

A Study on Customer satisfaction with respect to Merger of Banks in India

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Abstract: Bank merger plays a vital role for the bank expansion, global participation, technological development, increased capital base, economies of scale, improved services, etc. Financial aspects of the banks are considering most valuable for the merger benefits. Many articles have analysed the finance point of you. Customer satisfaction is also one of the major aspects in the merger. It is more sensitive in nature. This article has analysed the customers perception related to bank merger and customers satisfaction in the post-merger. A well-structured questionnaire has been prepared and circulated as google forms and collected the data. For analysing data simple percentage has been calculated and the results have been presented in the form of graph. To find out significance chi-square method has been used. It has resulted that customers are fully satisfied in terms of interest and lending rates, service charges, improved Technology, increased employees and employees' attitude, Customer relations policy and Faster Customer redressals. Further it concludes that there is no significant relationship between the gender and the satisfaction level. Merger of Banks is the successful phenomenon not only in the point of Finance but in the customer satisfaction also.

Keywords: Customer perception, customer satisfaction, Bank merger, Lending and Interest Rate.

1. INTRODUCTION

Customer satisfaction and retention are the biggest issue of every concern now a day. Banks are also not out of these issues. Bank are concentrating very much regarding the solving of customer problems. Customers are expecting more no of services and quality wise improvisation in Banking services from the Banks especially after the merger. Increased and improved service quality is one of the benefits expected from the mergers. So, the Banks are keen about improving quality of services for retaining the customers, because all the customers become the customers of New merged entity. Increase in the customer base leads the Banks to set their main aim is to get more customer satisfaction. Now a days customer satisfaction became one of the measurable parameters. Advanced information and Technological developments will be very much useful and effective tool to improve the Banking services after the consolidation by using of mobile banking, Internet banking and paperless banking services and will leads to the increased customer satisfaction (Ayo, Ekong, Fatudimu, and Adebisi (2007).The role of technological innovation and digital banking in streamlining operations and enhancing customer experience post-merger(Mishra and Mohanty's (2024).

2. REVIEW OF LITERATURE

Ms. Sandhya Sharma , Prof. Trilochan Sharma(2026) This article analysed that customer satisfaction on recent Bank mergers and quality of service in NCR. It has analysed the important changes in services, what are the struggles the customer has faced and evaluating the influencing factors of customer loyalty. For analysis,409 responses were collected through structured questionnaire based on SERVQUAL framework with 5 service quality among 6 districts of NCR in SPSS software. It has been concluded that service quality at initial stages was poor and technological improvement was good. Senior citizens and small Business owners are not that much satisfied because of poor communication and low quality service. Finally, it suggested that strategic merger which should incorporate the customer experience safeguards and service quality models for success in the long run.

Maria Susan Mathew (2020) This article presents an analysis of the impact of the merger between State Bank of India and its associate banks on customers and employees. It examines the various problems and challenges that arose during the merger process. To understand the perceptions of customers and employees, a structured questionnaire was used for data collection. The collected data were analyzed using statistical tools such as SPSS and ANOVA. The findings of the study conclude that there is no significant difference in performance and satisfaction levels of customers and employees before and after the merger.

Papathanasiou S, Mylonas P, Kenourgios D. (2018) This paper examines the customer satisfaction on service quality of Piraeus Bank- the Greek Commercial Bank related to mergers and takeovers during the period of 2009-2015. Primary data has been collected from the Bank customers and the SERVQUAL model has been used for analysis. It mentioned that the earlier studies also said that the improvement in the service quality will get more Customer satisfaction. Quality in service is the basic and important aspect of customer satisfaction. Finally, it has been concluded that the correlation between the service quality and the customer satisfaction was highly satisfied.

Krishna Prasad Sharma (2018) analysed that the customer satisfaction on post-Merger and Acquisition in Nepal Banking Sector. Data have been collected from questionnaire and SPSS used for analysis. Customer satisfaction after merger service quality measured through Likert scale and summative method. It concludes that Mergers and Acquisition benefited economies of scale by higher capital base, better service quality through technological developments, increased network like increase in Branches and ATMs. There is a chance of competitive interest rate because of increased capital.

3. RESEARCH METHODOLOGY.

Statement of the problem:

The Bank merger impacts the financial performance, Employees and also customers. Many research articles related to Bank merger are analysing only pre & post-merger financial performance of Banks. But sensitivity analysis related to Employees and Customers also necessary to analyse in the case of Bank merger. Customers perception and satisfaction should also very much important. It should be given some value for retaining them in the long run.

Research Gap:

Most of the pre and post-merger Bank articles have analysed only financial aspects for finding impact of mergers. Few articles have analysed impact of merger on employees. But a

full-fledged research related to impact of Bank merger should be analysed in all the aspects like financial, human resources and also customer satisfaction. So, in this article the authors covered one aspect of customer satisfaction in the post-merger of banks.

Objective of the Study:

The main objective of the study is to analyse the customers perception and satisfaction regarding the merger of banks.

Research Design:

Analysis has been done through simple percentage method as well as graphical presentation of collected data. Further to find out significant relation Chi-square test has been used.

Data Collection

Primary Data

Questionnaire has been used to collect the primary data by sending through google forms and collected the responses.

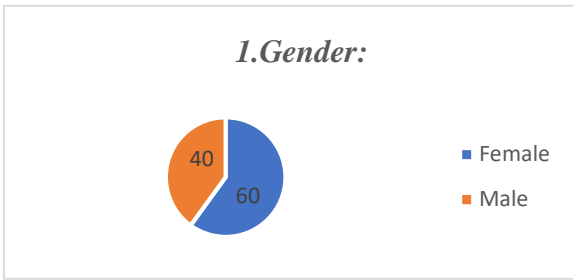
Secondary Data:

Google, various websites, articles, Bank websites, scholarly article, etc. are the sources of collecting Secondary data.

Scope of the Study:

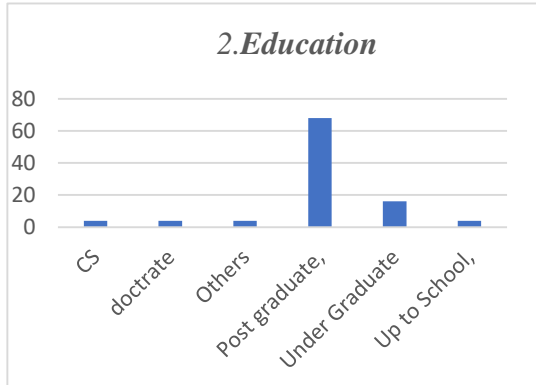
- This study has been conducted with the responses given by the 100 respondents
- Responses collected through google forms
- Time period of the study is limited.

Analysis and Interpretation:



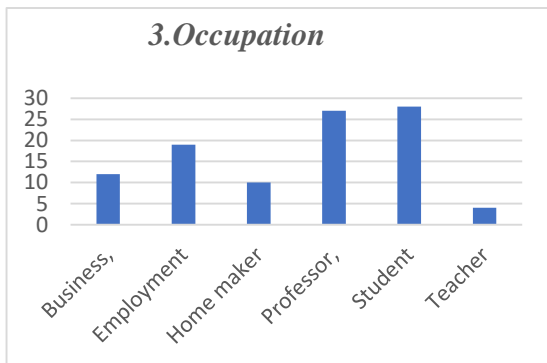
1. Gender:

Data have been collected from the Bank customers. Most of the respondents are “female” i.e.60% and 40% are “male”.



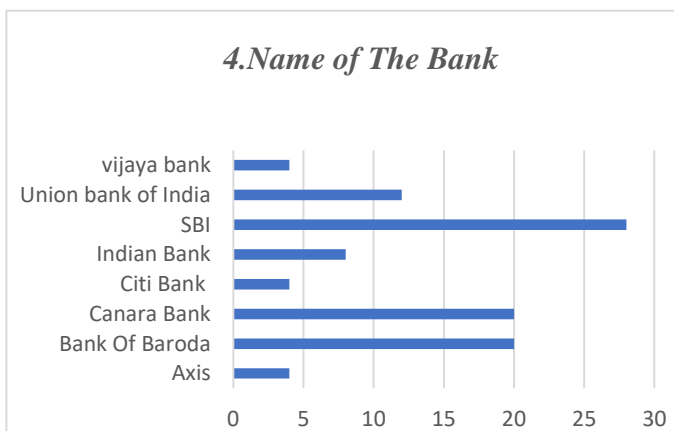
2. Education:

All the respondants are from the different educational background. Most of them are Postgraduate i.e 68% and 16% are Undergraduate.



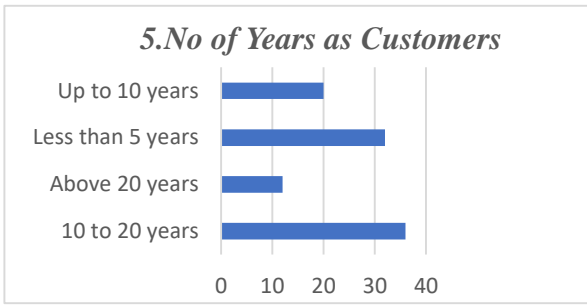
3. Occupation:

Respondents are from different Occupational level. Most of the respondents are Professors and students.



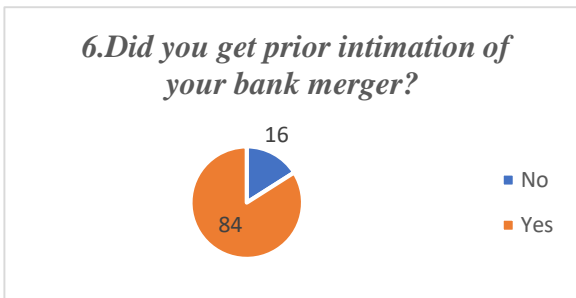
4. Name of The Bank:

Customers are the customers of different Banks. Most of them are the customers of SBI. Next is Canara Bank and BOB.



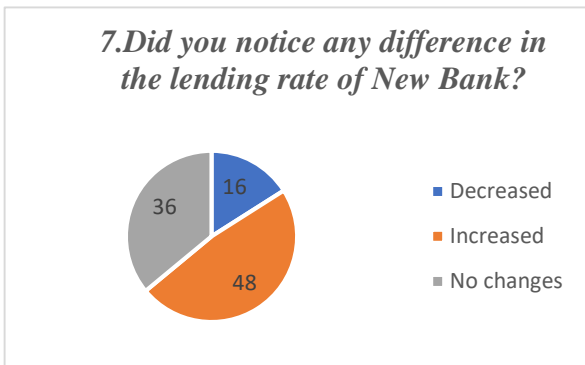
5. No of Years as Customers:

Most of the customers are the customers of the Banks for 10 to 20 years. So they are well accustomed to their Banks.



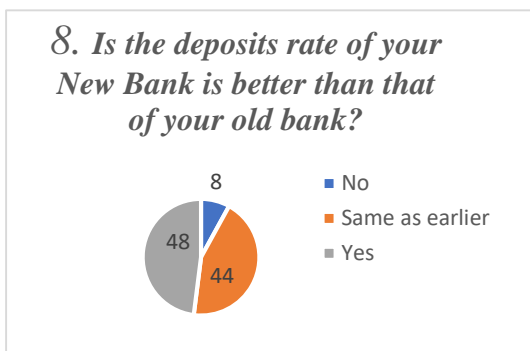
6. Prior Intimation of Bank Merger:

Banks have intimated their merger decision well prior to the merger. Almost 84% of the respondents are said that they know about their Bank merger.



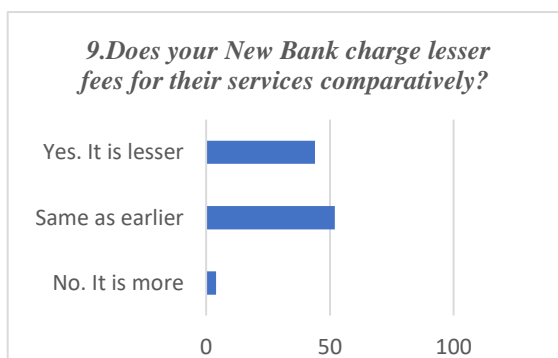
7. Lending Rate:

Banks' Income are mainly depending on the interest rate on the credits. 48% of the customers said that the new entity's interest rate is "increased", 36% said that there are no changes in the interest rate.



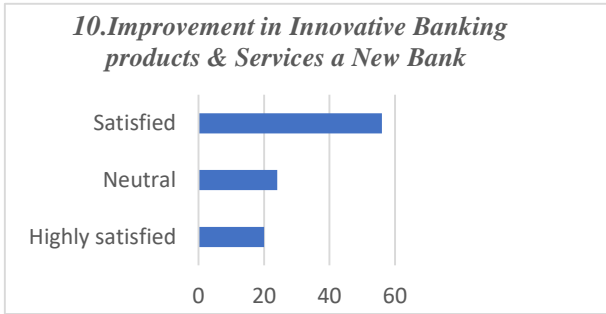
8. Deposits Rate:

Many customers told deposits rate of merged Bank is better than old Bank I.e. 48%, some Customers i.e. 44% told same as old bank and few told there is no betterment.



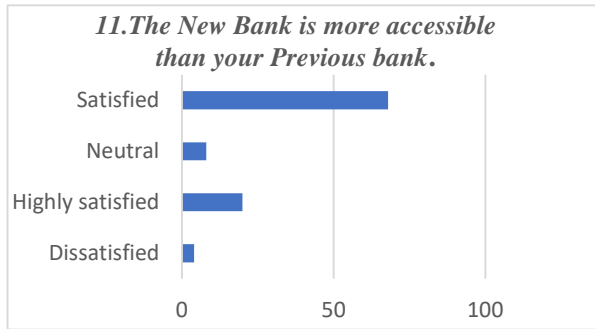
9. Service fees:

Related to service fees of merged entity, most of the customers said that same as the old Bank, around 45% told it is lesser than earlier and very few told it is more than earlier.



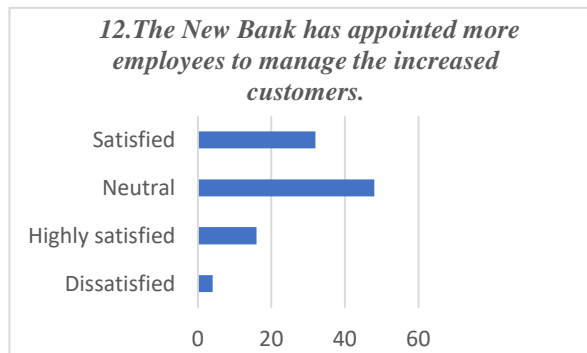
10. Innovative Banking Products & Services:

About Innovative Banking products & Services a New Bank, 56% of customers said that they are satisfied, 24 % told Neutral and 20% told they are highly satisfied.



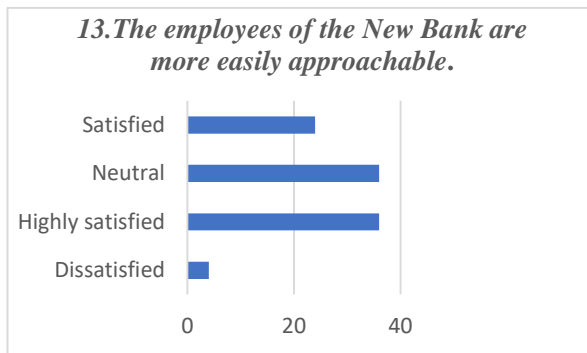
11. Accessibility:

Regarding the accessibility of new entity, maximum of the customers 68% are satisfied, 20% are highly satisfied and very few are showed their dissatisfaction.



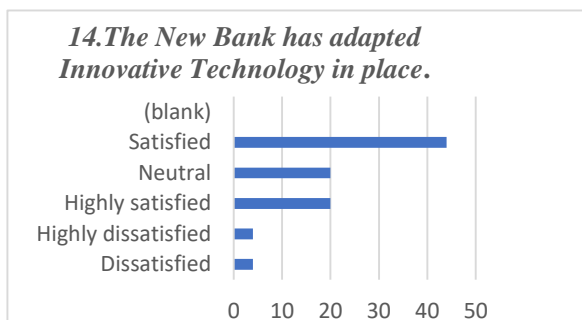
12. Increase in HR:

Merger benefited in increase in the no of employees to manage increased customer Base. 32% of the respondents showed their satisfaction, 16 % are highly satisfied, 48% are having neutral opinion and very few got dissatisfaction in that.



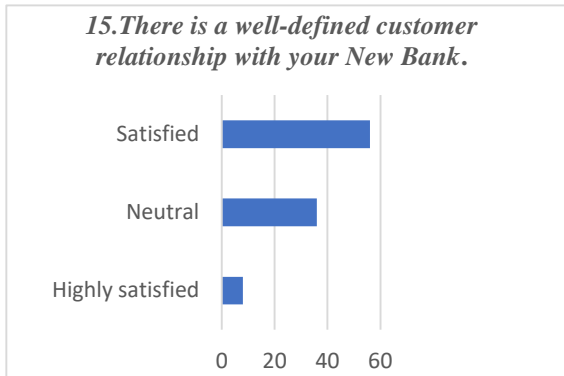
13. Employees Attitude:

Employees of the New entity should be approachable towards the customers of the acquired Bank to retain. 36% of the respondents are highly satisfied that the employees are approachable, 24% are satisfied, 36% are neutral and 4% are not having that much satisfaction.



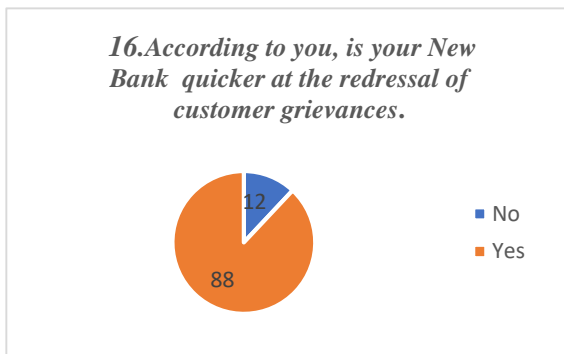
14. Innovative Technology:

New merged entity has adopted new technology has accepted by 44% of respondents with their satisfaction, 20% are highly satisfied, some of the customers showed their dissatisfaction regarding this.

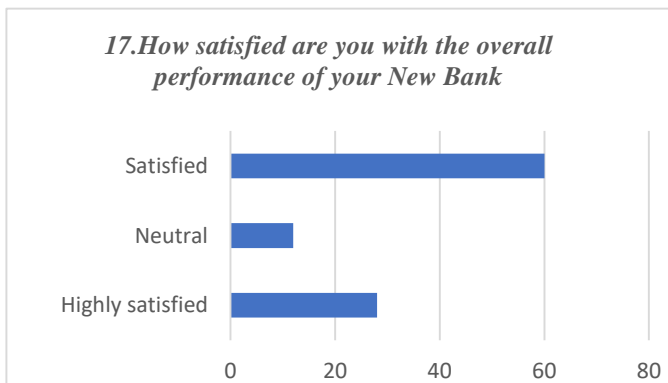


15. Customer Relationship:

Customers of acquired banks are also becoming the customers of merged entity. So, Customer Relationship policies are very much important. 56% of the respondents are satisfied about the customer relationship of new entity, 36% are neutral and 8% are highly satisfied.



16. Redressal of Customer Grievances: Now a days the main issues the Banks are solving the customer issues and customer care. New entity should be more responsible and conscious in handling customer related issues, because all the customers are the customers of merged entity. 88% of respondents are said that the redressal of customer grievances is quicker than earlier.



17. Overall Customer Satisfaction:

Overall satisfaction of customer towards the new entity is 60% are fully satisfied, 28% are highly satisfied and 12% are Neutral in this regard.

Chi-square Test:

Hypothesis:

H0: There is a no significant relationship between the gender and the Customer satisfaction with the Overall performance of your New Bank

H1: There is a significant relationship between the gender and the Customer satisfaction with the Overall performance of your New Bank

18. How satisfied are you with the overall performance of your New Bank * 2. Gender: Crosstabulation

How satisfied are you with the overall performance of your New Bank		2. Gender:		
		Female	Male	Total
Highly satisfied	Count	16	12	28
		57.1%	42.9%	100.0%
Neutral	Count	8	4	12
		66.7%	33.3%	100.0%
Satisfied	Count	36	24	60
		60.0%	40.0%	100.0%
Total	Count	60	40	100
		60.0%	40.0%	100.0%

Interpretation:

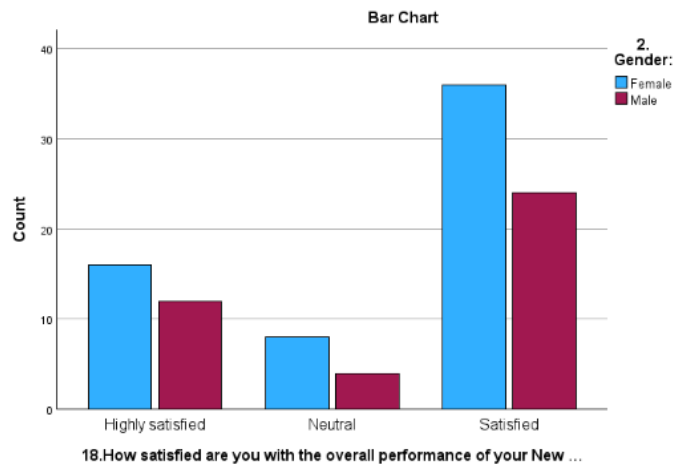
Asper Chi-square test female customers (60%) are more satisfied about the overall performance of new Bankthan male customers(40%), moreover the df is 2 and the significant level is .853 which is more than .05 i.e 5% significant level. Hence, there is no significant relationship between the gender and the satisfaction level with the overall performance of the newBank and null hypothesis should be accepted.So, the satisfaction doesnt depend on the gender.

19. Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi ²	.317 ^a	2	.853
Likelihood Ratio	.322	2	.851
N of Valid Cases	100		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.80.

20. Bar Chart:



4. FINDINGS

- Most of the respondents are “female” i.e.60% and 40% are “male”.
- Most of them are Postgraduate i.e 68% and 16% are Undergraduate
- Most of the respondents are Professors and students.
- Most of them are the customers of SBI. Next is Canara Bank and BOB.
- Most of the customers are the customers of the Banks for 10 to 20 years
- 56% of the respondents are satisfied about the customer relationship of new entity, 36% are neutral and 8% are highly satisfied.
- Over all it has been found that customers are having full satisfaction about the new merged entity related to Interest rates, Service quality, customer relationship, charges, improved Technologies, increased employees and new products and services.
- There is no significant relationship between gender and customer satisfaction with the overall performance of the new bank.

5. SUGGESTIONS

- The merged Bank should have improved customer care system with dedicated, trained staff.
- New employees of the Bank should handle the customers with at most care.

- Ensure that the Employees of the new Bank should know the language of the customer to interact easily with the customers.
- Customers waiting time should be reduced
- Special care should be given to senior citizens and rural customers.
- Technical issues should be resolved quickly.
- Simplified user-friendly transactions should be introduced.

6. CONCLUSIONS

Merger and Acquisitions are important phenomenon in the Banking Industry. It gives financial and operational benefits to the Banks which are merging. Some of the benefits are expansion, globally competitiveness, Technological improvement, Branch expansion, increased Employee and Customer Base. Along with the financial analysis customer satisfaction is also an important aspect of the Bank merger to get full success in the long run. This article has analyzed the Customer satisfaction of the merged entity in terms of lending and deposits rate, service quality, increased employee and attitude, customer redressal, service fees, etc., From the responses the results have been concluded that the customers are having full satisfaction in all the above aspects. Overall satisfaction level of the customers is 60% Satisfied and 28% highly satisfied. So, the Bank merger in the point of customers also a successful one.

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