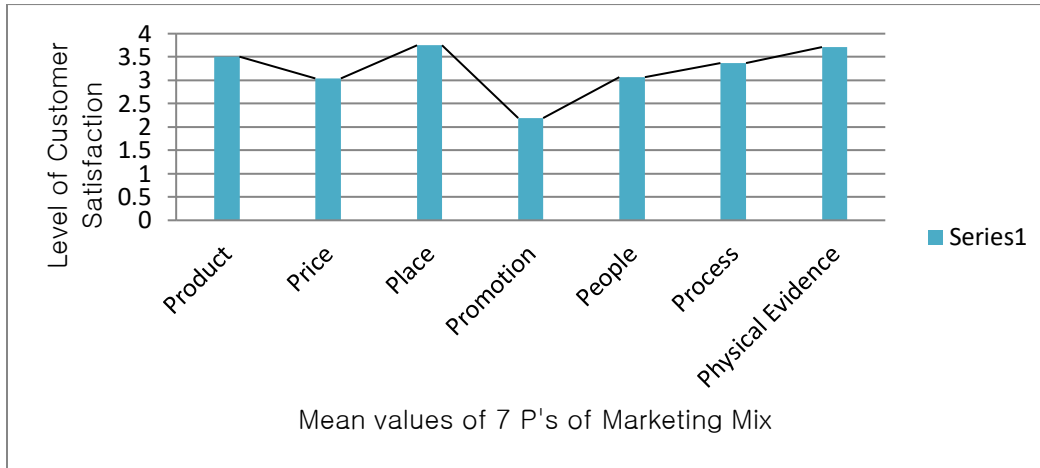
**FINDINGS**

**TABLE 2: MEAN VALUES OF THE 7 P’S OF MARKETING MIX AND LEVEL OF CUSTOMER SATISFACTION**

Factors	Mean Values
Product	3.506962
Price	3.046931
Place	3.750903
Promotion	2.191336
People	3.073406
Process	3.371841
Physical Evidence	3.709988
Level of Customer Satisfaction	3.516245

Source: Questionnaire values

**FIGURE 1: DIAGRAM SHOWING THE LEVEL OF CUSTOMER SATISFACTION DERIVED FROM THE 7 P'S OF MARKETING MIX**



Source: Tabular Data

According to Table 2, among all the 7 P's of marketing mix, the Place mean value is highest among all which indicates that the proper allocation of resources at the respective place pleases the customer a lot. So, the availability at the right places should be focused upon by the State Bank of India. Then after Place, Physical Evidence mean value is higher which again indicate that availability at right place plays a major role. The Physical Evidence is followed by the Product among the 7 P's which indicate that a good quality and up-to-date product is all a customer needs.

Product is followed by Process which shows that the process of providing the goods and services are equally important in the success of marketing strategy. The Process is followed by the People that stands for the well trained and efficient work force that work for the success of the State Bank of India. The People is followed by the Price which shows that the State Bank of India should focus on cutting the unnecessary charges that are levied upon the customer and sometimes the fee charged for various facilities are very high and customer avoid using the product or service in that case. The last P is promotion which shows that State Bank of India should focus on the promotional part also since many customers do not even know about the product or service rendered by the bank.

**eTABLE 3: CORRELATION AMONG THE 7 P'S OF MARKETING MIX AND LEVEL OF CUSTOMER SATISFACTION**

Correlation Matrix:	Level of satisfaction	Product	Price	Place	Promotion	People	Process	Physical Evidence
Level of satisfaction	1.00							
Product	-0.09	1.00						
Price	-0.08	0.18	1.00					
Place	-0.05	0.53	0.49	1.00				
Promotion	0.02	0.32	-0.61	-0.12	1.00			
People	0.07	0.54	-0.28	0.21	0.50	1.00		
Process	0.00	<b>0.68</b>	-0.20	0.44	0.46	<b>0.76</b>	1.00	
Physical Evidence	-0.02	0.61	0.04	0.55	0.20	0.54	<b>0.82</b>	1.00

Source: Questionnaire values

According to Table 3 in correlation analysis, there can be both positive and negative values. The positive values indicate that the comparative factors have positive relationship among them i.e. if value of one factor increases then the value of dependent factor will also increase and vice versa. On the other hand, the negative value indicates that there is an inverse relationship among the dependent factor (i.e. customer satisfaction) and the independent factor (7 P's of marketing mix). Also, it can be seen that there is an inverse relationship between the product, price, place & physical evidence with the customer satisfaction. And, there is a positive relationship among promotion and people with the customer satisfaction. The process among the 7 P's of marketing mix has no correlation with the customer satisfaction.



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The maximum correlation can be seen between the Process and the Physical evidence at 82% followed by People & Process at 76% and Product with the Process at 68%. So, these factors should be further improved and other factors should be worked upon to increase the correlation among them to achieve the customer satisfaction as a result.

## CONCLUSION & RECOMMENDATIONS

From the above analysis, it can be concluded that there is a significant relationship among the 7 P's of Marketing Mix with the customer satisfaction and Place is the most influential factor and promotion is the least affecting factor among all the others P's of marketing mix. The correlation matrix shows that the process and physical evidence have highest correlation among them and there is an inverse correlation also between some factors and the level of customer satisfaction like product, price, place and physical evidence.

So, it's recommended that products offered by the State Bank of India should not only be made easily available to the customers but also these products should be made understandable to the common man so that all the features of a new product can be used by the customer atleast. For eg. YONO app offered by the State Bank of India is the most advanced app that a customer can use but many people don't know how to use it. So, a wise strategy should be adopted to make the advanced products usable to the common man of India. Also, the fees or charges that are levied upon the customers for various services should be reduced so that the people who on the lower side of income can enjoy all the facilities provided by the State Bank of India.

Thus, it can be concluded that usability and availability of the advanced products and services provided at right place and at cheaper rates can solve the problem of customer satisfaction for the State Bank of India as a large number of population in India is still facing poverty.

## LIMITATIONS OF THE STUDY

The study is limited since data is collected in the selected parts of city of Sonapat, Rohtak in Haryana and some parts of Delhi. This study area can be expanded to achieve the more realistic figures and results. The study could be extended to other banks also and a comparative work could be done. But here, for the sake of State Bank of India's study, the customer satisfaction by State Bank of India customers are focused upon mainly.

## REFERENCES

1. FerasAlnaser, Mazuri Abd. Ghani, Majeed Mansour& Samar Rahi in research paper "The Influence of Services Marketing Mix (7 Ps.) and Subjective Norms on Customer's Satisfaction in Islamic Banks of Palestine" in European Journal of Business and Management, October 2017, Vol.9, No.27, pages 20-25.
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