A COMPARITIVE STUDY ON CUSTOMERS SATISFACTION TOWARDS SBI AND ICICI BANK

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ABSTRACT

Since more private players have joined the race, it is becoming more and more difficult For both private and public sector banks to satisfy and retain customers. The focus is slowly shifting towards personalized services for customers, and they are expecting more than just basic banking facilities and services. The study is an attempt to understand how customer satisfaction and service quality are affecting the performance of a bank.

Even though the private sector banks are lacking in branch network and market coverage, They have competitive strengths in automation and technology, product innovation, risk Management, speedy decision making, personalized service, progressive Human Resource Management policies and expertise in niche segments and so on. This motivates us to do the research on the financial performance of State Bank of India and ICICI Bank.

The title of the research is A Comparative study of customers satisfaction towards SBI and ICICI' preferences of Tiruppur District". This indicates how far the customers of SBI and ICICI are satisfied with the services provided by their bank. To analyse this in the Research primary data is collected through questionnaires. The questionnaires are filled up by the customers of SBI and ICICI Bank. The collected data has been analysed to Know that which banks' customers are more satisfied.

CHAPTER 1

1.1 INTRODUCTION

The banking industry is passing through a challenging phase. The demonetization policy introduced by the government has affected the banking industry to a great extent. This industry plays a significant role in the economic development of a country, but it is facing huge challenges due to increased competition, technological developments, changing customers' needs and policies of the government. In this competitive and fast-changing era, it has become imperative for a bank to satisfy the needs of the customers. They need to keep a close eye on the satisfaction level of customers. Satisfying customers is the key to retaining them for a longer period. Banks need to frame policies and strategies for satisfying and retaining customers. The cost of making new customers is higher than the cost of retaining customers. The banks are spending a lot of time and energy to frame polices about customer satisfaction. The study has been conducted to compare the satisfaction level of customers of SBI (Public Sector Bank) and ICICI (Private Sector Bank). The study will provide information about the differences in satisfaction level of customers of both banks and banking sectors and will be helpful for framing new policies relating to the customers. The study has been conducted on SBI and ICICI bank in Tirupur. Indian banking industry is developing rapidly. Indian government has played a significant role in the development of banking industry. The industry has undergone enormous changes after liberalization. Many new private sector banks were established, and they augmented the competition in the banking industry. At the same time new foreign banks entered the industry with new technologies posing a great challenge for the banking industry. Technological advancements have totally changed banking operations. Now all the banks operate through computers. The banking operations are not limited to branch banking, but they also operate through ATM, Mobile Banking, and Internet Banking. ECS debit, ECS credit, stop payment and RTGS have made banking easy.

Customer care services are a big support for the customers; these services are available 24×7 for the customers. The customers can enquire anytime and get information sitting anywhere from the concerned bank. All banks are offering similar types of products and services, which has further increased the competition and made it difficult for the banks to attract new customers. The banks have to provide similar types of services differently to satisfy the existing customers and attract new customers. A satisfied customer remains with the bank for a longer period and gives positive feedback about the bank. The dissatisfied customer gives negative feedback about the bank and harms the goodwill of the bank. Hence it becomes imperative for the banks to keep a close eye on the satisfaction level of customers.

1.2 STATEMENT OF PROBLEM

Since more private players have joined the race, it is becoming more and more difficult For both private and public sector banks to satisfy and retain customers. The focus is Slowly shifting towards personalized services for customers, and they are expecting more Than just basic banking facilities and services. The study is an attempt to understand how Customer satisfaction and service quality are affecting the performance of a bank.

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1.3 OBJECTIVE OF THE STUDY

☐ To compare the satisfaction level of customers of SBI and ICICI Bank.

☐ To find out customer relationships with banks.

☐ To know how far customers are aware about various services provided by banks.

☐ To find customer satisfaction about various services and processes in transactions.

☐ To ascertain and compare overall satisfaction of customers regarding both bank services.

☐ To offer suitable suggestions based on the findings.

1.4 RESEARCH METHODOLOGY

The study has been conducted among the customers those who are belong to the Tiruppur District of TamilNadu, India. The study is descriptive in nature. The most important thing has to understand is that research methodology is system to solve the related problem. In this study convenience sampling method has been used to determine the sample both Primary and secondary data has been used here, problem can be identified from the various Literature reviews and previous knowledge.

1.5 LIMITATION OF THE STUDY

☐ The geographical scope of the study is limited to Tiruppur city.

☐The sample is confirmed to be 150.

☐ The customer's attitude may change in future.

☐ At most care taken by the research to choose the correct information from the Respondents.

☐ The study is based upon the primary data, so a lot of wrong information given by the   respondents may mislead the findings.

☐ A customer's past experience may also affect his present preference.

1.6 CHAPTER SCHEME

CHAPTER 1: Deals with introduction of the study.

CHAPTER 2: Deals with review of literature.

CHAPTER 3: Deals with analysis and interpretation.

CHAPTER 4: Deals with findings, suggestions, and conclusion.

CHAPTER 2

REVIEW OF LITERATURE

Rao, A. Sajeevan (2020) conducted a study on determinants of bank selection in Delhi. This study examines the factors influencing the choice criteria in respect of selecting a Bank. Study shows that customization is a significant choice criterion which includes Speed in services, convenient display of counters, and continuous flow of information and Rate of interest. Other factors which have also increased in importance are the reliability, Brand name, and economic factors, such as interest rate paid and fees and charges levied. Locational factors, such as choosing a bank close to home or workplace, other services Provided, and convenience are also significant in importance in motivating the choice of a Bank.

Navin Kumar Mishra and Vijay Kumar Pandey (2019) in their paper "customer satisfaction –A comparison of public and private sector banks of 43 India in which research is done to compare public and private sector banks of India by evaluating their customer satisfaction. This research is mainly based on primary data which has been collected through a well-structured questionnaire (adapted from three Different studies). The questionnaire has been distributed to 350 different respondents On different chosen locations. This paper makes a useful contribution as there are very Low number of studies has been conducted in India on such areas like price, Technology, reliability, customer service, location, and infrastructure. Their finding Says that most people prefer to deal with public sector banks due to safety and Reliability factors.

Debapratim Purkayastha and Syed Abdul Samad (2018) in „changing face of state Bank of India"- strategic priorities in maintaining market leadership has done a Comparative study on financial strength of top 10 bank in India as well he focused on Growth of SBI time by time and under the leadership of Shri O.P. Bhatt the growth of The bank. He has also compared profit and loss account of SBI from 2007 to 2011. It Shows the reforms that came after 1991. Researchers find that due to thought Competition with other public and private banks, SBI time by time trying hard to Improve their CRM (customer relationship management) practices.

CHAPTER 3

ANALYSIS AND INTERPRETATION

In this chapter, the analysis and interpretation of the "Comparative study on customers Satisfaction towards SBI and ICICI bank based on the sample size of 150 respondents is Presented.

This chapter contains four different analysis namely.

4.1.Simple percentage analysis

4.2.Rank analysis

4.3.Chi-Square analysis

4.1 SIMPLE PERCENTAGE ANALYSIS

Simple percentage analysis is one of the basic statistical tools which is widely used in th e analysis and interpretation of primary data. It deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study. The simple percentage can be calculated by using the formulae,

FORMULA-

$$\frac{\text{Number of respondents}}{\text{Total number of respondents}} \times 100$$

CITY

S.No	City	No.of.respondents	Percentage
1.	Tiruppur	142	94.7
2.	Coimbatore	5	3.4
3.	Karaikudi	1	0.7
4.	Pondicherry	1	0.7
5.	Karur	1	0.7
		150	100

SOURCE: PRIMARY DATA

INTERPRETATION

The above table shows that out of 150 respondents taken for the study,94.7% are from Tiruppur and 3.4% respondents are from Coimbatore,0.7% are from Karaikudi,0.7 are from Pondicherry,0.7 are from Karur.

The majority (94.7%) of the respondents are from Tiruppur city.

4.2. RANKING ANALYSIS

Analysis of ranks involves two steps. First, observations are assigned rank scores, Usually from smallest to largest (the largest values given the largest ranks). Then, test statistics are calculated using rank scores.

BANKLOAN SERVICES

Services	1(4)	2(3)	3(2)	4(1)	Total	Rank
Documentation	13 52	15 45	23 46	99 99	150 242	IV
Hassle free process	7 28	23 69	43 85	77 77	150 260	II
Time taken for sanction of loan	10 40	22 66	32 64	86 86	150 256	III
Interest	11 44	25 75	32 64	32 64	86 82	I

SOURCE: PRIMARY DATA

INTERPRETATION:

From the above table , in the ranking analysis it is found that Documentation Ranks IV, Hassle free process Ranks II, Time taken for sanction ranks III and Interest rate Ranks I.

Most of the respondents selected interest rate and it ranked Ist.

4.3 CHI-SQUARE ANALYSIS

A statistical test is used to determine the probability of obtaining the observed by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi – square is a statistical test based on frequency of occurrence, it is applicable both to Qualitative and quantitative variables. Among its many uses, the most common are tests of Hypothesized probabilities or probability

distributions, statistical hypothesis test is which the test Statistic has a chi- square distribution if the null hypothesis is true.

RELATIONSHIP BETWEEN THE EDUCATIONAL QUALIFICATION OF THE RESPONDENTS AND THEIR OVERALL SATISFACTION

	OVERALL SATISFACTION				
Qualification	Highly satisfied	Satisfied	Neutral	Dissatisfied	Total
Graduate	12	31	20	4	67
Postgraduate	16	32	11	2	61
Others	2	8	12	0	22
Grand total	30	71	42	6	150

To find out the association between educational qualification and overall satisfaction of the chi square test is used, and the result is given below.

HYPOTHESIS

There is no significant between qualification and overall satisfaction of the respondents.

CHI SQUARE ANALYSIS

Factor	Calculated value	Df	Table value	Remarks
Qualification	12.741	6	12.592	Rejected

SOURCE : PRIMARY DATA

INTERPRETATION:

The calculated value of chi square is less than the table value. Hence the hypothesis is rejected stating that there is significant relationship between the educational qualification of the respondents and the overall Satisfaction.

CHAPTER 4

FINDINGS,SUGGESTIONS AND CONCLUSION

FINDINGS:

The majority (94.7%) of the respondents are from Tiruppur city.

SUGGESTIONS :

With digital banking, back-office cloud and analytics can provide customers with a customized user experience with everything from a customized user Interface to customized support, fees, and services.

CONCLUSION:

The banking sector in India has been an ever-evolving time to time, measures have been introduced to evolve new dimensions of the banking sector. It has been right from the year 1969 when the first reforms were introduced with the nationalization of the 14 Indian banks. Even the introduction of the new economic policy of 1991 has also affected the Indian banking system. India is witnessing robust growth in both public and private sector banking. In urban areas where penetration of banking is much better than rural areas, customer

service has become an important marketing tool to attract and retain new customers. This study derives various conclusions from the research with respect to gap between customers perception & expectation of both ICICI & SBI. It has been proved in the study that SBI provides better customer service in comparison to ICICI Bank. There is urgent need to improve all; the dimension with special attention should be given to Reliability & Responsiveness part. It is no denying fact that ICICI Bank is topmost private sector bank of India, however if the top management doesn't think about improving service quality on immediate basis in comparison to private sector banks that time will not be far enough when SBI loses substantial market share to Private sector banks like ICICI. ICICI is doing well on the tangibility and empathy dimension, whereas SBI performing well on reliability, responsiveness, and assurance dimensions . Mainly SBI is doing well on insisting on error free record, employees telling customers exactly what service will be performed and employees are never too busy to respond to customers. Whereas ICICI is performing well on giving customers individual customers and employees always being willing to help customers.

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    www.sbi.co.in

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