

IMPACT OF MERGER ON SYNDICATE BANK WITH CANARA BANK WITH SPECIAL REFERENCE TO SINGANALLUR BRANCH

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ABSTRACT

The merger of Syndicate Bank with Canara Bank represents a major step in the Indian banking sector's consolidation efforts, aimed at enhancing operational efficiency, expanding product offerings, and delivering improved customer service. This study explores the impact of the merger on core banking operations, the diversity and accessibility of financial products, and customer satisfaction levels. It further identifies the challenges faced by customers during the transition, including service delays, system integration issues, and communication gaps. Based on a survey of 125 customers and employees from merged bank branches, the research evaluates the merger's effectiveness in streamlining operations, enriching product portfolios, and maintaining customer trust. Findings indicate that while initial disruptions affected the customer experience, long-term benefits include greater efficiency, a wider range of services, and improved banking convenience. The study emphasizes the need for proactive customer support, robust change management, and clear communication strategies to mitigate challenges and ensure a positive post-merger experience.

Keywords Bank Merger, Customer Impact, Customer Satisfaction, Operational Efficiency, Product Offerings

INTRODUCTION

Bank mergers have become a strategic move in the Indian financial sector, aimed at creating stronger, more resilient institutions capable of delivering improved services and meeting growing customer expectations. This project titled "Impact of the Merger on Syndicate Bank with Canara Bank with Special Reference to Singanallur Branch" seeks to explore how the consolidation of these two banks has influenced operational efficiency, product offerings, and customer satisfaction at the branch level. The merger, implemented as part of a larger government initiative to streamline public sector banks, brought significant changes in terms of service processes, technological integration, and staff realignment. Particularly in a rapidly developing area like Singanallur, understanding customer responses to these changes becomes crucial. This study aims to evaluate the immediate and long-term effects of the merger on customers, focusing on service quality, access to banking products, and the challenges encountered during the transition. Through surveys and interactions with both customers and employees of the Singanallur branch, the research will provide valuable insights into the effectiveness of the merger and offer recommendations for enhancing service delivery and customer satisfaction in the post-merger environment.

STATEMENT OF THE PROBLEM

The merger on Syndicate Bank and Canara Bank has resulted in a significant restructuring of operations, with the combined entity aiming to enhance its market presence and operational efficiency. Merger could result in operational disruptions, delays in transactions, and complications in managing customer accounts, especially in the early stages of the merger. The lack of clarity regarding how the merger affects customer satisfaction and the overall banking experience at the Singanallur branch further complicates the situation. The present study aims to assess the impact of the Syndicate Bank-Canara Bank merger on consumer perception, examining factors such as service quality, customer loyalty, and the overall banking experience. This research will provide insights into the effectiveness of the merger in addressing customer needs and its implications for future strategic decisions in the banking industry.

OBJECTIVE OF THE STUDY

1. To identify the impact of operational efficiency on better service delivery by merged banks.
2. To assess customer experience by offering a wider range of products through integrated systems.
3. To examine the difficulties faced by customers of the merged banks.

RESEARCH DESIGN

The research design is the blueprint for conducting the research study, outlining how the research will be carried out to answer the research questions and meet the objectives. In this case, the research design will focus on understanding consumer satisfaction in the impact of merger of syndicate bank with Canara bank. The approach will be descriptive in nature.

REVIEW OF LITERATURE

Yadav Brijesh (2025)¹ examined the impact of mergers and acquisitions on the financial performance of selected banking companies. The study analyzed pre and post-merger financial parameters such as profitability, efficiency, and liquidity using financial ratios and statistical tools. The findings indicated that while some banks experienced improved financial performance post-merger, others showed negligible or negative changes due to integration challenges. The research concluded that the success of mergers in the banking sector depends on strategic alignment, management efficiency, and market conditions.

Patel and Mehta's (2024)² study analyze the financial performance of the State Bank of India (SBI) before and after its merger using the CAMEL Model (Capital Adequacy, Asset Quality, Management Efficiency, Earnings, and Liquidity). The research evaluates how mergers impact key financial parameters, assessing whether SBI's financial health improved post-merger. The study highlights changes in profitability, risk exposure, and operational efficiency. Using statistical methods, the authors compare pre-merger and post-merger financial metrics. The findings suggest that while SBI showed improvements in capital adequacy and asset quality, challenges remained in liquidity management. The paper also discusses regulatory implications and strategic management post-merger. The study provides insights for policymakers, banking professionals, and researchers on bank consolidations. It concludes that effective risk management and regulatory oversight are crucial for maximizing merger benefits.

Kumar, N., & Reddy, M. (2023)⁶ Profitability of SBI in the Pre and Post Merger Periods. The study examines the impact of the State Bank of India (SBI) merger on its profitability before and after the event. By analyzing financial data from both periods, the researchers assess how the merger influenced SBI's financial performance. Using financial ratio analysis, the study evaluates key indicators such as net profit margin, return on assets, and return on equity. The findings indicate that while SBI faced initial financial instability, its profitability improved over time due to operational efficiency and economies of scale. However, the merger also brought short-term financial risks and credit quality concerns. The market reaction showed a temporary decline in confidence, but stability returned as SBI adapted to the new structure. The study highlights the significance of mergers in reshaping banking performance and provides insights for policymakers and financial analysts. While the merger posed challenges in the short run, it ultimately enhanced SBI's financial stability.

LIKERT SCALE TABLE SHOWING THE DISTRIBUTION OF RESPONDENTS BASED ON SATISFACTORY LEVEL OF BANKING PRODUCTS OF MERGED BANK

S.NO	PRODUCTS	VERY POOR	POOR	NEUTRAL	GOOD	EXCELLENT	TOTAL
1.	Jewel Loan	4 (3.2%)	12 (9.6%)	31 (24.8%)	36 (28.8%)	42 (33.6%)	125 (100%)
2.	Vehicle Loan	7 (5.6%)	16 (12.8%)	32 (25.6%)	34 (27.6%)	36 (28.8%)	125 (100%)
3.	Term Deposits	17 (13.6%)	36 (28.8%)	33 (26.4%)	25 (20.0%)	14 (11.2%)	125 (100%)

4.	Fixed Deposits	37 (29.6%)	43 (34.4%)	19 (15.2%)	14 (11.2%)	12 (9.6%)	125 (100%)
5.	Certificate of Deposits	59 (47.2%)	20 (16.0%)	10 (8.0%)	16 (12.8%)	20 (16.0%)	125 (100%)

INFERENCE

The above table shows that 24.8% of the respondents rated good for jewel loan, 5.6% of the respondents rated poor for Vehicle loan, 13.6% of the respondents rated very poor for Term Deposit, 9.6% of the respondents rated excellent for Fixed deposit, 8.0% of the respondents rated neutral for Certificate of deposits.

TWO-WAY TABLE SHOWING THE RELATIONSHIP BETWEEN TYPE OF BANK ACCOUNT AND CUSTOMER SUPPORT

S.NO	TYPE OF BANK ACCOUNT	CUSTOMER SUPPORT AND ASSISTANCE				TOTAL
		IMPROVED	WORSENERD	STAYED SAME	NOT SURE	
1.	SAVINGS ACCOUNT	21 (63.63%)	12 (54.54%)	24 (61.53%)	16 (51.61%)	73
2.	CURRENT ACCOUNT	5 (15.15%)	4 (18.18%)	7 (17.94%)	7 (22.58%)	23
3.	FIXED ACCOUNT	7 (21.21%)	6 (27.27%)	8 (20.51%)	8 (25.80%)	29
TOTAL		33	22	39	31	125

INFERENCE

The total number of respondents collected are 125 and they are grouped based on type of bank account and customer support experience. From the derived data we inferred that totally 73 of the respondents are operating savings account, out of them majority (63.3%) of the respondents selected customer support and assistance has improved, followed by majority (61.53%) of the respondents selected the customer support and assistance stayed same, 54.54% of the respondents selected worsened and 51.61% of the respondents selected not sure about the customer support and assistance of the merged banks.

Out of total respondents 23 respondents are operating current account of which 22.58% of the respondents selected not sure of customer service and assistance of the bank, followed by 18.18% of the respondents selected customer support and assistance has worsened, 17.94% of the respondents selected the customer support and assistance stayed same and 15.15% of the respondents selected the customer support and assistance has improved.

Out of the total respondents 29 respondents are operating fixed account of which 27.27% of the respondents selected customer support and assistance has worsened, followed by 25.80% of the respondents selected not sure about the customer support and assistance provided by the bank, 21.21% of them selected customer support and assistance has improved and 20.51% of them selected the customer support and assistance of the merged bank stayed same.

PERCENTILE POSITION AND GARRETT VALUE

S. No	$100(R_{ij}-0.5)/N_j$	Calculated value	Garrett value
1	$100(1-0.5)/5$	10	75
2	$100(2-0.5)/5$	30	60
3	$100(3-0.5)/5$	50	50
4	$100(4-0.5)/5$	70	40
5	$100(5-0.5)/5$	90	25

GARRETT RANKING TABLE BASED ON THE PRODUCTS AND SERVICES

S.NO	PRODUCTS AND SERVICES	1	2	3	4	5	TOTAL	RANK
1	Quality of digital banking	2775	1275	2475	1350	1500	9375	1
2	Bank security features	1260	1860	1920	1020	1440	7500	2
3	Fees & charge for service	750	2150	1100	1500	750	6250	3
4	In-branch communication & staff guidance	1240	1040	440	1080	1200	5000	4
5	Wide branch & ATM network	575	250	700	750	850	3125	5

INFERENCE

The above table shows that garret table score value and ranking. Firstly, the garret rank is calculated by using appropriate garret ranking formula. Then based on the garret ranks the garret table value is ascertained. The garret value given in which are multiplied to record garret score in table.

Finally, by adding each row the total Garrett score is obtained. Then the garret score is ranked according to their values.

The first rank is given to “Quality of digital banking”

The second rank is given to “Bank security features”

The third rank is given to “Fees & charge for service”

The fourth rank is given to “In-branch communication & staff guidance”

The fifth rank is given to “Wide branch & ATM network”

SUGGESTION

- In a developing country like India, still many people are not aware of bank merger. this can be made familiar among the people.
- Improvements can be made in the behaviour of the employees towards customers
- After merger many people have faced changes in interest rates and services provided by the bank, so the bank should provide valuable suggestions for the people who are not aware.
- Grievance Redressal Mechanism should be improved in the banks so that the customers can easily reach out the banks for their own assistance.

CONCLUSION

Through digitalisation and proper implementation of policies by the management the process of merger undoubtedly had been implemented successfully with minimum glitches and grievances. Since it will become one big merged bank, it will have only a management system rather than having different management set-up over the associate banks. Because of single management, efficiency and effectiveness of the business process will be increase Single circular will be issued for all the merged banks for operational and management supervision.

Even though some customer is of the opinion that merger cannot be predicted as of now since it is a long run process experts and customers are of the opinion that it will reflect a positive trend in the Indian economy in the long run. Through we can be take the merger of Allahabad bank with Indian Bank as one of the major reforms in the Indian banking sector which will elevate the Indian banking industry to an international level.

