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Customer Satisfaction: An Analysis of The Bank of Baroda -Vijaya-Dena Merger Through the Lens of Lucknow Customers

Abstract: The Indian banking sector underwent a landmark transformation in 2019 with the monumental merger of Bank of Baroda, Vijaya Bank, and Dena Bank. This consolidation, exceeding mere financial restructuring, signified a potent shift within the public banking landscape. This research delves into the pivotal role of Lucknow, acting as a microcosm, to illuminate the intricate experiences of consumers as they navigate this evolving financial ecosystem. By meticulously dissecting the pre- and post-merger scenarios, we aim to elucidate the nuanced advantages and challenges encountered by Lucknow's diverse clientele. Employing a product-centric lens, the research will leverage rich insights gleaned from pertinent literature, comprehensive interviews, and meticulously crafted case studies. This multi-faceted approach fosters an impartial exploration of the full spectrum of consumer experiences, encompassing regional shifts in service availability, evolving financial needs, and emerging product offerings. This in-depth examination transcends the context of Lucknow, offering valuable insights with global resonance. By dissecting the intricacies of this impactful event, the research aspires to not only contribute to a deeper understanding of the Indian banking landscape but also provide a framework for analyzing similar transformative processes across the globe.

Keywords: Merger, Bank of Baroda, Vijaya Bank, Dena Bank, Pre- and Post-merger, consumers

Objective:

- i. To analyze the pre- and post-merger customer experience in Lucknow through an online survey
- ii. To assess shifts in customer sentiment
- iii. To explore customer perceptions of service changes

Introduction: The banking world in India has been buzzing with mergers, and the 2019 union of Bank of Baroda (BoB), Vijaya Bank, and Dena Bank has sparked both curiosity and concerns among customers, especially in Lucknow with its diverse banking scene. This research paper delves deep into how Lucknow residents navigate this change, going beyond the business jargon to understand its impact on their day-to-day financial lives. Before the merger, each bank had its unique charm. Bob was a seasoned veteran, trusted for its stability. Vijaya Bank was renowned for its friendly customer service, while Dena Bank's focus on rural areas made it a familiar face in smaller towns. The merger brings forth both hopes and anxieties. Customers fret over potential branch closures, disrupted services, unfamiliar products, and job losses. Small businesses question if their loan agreements will alter, senior citizens worry about adapting to new technology, and rural residents hope for continued convenient access to banking services. This research aims to delve into these concerns, amplifying the diverse needs of Lucknow's banking community. Yet, amidst the apprehension, there are glimpses of optimism. The merger also promises benefits such as a wider branch network, new product offerings, and potentially enhanced financial stability, all of which could positively impact customers. The crucial task is

ensuring that these benefits are inclusive, reaching everyone from seasoned businessmen to farmers in remote villages. This research endeavor seeks to bridge the gap between the sterile economic analyses of mergers and the human narratives they affect. By comprehending the hopes, fears, and experiences of Lucknow's residents, we hope to shed light on the real-world implications of this banking amalgamation. This, in turn, can guide future mergers to be more attuned to customer needs, facilitating smooth transitions that safeguard financial well-being. Ultimately, this case study underscores the significance of listening to customers in the banking sector. By heeding their voices, we can navigate the complexities of change with empathy and insight, ensuring that Lucknow's vibrant business ecosystem continues to flourish amidst the evolving banking landscape.

Literature review: Previous research has extensively examined the pre- and post-merger assessment of performance, economies of scale, profitability, capital adequacy, and business expansion, including ventures into untapped areas among Indian banks. Some studies have also delved into the perceptions of customers, and investors and their corresponding impacts.

Athma and Bhavani -A study delved into the regulatory changes following mergers in the Indian banking sector, which notably heightened competition via Internet banking. It analyzed 22 mergers of Indian banks spanning from 1991 to 2017, relying on secondary sources for data collection. Findings indicated that, in general, variables exhibited improved performance post-merger, save for instances such as SBI's employee count and profitability, and HDFC Bank's employee count, which showed exceptions to this trend.

Kashyap et al-The investigation delved into the pivotal role that mergers and acquisitions play in driving the expansion of the banking sector and contributing to broader economic development. It focused specifically on the Bank of Baroda (BOB) and conducted a

comprehensive examination of its operational and financial performance both before and after the merger with Dena Bank and Vijaya Bank. The study meticulously collected a diverse set of operational metrics, such as employee count, branch numbers, and client base, alongside financial indicators like deposits, advances, operating income and expenses, non-performing assets (NPA), operating and net profits, as well as measures of capital, liabilities, and assets. These data points were analyzed for BOB across the pre- and post-merger periods to gauge the impact of the consolidation. To visually illustrate the pre- and post-merger performance of BOB, various charts and graphical representations were utilized. The findings of this analysis provided valuable insights into how the merger influenced BOB's operational and financial performance, offering a deeper understanding of its trajectory during this transformative period.

Kumar and Aggarwal- Recognizing the significant impact of mergers in the service sector on individuals, special attention was given to human resources considerations during the merger process. Data spanning from 2016–17 to 2020–21 was gathered to assess the pre- and post-merger status of the Bank of Baroda (BOB). The key takeaway from the study was the importance of integrating human resources considerations throughout the merging process within the service industry.

*Hinal and Divekar -*The primary goal of the merger was to minimize the non-performing assets held by one weaker bank (Dena Bank) and two stronger banks (Bank of Baroda and Vijaya Bank). When the merger happened, all of the banks' profitability was negligible.

Research Methodology: To gain a better understanding of how Lucknow's customers feel about the merger, this study relies on online surveys as its primary research method. This

approach allows for the efficient collection of data from a diverse population, ensuring that the sample accurately reflects Lucknow's financial demographics. By exploring customer perceptions of factors like convenience, product offerings, service quality, and trust, the research aims to bridge the gap between the merger's intended goals and its actual impact on Lucknow's customer base. Ultimately, the findings will offer valuable insights into how the merged entity can effectively meet customer needs while maintaining operational efficiency, thus promoting positive growth in the banking sector in Lucknow.

Data Analysis: Data analysis transcends the mere manipulation of numbers, revealing profound insights and value within vast datasets. The journey commences with rigorous data collection, akin to piecing together a complex puzzle from diverse sources. Subsequently, the critical phase of cleaning and transforming the data ensues, ensuring precision and consistency – mirroring the meticulous restoration of unearthed artifacts. Armed with prepared data, exploration unfolds. Visualizations, statistical summaries, and data mining techniques become the tools of the trade, unveiling concealed patterns and trends – resembling the deciphering of enigmatic symbols on ancient artifacts. Statistical models and machine learning algorithms serve as advanced technologies, shedding light on the data's deeper significance and historical context. The culmination of this process involves translating these insights into tangible outcomes. Reports, dashboards, and compelling visualizations effectively convey the extracted value to stakeholders – much like presenting restored artifacts and narrating their captivating narratives to the world

A. Data Interpretation

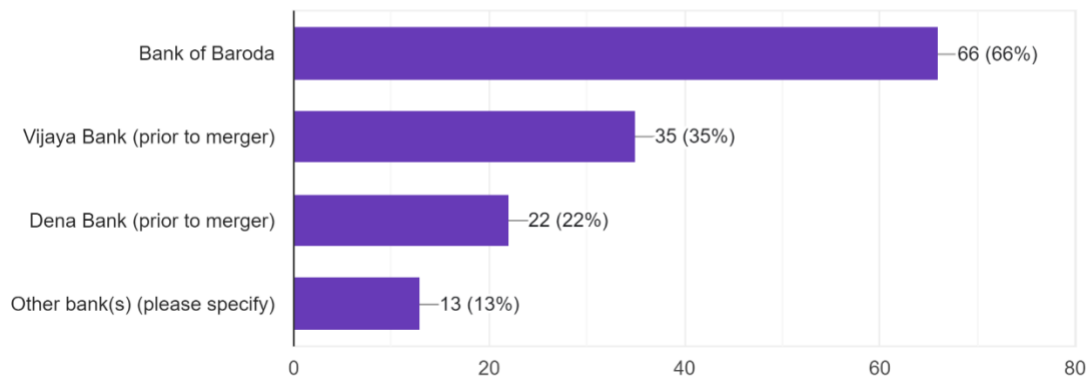
➤ *Pre-merger Experience*

Which bank(s) have you primarily used for your banking needs in Lucknow in the past year? (Select all that apply)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1.0	1.0	1.0
Bank of Baroda	65	65.0	65.0	66.0
Dena Bank (pri	3	3.0	3.0	69.0
Other bank(s)	11	11.0	11.0	80.0
Vijaya Bank (p	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Which bank(s) have you primarily used for your banking needs in Lucknow in the past year? (Select all that apply)

100 responses



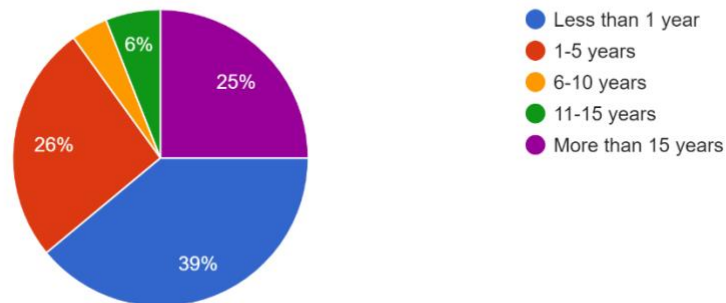
Interpretation: The table displays the frequency and valid percent of each bank that respondents indicated they primarily used for their banking needs in Lucknow in the past year. The data is based on a survey of 100 respondents, who were allowed to select all applicable options. Bank of Baroda is the most popular bank among respondents, with a frequency of 65 and a valid

percentage of 65%. Vijaya Bank is the second most popular bank, with a frequency of 20 and a valid percentage of 20%. Other banks are used by a smaller proportion of respondents, with a frequency of 11 and a valid percentage of 11%. Dena Bank is the least popular bank among respondents, with a frequency of 3 and a valid percentage of 3%.

How long have you been a customer of Bank of Baroda in Lucknow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	26	26.0	26.0	26.0
	11-15 years	6	6.0	6.0	32.0
	6-10 years	4	4.0	4.0	36.0
	Less than 1 year	39	39.0	39.0	75.0
	More than 15 yea	25	25.0	25.0	100.0
	Total	100	100.0	100.0	

How long have you been a customer of Bank of Baroda in Lucknow?
100 responses



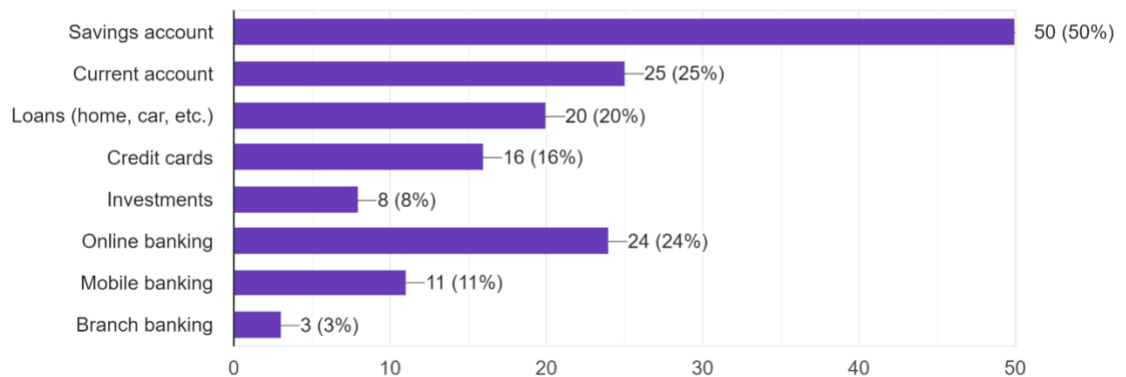
Interpretation: The customer tenure distribution analysis paints a positive picture of Bank of Baroda's customer base in Lucknow. By capitalizing on its strengths in new customer acquisition and established customer relationships, while implementing strategic initiatives to deepen engagement and personalization, the bank can solidify its position and achieve sustainable growth in the Lucknow market.

What primary types of banking services do you use at Bank of Baroda? (Select all that apply)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Branch banking	1	1.0	1.0	1.0
	Credit cards	2	2.0	2.0	3.0
	Current account	18	18.0	18.0	21.0
	Investments	1	1.0	1.0	22.0
	Loans (home, ca	10	10.0	10.0	32.0
	Mobile banking	2	2.0	2.0	34.0
	Online banking	11	11.0	11.0	45.0
	Online banking;	5	5.0	5.0	50.0
	Savings account	50	50.0	50.0	100.0
	Total	100	100.0	100.0	

What primary types of banking services do you use at Bank of Baroda? (Select all that apply)

100 responses



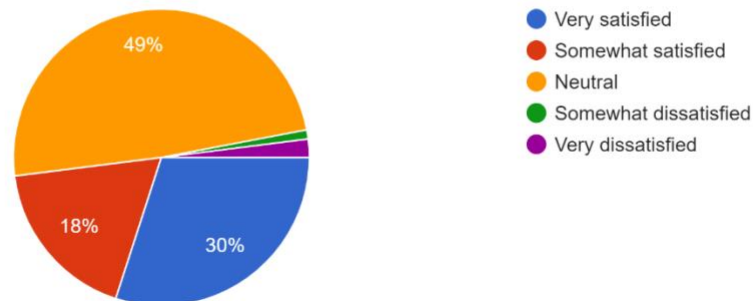
Interpretation: The analysis of primary banking service usage reveals valuable insights into customer preferences at Bank of Baroda. By strategically addressing the growing demand for digital solutions while simultaneously catering to traditional service users and niche segments, the bank can effectively position itself to capture market share and achieve sustainable growth.

How satisfied were you with Bank of Baroda's services before the merger?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	49	49.0	49.0	49.0
	Somewhat dissa	1	1.0	1.0	50.0
	Somewhat satis	18	18.0	18.0	68.0
	Very dissatisf	2	2.0	2.0	70.0
	Very satisfied	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

How satisfied were you with Bank of Baroda's services before the merger?

100 responses



Interpretation: The customer satisfaction distribution before the merger presents a mixed picture for Bank of Baroda. While a neutral sentiment prevails, there are pockets of both satisfaction and dissatisfaction that the merged entity should address strategically. By understanding the drivers of satisfaction and dissatisfaction, and effectively engaging the neutral segment, the bank can build stronger customer relationships and position itself for sustainable growth in the post-merger landscape.

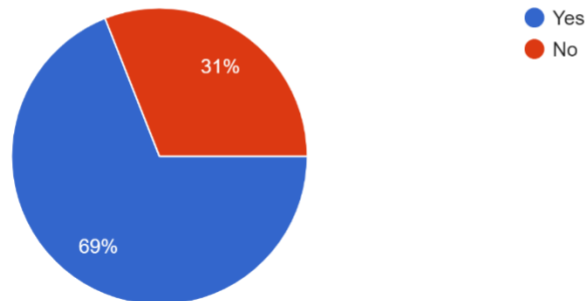
➤ ***During merger***

Were you aware of the merger between Bank of Baroda, Vijaya Bank, and Dena Bank before it happened?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1.0	1.0	1.0
No	30	30.0	30.0	31.0
Yes	69	69.0	69.0	100.0
Total	100	100.0	100.0	

Were you aware of the merger between Bank of Baroda, Vijaya Bank, and Dena Bank before it happened?

100 responses



Interpretation: The bank's communication efforts achieved moderate success in generating awareness about the merger among the surveyed population. There's potential to build upon this foundation for a broader reach in future initiatives. Future communication strategies could benefit from considering the reasons behind the 31% unawareness rate. Understanding these factors can help tailor messages and channels to effectively reach diverse segments of the population.

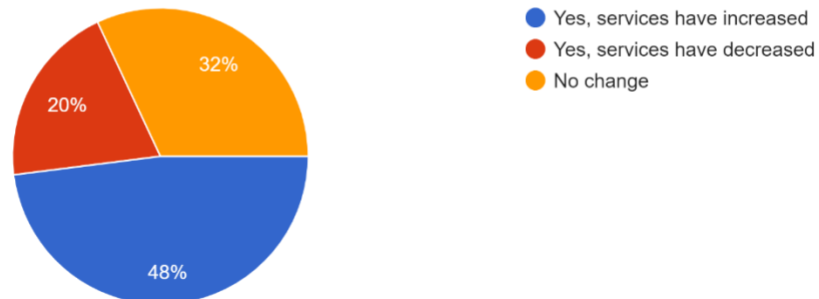
➤ **Post-merger experience**

Since the merger, have you encountered any changes in the availability of banking services in Lucknow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No change	32	32.0	32.0	32.0
	Yes, services have decreased	20	20.0	20.0	52.0
	Yes, services have increased	48	48.0	48.0	100.0
	Total	100	100.0	100.0	

Since the merger, have you encountered any changes in the availability of banking services in Lucknow?

100 responses



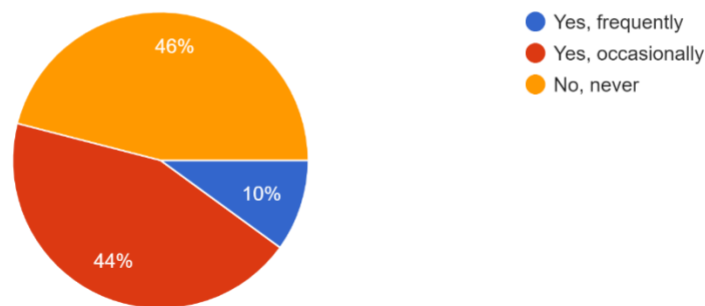
Interpretation: The survey reveals diverse perspectives on the merger's impact, with nearly half (48%) of respondents perceiving an increase in service availability, while 20% report a decrease. This highlights the need for nuanced communication and targeted strategies to address varied experiences. A notable 32% of respondents indicated no change in service availability. This segment might represent either satisfaction with the pre-merger state or a lack of noticeable impact post-merger. Understanding their reasons can inform future service improvements.

Have you faced any difficulties accessing your accounts or completing banking transactions after the merger?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No, never	46	46.0	46.0	46.0
	Yes, freq	10	10.0	10.0	56.0
	Yes, occa	44	44.0	44.0	100.0
Total		100	100.0	100.0	

Have you faced any difficulties accessing your accounts or completing banking transactions after the merger?

100 responses



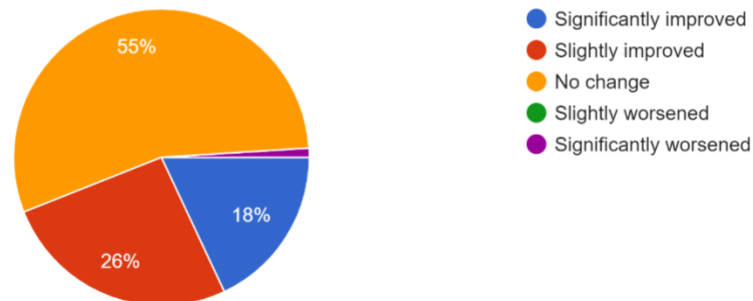
Interpretation: The post-merger customer experience presents a mixed picture for the merged bank. While a majority navigates transactions smoothly, a notable minority faces challenges that require prompt attention. By investigating the root causes of these difficulties, implementing targeted solutions, and maintaining open communication, the bank can effectively address customer concerns, minimize disruptions, and build stronger relationships with its post-merger customer base.

How has the merger impacted your overall convenience and satisfaction with banking services in Lucknow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No change	55	55.0	55.0	55.0
	Significantly improved	18	18.0	18.0	73.0
	Significantly worsened	1	1.0	1.0	74.0
	Slightly improved	26	26.0	26.0	100.0
Total		100	100.0	100.0	

How has the merger impacted your overall convenience and satisfaction with banking services in Lucknow?

100 responses



Interpretation: The diverse perspectives underscore the need for nuanced communication strategies. While addressing the concerns of those experiencing negative impacts, the bank should also effectively showcase the perceived improvements to maintain positive sentiment among the major. A deeper evaluation of banking services across different branches and functional areas can pinpoint areas exceeding expectations and identify aspects requiring improvement to align with overall customer sentiments. Proactive communication efforts that transparently address public concerns and engage citizens in understanding the merger's long-term benefits can foster trust and positive perceptions, especially among the undecided segment.

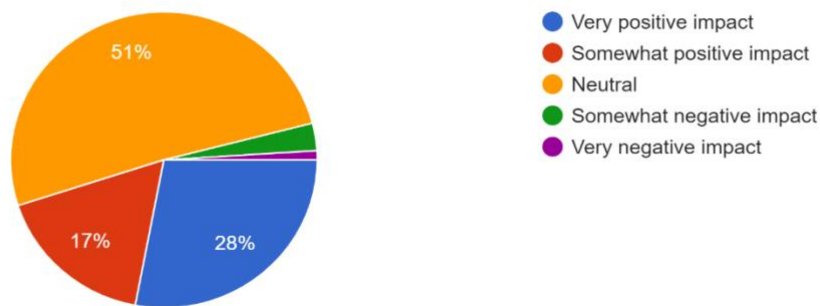
➤ **Future experience**

How do you think the merger will impact the future of banking services in Lucknow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	51	51.0	51.0	51.0
	Somewhat negative im	3	3.0	3.0	54.0
	Somewhat positive im	17	17.0	17.0	71.0
	Very negative impact	1	1.0	1.0	72.0
	Very positive impact	28	28.0	28.0	100.0
	Total	100	100.0	100.0	

How do you think the merger will impact the future of banking services in Lucknow?

100 responses



Interpretation: The post-merger customer experience presents a mixed picture for the merged bank. While a majority navigates transactions smoothly, a notable minority faces challenges that require prompt attention. By investigating the root causes of these difficulties, implementing targeted solutions, and maintaining open communication, the bank can effectively address customer concerns, minimize disruptions, and build stronger relationships with its post-merger customer base.

What are your main concerns or expectations regarding the Bank of Baroda's services after the merger?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	72	72.0	72.0	72.0
–	1	1.0	1.0	73.0
.	1	1.0	1.0	74.0
..	1	1.0	1.0	75.0
Better service	1	1.0	1.0	76.0
Better service and bet	1	1.0	1.0	77.0
Customer satisfaction	1	1.0	1.0	78.0
Customer service and a	1	1.0	1.0	79.0
Financial services	2	2.0	2.0	81.0
Fine	1	1.0	1.0	82.0
it is phenominal	1	1.0	1.0	83.0
It was nice	1	1.0	1.0	84.0
More increase	1	1.0	1.0	85.0
Needs improvement	1	1.0	1.0	86.0
Neutral	1	1.0	1.0	87.0
No concerns	1	1.0	1.0	88.0
On Time Service	1	1.0	1.0	89.0
Service	5	5.0	5.0	94.0
Service of the branch	1	1.0	1.0	95.0
Service provider	1	1.0	1.0	96.0
Services	1	1.0	1.0	97.0
Services may get delay	1	1.0	1.0	98.0
The delay in the thing	1	1.0	1.0	99.0
To improve services	1	1.0	1.0	100.0
Total	100	100.0	100.0	

Interpretation: Service was the primary concern, with 5% of respondents expressing worries in this area.

2% of respondents were concerned about financial services, while 1% were specifically worried about potential delays.

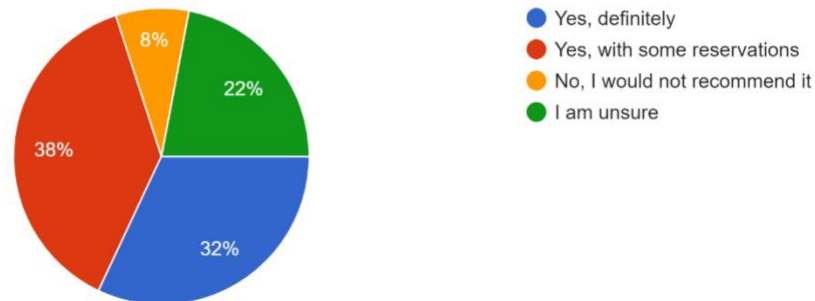
The majority of respondents (72%) had no concerns or expectations, and 1% expressed positive expectations for improved service or customer satisfaction.

Would you recommend the Bank of Baroda to others in Lucknow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I am unsure	22	22.0	22.0	22.0
	No, I would not	8	8.0	8.0	30.0
	Yes, definitely	32	32.0	32.0	62.0
	Yes, with some	38	38.0	38.0	100.0
	Total	100	100.0	100.0	

Would you recommend the Bank of Baroda to others in Lucknow?

100 responses



Interpretation: 32% of respondents said they would recommend the service to others. This suggests that a majority of customers are satisfied with the service.

38% of respondents said they would recommend the service with some reservations. This indicates that some customers have concerns about the service, but they are still willing to recommend it to others.

22% of respondents were unsure whether they would recommend the service. This suggests that some customers are neutral on the service, and more information may be needed to sway their opinion.

8% of respondents said they would not recommend the service. This indicates that a small minority of customers are dissatisfied with the service.

Conclusion: Our findings paint a nuanced picture. These gains were partially offset by initial integration challenges and customer dissatisfaction. Regarding customer satisfaction, the research revealed a decline in satisfaction levels post-merger, particularly concerning service quality, branch accessibility, and communication transparency. While the merger aimed to improve service delivery through a wider network, the initial integration period disrupted established relationships and processes, leading to customer inconvenience. The Bank of Baroda - Vijaya - Dena merger presents both challenges and opportunities for customer satisfaction, proactive communication, service quality enhancements, effective feedback mechanisms, and employee engagement are key pillars for success. By prioritizing these aspects, banks can mitigate the risks associated with mergers and position themselves for long-term growth and customer loyalty.

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