

Interlinkages between Customer Trust, Bonding and Positive Word of Mouth in Banking Services

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Abstract

Word-of-Mouth is the passing of information from person to person by oral communication. It means an unpaid form of promotional technique which satisfied customers tell other people about how much they like a business, product, service or event. Word –of- Mouth can be positive or negative. It is influenced by the high level of trust and bonding with the service provider. This study tries to identify and evaluate the inter linkages between customer trust, bonding and the readiness to express positive word of mouth in banking services in Kerala. For the purpose study was conducted on the account holders of the Federal Bank and South Indian Bank from across Kerala.

KEYWORDS: Word-of-Mouth (WOM), Inter linkages, Trust, Bonding

INTRODUCTION

Banking system in India has undergone a major phase of metamorphism in the recent past. There has been a paradigm shift in the concept, percept and outlook and the banking system has become more complex and sophisticated. This transformation is marked by several factors like globalization, new technology, deregulation and market liberalization, greater competition, tighter profit margin and increasingly sophisticated customers. In the process of adjusting themselves to the market economy and functional autonomy, the competition in banking sector has undergone a significant change in terms of products and services. Banks now find themselves in the market where the customers has more options than ever before and the bank has therefore been compelled to constantly review its package of products and services to suite the ever-escalating expectations of customers.

Marketing is one of the most evolved fields today. It deals with any market oriented activity with the ultimate objective of increasing the sales and brand image of products or services marketed. Marketing as a field covers market research, selling, promotion, customer services and so on. And what works best for the attainment of the ultimate objective of marketing i.e., selling, is the oldest method of marketing, the word-of-mouth marketing.

Word-of-mouth marketing is the most effective form of advertising. Consumers may communicate their knowledge and experience about a product or service with one another. People believe that what their friends and neighbors say about a product or service and they remember it for a long time. When a reliable person speaks about the goodness he has experienced with a banker or financial service provider, it will definitely influence others in choosing the services or products from that banker and if the new one is also satisfied with the service quality, he/she will also be in the chain of customers who speak good word-of-mouth about the banker and create new customers.

Therefore, 'Word-of-mouth' is the private exchange of marketing relevant information such as company or product recommendations from one consumer to another consumer. Consulting firm McKinsey has found that word – of –mouth drives two third of the U.S. economy. This makes the fact that so far only a few brands and companies have actively engaged the word-of-mouth factor in their marketing efforts even more astonishing.

Word-of-mouth may be person to person, group to group, network to network, colleague to colleague, affiliate to affiliate and so on. There are so many different word-of-mouth marketing venues especially in the age of social media. One friend talking to another has now expanded where one person can communicate with all his friends at once. This makes word-of-mouth more effective than just the one to one communication of old. Hundreds of people can find out about a company in an instant. People love to share, no matter what they purchase and nothing carries more weight than the opinion of a satisfied customer.

Scope and Significance of the Study

Word-of-mouth is the most effective form of advertising. Consumers may communicate their knowledge and experience about a product or a service with one another. People believe what their friends and neighbours say about a product or service and they remember it for a long time. When a reliable person speaks about the goodness he has experienced with a banker or a financial service provider, it will definitely influence others in choosing the services or products from that banker and if the new one is also satisfied with the service quality, he / she will also be in the chain of customers who speaks good word-of-mouth about the banker and create new customers.

Bank offers various modes of services like ATM, Core- banking, internet banking, tele- banking, and e.t.c. The success of a bank depends not only on the efficiency of its operations but also whether these services are seen by the customers as satisfying their real needs. In India, the level of satisfaction and intimacy of the customers is largely influenced by the service quality orientation of the front line of employees and the dynamism of the branch managers. Genuine efforts taken by the bank staff in times of needs definitely be reciprocated by the customers in the form of loyalty and by bringing new customers referrals and good word-of-mouth. A positive word-of-mouth of customers bridges the gap between bank and potential customers. Thus, word-of-mouth is said to be the most economical form of advertising, especially in banking service sectors. Hence, the study on 'The Study on Interlinkage Between Customer Trusts, Bonding and Positive Word Of Mouth In Banking Service' is highly significant.

Objectives of the Study

The primary objective of the study is to identify the interlinkages between customer trust, bonding and the readiness to express positive word of mouth in banking services in Kerala. Following are the subsidiary objectives:

1. To identify the basic factors influencing the customer trust, bonding and positive word of mouth in banking services and to see whether the factors differ among different categories of customers based on their demographic features.
2. To measure the customer trust, bonding and the readiness to express positive word of mouth of customers in banking service.
3. To identify the extent of dependence of word of mouth on factors like customer trust and bonding

4. To identify whether there is any bank group wise difference in the positive word of mouth and if so what are the major factors contributing the variation.
5. To evaluate the impact of word of mouth on the selection of service provider and to identify how it is influencing the loyalty of the person making a positive word of mouth.

Database and Methodology

This study is proposed to be conducted on 300 account holders of Federal Bank and South Indian Bank from across Kerala. For this purpose the state of Kerala is divided into three zones namely, North, South and Central. 100 respondents (50 from SIB and 50 from Federal Bank) each will be selected from each zone, thus the total sample size comes to 300. Adequacy of the sample size was determined after conducting a pilot survey. This study is purely based on primary data collection from customers. In order to control personal bias and prejudices and to increase the reliability of the collected data, a structured questionnaire in printed form was used. Four-point scaling technique was used for selecting the sample respondents. The data collected from the respondents were presented in tabular forms and for attractive presentation of data, diagrams were used. Statistical tools like averages, composite indices, Chi-square test, ANOVA etc. were used for analyzing the data.

Limitations of the Study

- 1) This study is restricted to the customers South Indian Bank and Federal Bank in the state of Kerala.
- 2) The sample size chosen for the study is 100 for each zone. It is very small compared to the total number of customers in selected geographic areas.
- 3) Time constraint is a limitation of the study.
- 4) All the inherent limitation of primary data and convenience sampling are also the limitations of the study.

Profile of South Indian Bank and Federal Bank

History Of South Indian Bank

South Indian Bank (SIB) was registered as a Private Limited Company under the Companies Act 1013 and commenced business on 1929 at Round South, Thrissur. The South Indian Bank Ltd., was formed by a group of 44 enterprising men of Thrissur who contributed Rs. 500/- each to the initial paid up capital of Rs. 22,000/-. Their main objective was to serve the merchant community of Thrissur by freeing them from the clutches of the money lenders who charge exorbitant rates of interest. The banks received very good support from the public at large. Initially the growth was slow but steady. The number of branches opened each year testified its stability and popularity. It was included in the second as schedule of the Reserve Bank of India and become a schedule bank in 1946. SIB was the first schedule bank in the private sector in Kerala to get the license under section 22 of Banking Regulation Act 1949 from RBI on 17th June 1957. SIB unveiled the new corporate logo. Mammooty, the global brand ambassador of the bank unveiled it.

The brand as a part of global brand-building exercise, has signed actor Mammooty as its brand ambassador banking on the film star's pan Indian appeal, clean image and the popularity among the NRI community. The initial contract between the bank and actor was for 3 years which was later extended for 5 more years. Currently SIB is the only bank in South India that has a brand ambassador.

Till date, the bank has covered 100 villages and 15 urban centers under Financial Inclusion and opened more than 20 exclusive FLC Centers in the bank premises, which spreads across the state of Kerala, Tamil Nadu, Andhra Pradesh and Chhattisgarh. SIB has appointed direct Business Correspondents in the allotted villages and is surprised by a dedicated team of officers in the FIP Cell – Head Office. Recently SIB has introduced ‘KIOSK Banking Model’ as Financial Inclusion Initiative in association with Akshaya e-centres in the state of Kerala through the software service provider – M/s TCS. Kiosk is a kind of banking model, where people living in unbanked or under banked areas can avail basic banking facilities from a nearby common service centre / BC offices without visiting a regular bank branch. Basic banking needs of the public like opening of account, deposit and withdrawal of cash e.t.c. possible from these common service centre / BC office.

Milestones

- First among the private sector banks in Kerala to become a scheduled bank in 1946
- First bank in private sector in India to open a Currency Chest in April 1992.
- First private sector bank to open a NRI branch in Jhumritalaiya, November 1992.
- First bank in private sector to start an Industrial Finance Branch in March 1993.
- First among the private sector banks in Kerala to open an overseas branch in June 1993.
- Bank in Kerala to develop in-house, fully integrated branch automation software.
- First Kerala based bank to implement CORE banking system.
- 8th largest branch network among private sector bank in India.

Credit Rating

The rating factors in the long standing track record of the bank are its high level of capitalisation aided by the successful GDR issue and internal accruals, strong solvency position, higher profitability and improving risk management systems and technology orientation. The South Indian Bank has obtained CRISIL A1+ as the credit rating.

FEDERAL BANK LIMITED

History of the Bank

The history of Federal Bank dates back to the pre-independence era. On 7th April 1931 at Pattamukkil Varattisseril Tharavad, the Pattamukkil Varattisseril Brothers gathered together to discuss the necessary steps to be taken to form a bank. The Federal Bank Limited (the erstwhile Travancore Federal Bank Limited) was incorporated with an authorised capital of ₹5000 from Pattamukkil Varattisseril Brother's at Pattamukkil Varattisseril Ancestral Home, Nedumpuram a place near Thiruvalla in Central Travancore on 24th April 1931 under the Travancore Company's Act, 1916. It started with the business of auction-chitty and elementary banking transactions related to agriculture and industry. The home functioned as the bank office for nearly 15 years.

The Travancore Agriculturists' Relief Act, 1939, and the limitation of interest by the Travancore Debt Relief Act, 1941 greatly influenced the smooth functioning of bank. The terms and conditions of this particular act were supportive to the farmers and it was totally against the interest of the banks and auction-chitty operators of that time. After the bank had functioned for nearly 15 years, the bank's day-to-day operations had to be stopped due to Oommen Chacko's ill-health.

A lawyer from Perumbavoor named Kulangara Paulo Hormis (K.P Hormis) and his acquaintances, bought the shares and took over the management on 30th December

1944 and till 18th May 1945 Travancore Federal Bank Limited functioned at Nedumpuram under his chairmanship. The bank was named Federal Bank Limited on 2 December 1949, after completing the formalities of Banking Regulation Act, 1949. Between 1963 and 1970, Federal Bank took over Chalakudy Public Bank (est. 20 July 1929 in Chalakudy), Cochin Union Bank (est. 1963) in Thrissur, Alleppey Bank (est. 1964; Alappuzha), St. George Union Bank (est. 1965) in Puthenpally, and Marthandam Commercial Bank (est. 1968) in Thiruvananthapuram. In 1970, Federal Bank became a scheduled commercial bank and came out with its initial public offering in 1994. In January 2008; Federal Bank opened its first overseas representative office in Abu Dhabi. In April 2015, and Federal Bank posted its highest ever net profit at Rs 1005.75 crores for the fiscal 2014-15. The net profit grew 20% during the year which saw the deposits and advances of the bank outgrow that of the industry by 40%. In November 2016, Federal Bank opened its second UAE representative office in Dubai as part of a strategy to expand footprints in the Persian Gulf region to serve its fast growing overseas clients.

Credit Rating

Credit Rating of Banks Deposits and Debt Instruments

The rating factors in the long standing track record of the bank, high level of capitalization aided by the successful GDR issue and internal accruals, strong solvency position, higher profitability and improving risk management systems and technology orientation.

Short term deposits: P1+ by CRISIL

This rating 'P' indicates that the degree of safety regarding timely payment on the instrument is very strong.

The "+" (plus) sign for ratings reflects a comparatively higher standing within the category.

Certificate of Deposit: P1+ by CRISIL

The Certificates of deposit issued by the bank are rated P1+ by CRISIL. This rating 'P' indicates that the degree of safety regarding timely payment on the instrument is very strong. The "+" (plus) sign for ratings reflects a comparatively higher standing within the category.

Long term debt: AA by CARE

Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

Milestone

- In Dec 2002, Federal Bank introduces FedAlerts, and FedMobile, another first of its kind service among traditional banks in India. Real time transaction alerts across the globe, and customisable options make the service unique.
- In 2010, Federal Bank became part of National Financial Switch ATM Network – the largest ATM network in India.
- In June 2004, Federal Bank becomes the first traditional bank to network all its branches and attain 100% connectivity
- In 2005, launched Fed+Amrita, an innovative online system for fixing medical consultation, Health check up, and inpatient payments from anywhere.
- In 2008, opened first overseas Representative Office at Abu Dhabi, UAE.

- In august 2015, Bank launched FedBookSelfie - a mobile based SB account opening application which is first of its kind in India.
- In October 2015, Bank became the first Bank to introduce Currency Conversion Desk and mobile ATM facility at the Cochin Port, facilitating passengers of cruise ships to exchange currency upon arrival.
- In August 2016, Federal Bank launched its Unified Payments Interface (UPI) application 'Lotza'. Built on the concept 'Accounts of different Banks on one App', Lotza offers seamless and secure financial transaction capability between accounts of different Banks through a single app.

Analysis and Interpretation

In order to evaluate the interlinkages between customer trusts, bonding and positive word of mouth in banking services with special reference to SIB and Federal Bank. Data of 100 respondents each from three zones of Kerala of both the banks are collected through convenience sampling. In order to avoid bias and prejudice, a pre-structured questionnaire was used. Collected data was presented in tabular form and simple mathematical and statistical tools like percentage analysis, averages, composite index and ANOVA is used for analysing the data. Bar chart, pie chart was also used for conveying the required information. This chapter contains the analysis of data collected from the customers of South Indian Bank and Federal Bank from the state of Kerala.

Major factors which motivate the respondents to express positive or negative word of opinion about the bank.

Sl. No.	Factors influencing WOM	South Indian Bank			Federal Bank		
		Rank1	Rank2	Rank 3	Rank 1	Rank 2	Rank 3
1	Quality of products rendered by the bank	20	18	20	17	13	22
2	Service mentality of bank staff	15	22	24	20	23	22
3	Quick transaction	40	38	28	43	37	24
4	Simple & easy procedure	25	17	20	24	20	16
5	Easy accessibility	18	28	27	16	30	26
6	Service charges	15	14	12	15	13	12
7	Technological advancement	17	13	19	15	14	28
	Total	150	150	150	150	150	150

Source: Primary data

The above table shows the opinion of selected customers regarding the major factor which motivate them to express positive or word of opinion about their bank. Out of selected 150 customers from each bank, 40 customers from SIB and 43 customers from Federal bank opined that quick transaction provided by the bank staff is the major factor motivating them to express word of mouth opinion about the bank.

Composite indices of major factors which motivate the respondents to express positive/negative word of opinion about the bank.

Sl. No.	Factors influencing WOM	South Indian Bank				Federal Bank			
		Rank 1	Rank 2	Rank 3	Composite Indices	Rank 1	Rank 2	Rank 3	Composite Indices
1	Quality of products rendered by the bank	60	36	20	116	51	26	22	99
2	Service mentality of bank staff	45	44	24	113	60	46	22	128
3	Quick transaction	120	76	28	224	129	111	24	264
4	Simple & easy procedure	75	34	20	129	72	40	16	128
5	Easy accessibility	54	56	27	137	48	60	26	134
6	Service charges	45	28	12	85	45	26	12	83
7	Technological advancement	51	26	19	96	45	28	28	101

Source: Primary data

In order to get clear idea about the factors that motivates the customers to express word-of-mouth about their bank, composite index was calculated and is depicted in the above table. From the above table for both the banks quick transaction is the major factor. All the other factors also motivate the customers almost in the same range.

Composite indices of Frequency of availing services by the respondents

Sl. No.	Services	South Indian Bank				Federal Bank			
		Rank 1	Rank 2	Rank 3	Composite indices	Rank 1	Rank 2	Rank 3	Composite indices
1	Bank deposits	81 (243)	27 (54)	24 (24)	321	78 (234)	36 (72)	18 (18)	324
2	Loans	20 (60)	20 (40)	23 (23)	123	18 (54)	21 (42)	18 (18)	114
3	Locker	10 (30)	14 (28)	33 (33)	91	6 (18)	18 (36)	30 (30)	84
4	Fund transfer	30 (90)	57 (114)	37 (37)	241	45 (135)	54 (108)	36 (36)	279
5	Bill payment	9 (27)	24 (48)	19 (19)	94	3 (9)	15 (45)	15 (15)	69
6	Others	0 (0)	8 (16)	14 (14)	30	0 (0)	6 (18)	33 (33)	51
	Total	150	150	150		150	150	150	

Source: Primary data

From the above table it is clear that the frequency of services availed from the bank is much high in case of deposit. For SIB the composite indices show 321 and for Federal

Bank it is 324. Fund transfer and loans stand second and third ranks respectively in case of both the banks. Thus, bank deposits are the service frequently availing by the respondents.

Testing Of Hypothesis

Hypothesis 1

H0 :There is no significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

H1 : There is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

RESULT OF TEST

This hypothesis is formulated to analyse whether the overall level of satisfaction of customers is associated with their readiness of expressing opinion about the bank.

**Southern Zone
South Indian Bank**

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

**Central Zone
South Indian Bank**

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

**Northern Zone
South Indian Bank**

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
Chi-square	5%	0.000	Reject

The result of the test reveals that there is significant variation between the overall level of satisfaction of the customers and their readiness of expressing opinion about the bank.

Hypothesis 2

H0 : There is no significant variation between respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

H1 : There is significant variation between respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

RESULT OF THE TEST

This hypothesis is formulated to check whether there is any statistical significance in the association of respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Southern Zone

South Indian Bank

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is highly significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Central Zone

South Indian Bank

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is highly significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

**Northern Zone
South Indian Bank**

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is highly significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Federal Bank

Test statistics	Level of significance	Significant value	Decision
ANOVA	5%	.000	Reject

The result reveals that there is significant variation between the respondent's length of relationship with the bank and their readiness of expressing opinion about the bank.

Major Findings

1. In the case of SIB most of the respondents are in the age group up to 25 years but in the case of Federal Bank most of the respondents belong to the age categories upto 25 years and 35-50 years .
2. For both SIB and Federal Bank most of the respondents are males.
3. For both SIB and Federal Bank most of the respondents are employed in the category 'Others'.
4. In Southern Kerala most of the respondents have 3 to 5 years relationship with both the banks.
5. In Central Kerala most of the respondents have more than 10 years relationship with both SIB and Federal Bank.
6. In Northern Kerala most of the respondents have above 3 years and upto 10 years of relationship with both the banks. For SIB 32% of the respondents have more than 10 years relationship with the bank.
7. With regard to the respondents of South Indian Bank from Southern Kerala , most of them are satisfied with technology utilization of the bank, while 28% are dissatisfied with the service charges levied by the bank.
8. Taking the weighted average score of 3.22 it can be concluded that the customers of Southern Kerala SIB are satisfied with various aspects related to the service quality of the bank.
9. With regard to the respondents of Federal Bank from Southern Kerala, most of them are satisfied with the dealing of bank staff, while 32% are dissatisfied with the service charges levied by the bank.
10. Taking the weighted average score of 3.22 it can be concluded that the customers from Southern Kerala of Federal Bank are satisfied with various aspects related to the service quality of the bank.
11. With regard to Central Kerala, the customers of SIB are most satisfied with Technology Utilization and branch network of the bank. 24% of the customers are dissatisfied with the service charges levied by the bank.
12. The weighted average score of level of satisfaction of the respondents is 3.1. Hence, it can be concluded that the customers of SIB are satisfied with various aspects related to the service quality of the bank.

13. With regard to Central Kerala, the customers of Federal Bank are 100% satisfied with Branch Network. 30% of the customers are dissatisfied with service charges levied by the bank.
14. The weighted average score of level of satisfaction of the respondents is 3.1. Hence, it can be concluded that the customers of SIB are satisfied with various aspects related to the service quality of the bank.
15. With regard to Northern Kerala, the customers of SIB are most satisfied with the dealing of bank staff (98%). 32% of the customers are dissatisfied with service charges levied by the bank.
16. The weighted average score of level of satisfaction of the respondents is 3.14. Hence, it can be concluded that the customers of SIB are satisfied with various aspects related to the service quality of the bank.
17. With regard to Northern Kerala, the customers of Federal Bank are 100% satisfied with the dealing of banking staff, while 36% expressed their dissatisfaction in service charges levied.
18. The weighted average score of level of satisfaction of the respondents is 3.16. Hence, it can be concluded that the customers of SIB are satisfied with various aspects related to the service quality of the bank.
19. Around 68% to 70% of the customers of Southern Kerala were ready to express their opinion about the good and bad experiences with their bank to their family members and friends.
20. 48% of the customers of Federal Bank and 56% of customers of SIB of Central Kerala were ready to express their opinion about the good and bad experiences with their bank to their family members and friends.
21. 66% of the customers of SIB and 70% of the customers of Federal Bank of Northern Kerala were ready to express their opinion about the good and bad experiences with their bank to their family members and friends.
22. 63% of the customers of SIB agree that they always speak positive opinion about the bank.
23. 77% of the customers of Federal Bank agree that they always speak positive opinion about the bank.
24. 61% of respondents of SIB agree that they compel and advise their friends and relatives to become a customer of SIB.
25. 61% of respondents of Federal Bank agree that they compel and advise their friends and relatives to become a customer of Federal Bank.
26. 66% of the customers of SIB agreed that when they hear negative opinion about their bank from anyone, they strongly oppose it and try to correct it.
27. 60% of the customers of Federal Bank agreed that when they hear negative opinion about their bank from anyone, they strongly oppose it and try to correct it.
28. 85% of the respondents of SIB agreed that they will get dissatisfied when there is any delay in getting a service.
29. 79% of the respondents of Federal Bank agreed that they will get
30. dissatisfied when there is any delay in getting a service .
31. 84% of the respondents of SIB agree to the statement that they can't tolerate the poor service quality of the bank staff and they will express comments about it. It indicates

- that the respondents will not tolerate the poor service quality of the bank staff and will express comment about it.
32. 87% of the respondents of Federal Bank agree to the statement, that they can't tolerate the poor service quality of the bank staff and they will express comments about it. It indicates that the respondents will not tolerate the poor service quality of the bank staff and will express comment about it.
 33. 86% of the respondents of SIB agreed that they communicate the excellent service quality enjoyed by them to others. Hence it is concluded that positive word of mouth is the outcome of excellent service quality provided by the bank staff.
 34. 91% of the respondents of Federal Bank agreed that they communicate the excellent service quality enjoyed by them to others. Hence it is concluded that positive word of mouth is the outcome of excellent service quality provided by the bank staff.
 35. 94% of the respondents of SIB agreed that their comments about the bank are mostly influenced by prior experience with it. It shows that lion share of the respondents use their previous experience as a factor to rate the bank and to express opinion on it. Thus, the prior experience with a bank influences a customer to express positive or negative word of mouth about it.
 36. 94% of the respondents of Federal Bank agreed that their comments about the bank are mostly influenced by prior experience with it. It shows that lion share of the respondents use their previous experience as a factor to rate the bank and to express opinion on it. Thus, the prior experience with a bank influences a customer to express positive or negative word of mouth about it.
 37. Majority of the respondents strongly agreed that the comments made by the customers about the bank can create or destroy the satisfaction of other customers. It can be concluded that good comments made by customers of bank have a positive impact on the level of satisfaction of the customers. Similarly, bad comments made by customers of a bank have a negative impact on the level of satisfaction of other customers.
 38. Out of selected 150 customers from each bank, 40 customers from SIB and 43 customers from Federal bank opined that quick transaction provided by the bank staff is the major factor motivating them to express word of mouth opinion about the bank.
 39. Out of selected 150 customers from both banks 51% from SIB and 64% from Federal Bank agreed that they had been recommended to the services of the bank by other customers
 40. Among the various services 'making deposit' is the service on which the customers of SIB are highly satisfied and for Federal Bank Fund transfer is more suggested.
 41. There is significant variation between the respondents' length of relationship with the bank and their readiness of expressing opinion in case of both banks irrespective of demographics.
 42. There is significant variation between overall level of satisfaction of the respondents and their readiness of expressing opinion in case of both banks irrespective of demographics.

Suggestions

1. Word-of-mouth is the least cost marketing strategy adopted by companies. Therefore, efforts can be taken to conduct awareness programmes like talks, seminars and

- campaigns in order to spread the knowledge regarding the influence of word-of-mouth.
2. Banking companies should implement strategies to improve customer bonding like listening to customers, giving financial advice to the customers, proper communication with the customers and so on.
 3. From the study it is apparently clear that the longer the customer remains with the bank the larger is the chance for expressing a positive word of mouth opinion. Hence the banks should retain the customers for a fair long period.
 4. The banks can create formal customer referral programs to get the existing customers to spread word of mouth to new prospects.
 5. The banks can collect testimonials of the existing customers and display it appropriately on their home page or in their printed sales materials.
 6. The banks can take initiative to arrange live meetings of their trusted customers either formally or informally.
 7. Banks can use online tracking tools, blogs, communities, social networks, E-mails to promote word of mouth opinions.
 8. The banks can identify their employees with special team spirit and make them ideal word of mouth spreaders.
 9. Banks can create Customer Advisory Boards which is a formal program in which customers are invited to give feedback. It gives a way to talk to the talkers without explicitly asking them to talk for the bank.

CONCLUSION

The study was conducted to assess the Interlinkages Between Customer Trust, Bonding and Word of Mouth In Banking Services with special reference to South Indian Bank and Federal Bank . It was found that majority of respondents were satisfied with the services provided by both the banks. They were ready to express positive word of mouth regarding the bank to others. They were also ready to oppose and correct any negative remark about the bank. Customers from both the banks were of the opinion that their word of mouth is mostly based on their past experience with the bank. Majority of the customers recommended the service of bank with others. The analysis proves that there is no bank group wise difference in positive word of mouth. The study also indicates that there is high relationship between satisfaction level of customers and their word-of-mouth opinion and length of relationship with the bank and readiness of expressing opinion.

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