A COMPARATIVE STUDY ON CUSTOMRER SATISFACTION TOWARDS SERVICES PROVIDED BY PUBLIC AND PRIVATE SECTOR BANKS

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ABSTRACT

In the recent years, the banking sector has been undergoing rapid changes which are reflecting in banking reforms. Telecommunication and Information technology are the most significant areas which have changed rapidly. It has accelerated the broadcasting of financial information as a result of which lowering there is a reduction in the costs of many financial activities. In the last few years banking sector has introduced new products: credit cards, ATM, tele-banking, mobile banking electronic fund transfer (EFT), internet banking, cashless payment systems, green channels and mobile wallets. These new products increase the efficiency of banks by reducing transactions cost. This article discussing about satisfaction of customer availing the services of Banks
Key words: ATM, Electronic fund Transfer, Bank services

1. Introduction

Banking is a key industry in the service sector and it will not be an exaggeration to call it the financial nerve centre of the economy. The Indian banking system has the largest branch network spread over the area. In the era of cut throat competition, the survival of any bank depends upon the satisfied customers. Customer satisfaction is the state of mind that customers have about a bank when their expectations have been met or exceeded over lifetime of the service. Clearly defining and understanding, customer satisfaction can help any bank to identify opportunities for services innovation and serve as the basis for performance appraisal and reward system. In order to retain customers banks have to provide better quality services. A study of services provided by ICICI bank and State Bank of India is carried out and customers' perception is compared. It is appropriate to study the customers' perception towards the services since banks have offered more services. Hence, the present study was formulated with specific objectives to appraise and compare the customers' perception scenario in the Public Sector Banks and Private Sector Banks.

2. Scope of Study

The scope of the Banking services is vast and ever expanding. This present work attempts to study the customer's perception towards the services.

The study is being carried out with a special reference to Public Sector Banks and Private Sector Banks. It does not cover the Foreign Banks.

3. Objectives of the Study

The main objectives of the present study are

1. To study the customer demographic factors.

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2. To determine the factors influencing the usage of services.

3. To compare the satisfaction of customers towards services.

4. Methodology

Primary Data

The primary data has been collected from 200 respondents.

Secondary Data

The secondary data have been collected from books, journals, browsing through the internet and so on.

Collection of Data

The primary data have been collected by interview schedule from the customers. The interview schedule has been pre-tested with randomly selected people before the actual collection of data.

Sampling Design

Of the different banks operating in the study area, only the State Bank of India (SBI) and Investment Credit and ICICI were selected purposely for the present study since SBI happens to be the biggest commercial bank in the country and the ICICI is the leading private sector bank in the study area. Moreover, these two banks are found to be having more branches covering almost all places of the study area. All the branches of these two banks were selected using Census method.

From these bank branches, the researcher had selected 200 sample customers, 100 customers from each bank by adopting judgement sampling method for the study in order to ascertain the attitude of customers towards services.

Plan of Analysis

To analyse and interpret the collected data, the researcher has been used the tools like Percentages, Chi- Square Test and Garrett Ranking

Hypothesis

The hypothesis framed for this study is as follows.

There is no significant relationship between income of the respondents and the impact of advertisement on selection of services.

Limitations

Due to paucity of time, the researchers cover only selected Banks only

5. Age-wise Classification of the Respondents

The researcher has classified the respondents on the basis of age. The Age wise classification of respondents is displayed in Table 1

Table 1 - Age-wise Classification of the Respondents

S.No.	Age (in years)	SBI		ICICI	
		No. of Respondents	Percentage of Total	No. of Respondents	Percentage of Total
1	Below 18	11	11.00	14	14.00
2.	18 to 30	28	28.00	26	26.00
3.	31 to 50	56	56.00	52	52.00
4.	51 and	05	05.00	08	08.00

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	above				
	Total	**100**	**100.00**	**100**	**100.00**

Source: Primary data

The above table shows that in case of SBI, out 100 respondents, 56 respondents are under 31 to 50 age group, 28 respondents are belong to 18 to 30 age group, 11 of them are below 18 years and 05 are 51 and above years of age.

It also reveals that in case of ICICI, majority (52%) of the respondents are under 31 to 50 years of age, 26% of them are under 18 to 30 years of age, 14 respondents are below 18 years of age and few of them (8%) are 51 and above years of age.

6. Gender of the Respondents

Gender plays a vital role in determining the factors of using services. The table 2 furnishes the gender wise classification of the respondents.

Table 2 - Gender-Wise Classification of the Respondents

S.No.	Gender	SBI		ICICI	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1	Male	90	90	93	93
2	Female	10	10	7	7
Total		**100**	**100**	100	100

 Source: Primary Data

It has been revealed from the above table 1that in case of SBI, 90% of the respondents are male and remaining is female. In case of ICICI, out of 100 respondents, 93 are male and 7 are female.

7. Occupation Details of the Respondents

The survey brings to light the details regarding the occupation of the respondents. The table 3 exhibits a pointer to this fact.

Table 3 - Occupation Details

S.No.	Occupation	SBI		ICICI	
		No. of Respondents	Percentage of Total	No. of Respondents	Percentage of Total
1	Salaried	50	50	45	45
2	Professionals	10	10	13	13
3	Firms	40	40	42	42
Total		**100**	**100**	**100**	**100**

 Source: Primary Data

It has been inferred from the above table that in case of SBI, out of 100, 50 of the respondents are salaried people, 40 respondents are doing business and 10 respondents are professionals. In case of ICICI, the majority (45%) of the respondents are salaried. The study also discloses that 42 respondents constituting 42% of them are Firms and 13 of them are Professionals.

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8. Educational Qualification

Education is a vital factor which influences the satisfaction of the respondents. Independent identity of respondents is proved only through education. Qualification of respondents and their level of satisfaction are shown in Table 4.

Table 4 - Occupation Details

S.No.	Education Qualification	SBI		ICICI	
		No. of Respondents	Percentage of Total	No. of Respondents	Percentage
1	Higher Secondary	24	24	23	23
2	UG	64	64	60	60
3	PG	12	12	17	17
Total		100	100	100	100

Source: Primary Data

It is clearly seen from the above table that in case of SBI, 64% of the respondents were educated up to Under- graduate level followed by Higher Secondary (24%) and 12% of the respondents were Post-graduate. In case of ICICI, majority of the respondents (60%) were up to Under-graduate followed by Higher Secondary (23%) and few of them (17%) were Post-graduate.

9. Income-wise Classification

Money is an important source to make use of any things. Generally rich people are availing more than one service than that of low income people. So the researcher has classified the various informants according to their level of income. The following Table 5 bears out an evidence of the data

Table 5 - Monthly Income

S.No.	Level of Income	SBI		ICICI	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1	Less Than Rs. 10,000	40	40	43	43
2	Rs. 10,000 to 15,000	35	35	38	38
3	Above Rs. 15,000	25	25	19	19
Total		**100**	**100**	**100**	**100**

Source: Primary Data

Table 5 shows that out of 100 respondents in case of SBI, 40% are earning less than Rs. 10,000 per month, followed by 35% of respondents who earn Rs. 10,000 to Rs. 15,000 per month and remaining 25% of the respondents earn Rs. 15,000 and above per month. It also

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depicts that in case of ICICI, out of 100 respondents, 43% are earning less than Rs. 10,000 per month, followed by 38% of respondents who earn Rs. 10,000 to Rs. 15,000 per month and remaining 19% of the respondents earn Rs. 15,000 and above per month.

Income-wise Classification State Bank of India

Table 6 shows the Income-Wise classification of the SBI respondents and the impact of advertisement on selection of services.

Table 6-Income of the Respondents and the Impact of advertisement on Selection of Services

S. No.	Income (in Rs.)	Number of Respondents Motivated by Advertisement	Not Motivated Advertisement	Total
1	Less than Rs. 10,000	30	10	40
2	Rs. 10,000 - 15,000	20	15	35
3	Above Rs. 15,000	15	10	25
Total		**65**	**35**	**100**

Source: Primary data

In order to test the null hypothesis, "There does not exist relationship between the income of the SBI respondents and the impact of advertisement on selection of services", Chi-Square value was computed with the help of SPSS software. The result is shown in Table 7.

Table 7 -Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	2.983[a]	2	0.225
Likelihood Ratio	3.048	2	0.218
Linear-by-Linear Association	1.911	1	0.167
N of Valid Cases	100		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.75.

The p-value (0.225) is less than the chi square value (2.983), the null hypothesis is rejected. Hence, it could be concluded that there exists a relationship between the income of the SBI respondents and the impact of advertisement of selection of service.

ICICI Bank

Income-Wise classification of the ICICI respondents and the impact of advertisement on selection of services are shown in the Table 8

Table 8 - Income of the Respondents and the Impact of advertisement on Selection of Services

.No.	Income (in Rs.)	Number of Respondents		Total
		Motivated by Advertisement	Not Motivated Advertisement	

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1	Less than Rs. 10,000	26	17	43
2	Rs. 10,000 - 15,000	24	14	38
3	Above Rs. 15,000	12	7	19
Total		**62**	**38**	**100**

Source: Primary Data

In order to test the null hypothesis, "There is no significant relationship between the income of the ICICI respondents and the impact of advertisement on selection of services", Chi-Square value was computed with the help of SPSS software. The result is exhibited in Table

Table 9 - Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	.075[a]	2	0.963
Likelihood Ratio	0.075	2	0.963
Linear-by-Linear Association	0.058	1	0.81
N of Valid Cases	100		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.22.

The p value (0.963) is greater than chi square value (0.075), the null hypothesis is accepted. Therefore, in case of ICICI, there is no significant relationship between the income of the respondents and the impact of advertisement on selection of services.

10. Type of Account of the Customers

The researcher has analyzed the type of account of the customers. The data regarding account details of the respondents is highlighted in Table 10

Table 10 -Type of Account of the Customers

S.No.	Type of Account	SBI		ICICI	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1	Current Account	60	60	64	64
2	Savings Bank Account	40	40	36	36
Total		**100**	**100**	**100**	**100**

Source: Primary data

It is lucid from the above table 10 that in case of SBI, 60 respondents are having current account and 40 respondents are having Savings Bank account. While in case of ICICI, 64 respondents are having current account and 36 respondents are having Savings Bank account

11. Period of operating the Bank Account

The researcher has also found out the period of operating the bank account for using the services. Table 11 shows the Period of using the services

Table 11 - Period of using the Services

S.No.	Period	SBI	ICICI

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		No. of Respondents	Percentage	No. of Respondents	Percentage
1	6 Months to 2 years	5	5	8	8
	2 years to 5 years	65	65	60	60
3	More than 5 years	30	30	32	32
	Total	100	100	100	100

Source: Primary data.

It is inferred from the above table 11 that in case of SBI, out of 100 respondents, 65 respondents have 2 years to 5 years period followed by 30 respondents have more than 5 years and remaining 5 respondents have 6 months to 2 years period of using service.

It is also revealed from the above table 11 that in case of ICICI, majority of the respondents (60%) have 2 years to 5 years period followed by 32% of the respondents have more than 5 years whereas remaining 8% of the respondents have 6 months to 2 years period of using service.

12. Source of Information about Services

Source of Information is a vital factor to know the details about the services. The researcher has further analyzed the sources of information to know the services. i.e., Bankers' advice, journals and friends and relatives. Table 12 shows the source of information about the services.

Table 12 - Source of information about the Services

S.No.	Source	SBI		ICICI	
		No. of Respondents	Percentage of Total	No. of Respondents	Percentage of Total
1	Banker	55	55	65	65
2	Journals	10	10	5	5
3	Friends & relatives	35	35	30	30
Total		100	100	100	100

Source : Primary data.

It has been found from the above table that out of 100 respondents, 55% of the respondents and 65% of the respondents are directly persuaded to buy the product by the SBI and ICICI Bankers respectively. The direct approach is handled successfully till now.   Another 35% of the respondents and 30% of the respondents have known about the service from friends and relatives in case of SBI and ICICI respectively. The remaining 10% of the respondents and 5% of the respondents have known about the services through journals only for SBI and ICICI respectively

13.Reasons for Using the Public Sector Banks' Services

The customers are choosing the services for different reasons. The researcher has identified some reasons like Attitude of employees, ATM facility, Internet Banking, Customer Car and Information about new services. Moreover, to identify the reason which is the most vital one to the researcher has used Garret's Ranking Test. It is calculated as percentage score and the scale value is obtained by employing Scale Conversion Table given by Henry Garrett. The

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Percentage Score is calculated as

$$\text{Percentage Score} = \frac{100\,(R_{ij} - 0.50)}{N_{ij}}$$

The percentage score for each rank from 1 to 5 are calculated. The percentage score thus obtained for all the five ranks are converted into scale values using Scale Conversion Table given by Henry Garrett. The scale values for first rank to fifth rank are 75, 60, 50, 40 and 25 respectively. The score value (fx) is calculated for each factor by multiplying the number of respondents (f) with respective scale values (x). The total scores are found by adding the score values (fx) of each rank for every factor. The mean score is then calculated to know the order of preference given by the respondents for the factors. Based on the mean score, the overall ranks are assigned for each. The ranking analysis of the reasons for using the services through Garrett's Ranking Technique is shown in Table 13 for SBI and Table 20 for ICICI.

Table 13 - Reasons for using the Services – SBI

Particulars		I 75	II 60	III 50	IV 40	V 25	Total	Garrets Score	Mean Score	Rank
Attitude of employees	f	25	30	15	15	15	100	5400	54	2
	fx	1875	1800	750	600	375				
ATM facility	f	40	25	20	10	5	100	6025	60.25	1
	fx	3000	1500	1000	400	125				
Internet Banking	f	15	20	35	20	10	100	5125	51.25	3
	fx	1125	1200	1750	800	250				
Customer Care	f	10	15	10	35	30	100	4300	43	4
	fx	750	900	500	1400	750				
Information about new services	f	10	10	20	20	40	100	4150	41.5	5
	fx	750	600	1000	800	1000				
Total		100	100	100	100	100				

f = No. of respondents; x = scale value; fx = score

It is clear from the above table that the respondents are giving more importance to the ATM facility (60.25) followed by Attitude of employees (54.00), Internet Banking (51.25), Customer Care (43.00) and the least importance to Information about new services. (41.50).

Table 14 - Reasons for using the Services – ICICI

Particulars		I 75	II 60	III 50	IV 40	V 25	Total	Garrets Score	Mean Score	Rank
Attitude of employees	f	28	32	17	16	7	100	5685	56.9	2
	fx	2100	1920	850	640	175				
ATM facility	f	42	22	22	10	4	100	6070	60.7	1
	fx	3150	1320	1100	400	100				
Internet Banking	f	15	20	32	21	12	100	5065	50.7	3
	fx	1125	1200	1600	840	300				
Customer Care	F	7	12	12	37	32	100	4125	41.3	4
	fx	525	720	600	1480	800				
Information	F	8	14	17	16	45	100	4055	40.6	5

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about new services	fx	600	840	850	640	1125				
Total		**100**	**100**	**100**	**100**	**100**				

f = No. of respondents; x = scale value; fx = score

Table 14 shows the Garret Scores and Mean Scores. In case of ICICI, the average scores are ranked according to their values. The first rank given to "ATM facility", "Attitude of employees" got the second rank, "Internet Banking" places the third rank, the fourth rank is given to "Customer Care" and the last rank is given to "Information about new services.

14. Suggestions of the Study

The following suggestions are offered to improve the services by Banks

• Both Public Sector & Private Sector Banks shall motivate all age groups to avail services for their personal use to enhance their banking activities.

• All commercial banks shall give importance to the women customers to avail services.

• Banks shall differentiate itself with weekends and extended working hours

15. Conclusion

The perceived quality of services provided by private sector bank (ICICI) is better than public sector   bank (State Bank of India). It is evident that public sector banks have a strong presence in the market, but in recent times they are facing stiff competition from private sector banks in the range and quality of services offered. In the present scenario banks have to be service oriented in order to keep ahead of competition. Public sector banks must concentrate on providing updated information to customers regarding the new services offered by them. They must also change their policies, customer service norms and service efficiency keeping in view the strategies adopted by private sector banks

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