

A Comparative Study of Retail Banking Services of Sbi and Icici on Customer Perception Levels Leading to Customer Satisfaction with Special Reference to Hyderabad East District.

K. Vinaya Laxmi¹, P. Vijay Kumar², M.S. Narayana³.

1. Research Scholar in JNTUK Kakinada & Assistant Professor in Dept of MBA, Laqshya Institute of Technology and Science Telangana, India.

2. Director for Programming, BOS in Department of Commerce, JNTUK, A.P., India.

3. HOD Department of MBANarasaraopet Engineering, College, A.P., India

Corresponding Author: K. Vinaya Laxmi

Abstract: The banking sector is under a competitive trench exclusively, both the private and public bank managements are at a lure to provide healthier services to their customers in offering valid and efficient services. Customer satisfaction is a vital part of any organization to lead with profit maximization and its necessary to learn the key success factors impacting it and which leads to enhance real earning to the bank and in turn has proven crucial in order to increase customers in number. To develop and sustain business of a bank, they must ensure quality in customer service that can associate a cordial relationship with the customer. The present research article is an effort to measure satisfaction level of customers and identify the factors which promote the future growth of banking services of SBI and ICICI banks sited in Hyderabad. In banking sector, the whole range of activity and generation of income spins around the customer satisfaction, over the perception of bank serviceability.

Key Words: Retail Banking, Customer Satisfaction, Factors impacting customer satisfaction, Electronic fund transfer, documentation, Security levels, Serviceability, Customer Relationship.

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I. Introduction:

Banking sector is a buddy of government and status of financial development in the Indian economy. Government not only sets standards but protects and nourishes Indian banks from all types of competition, both from internal and external environment right from the establishment and nationalisation of banks. Through the reforms made from liberalisation, privatisation and globalisation the banks are merging with the standards and quality measures in the international accords. The concept of customer satisfaction was majorly limited to studies and recommendations from the various committees in early eighties. Since banking has undergone various reforms and drastic changes have taken place, facing intense competition in the market (Chandhari and Halbrook, 2002). With the emergence of new generation tech-savvy private banks and the expansion of operations of foreign banks, the banking sector has become too competitive to ignore "customer satisfaction". Bedi (2010) mentioned that today's customer is not ready to settle anything less, than his or her expectations. Therefore, it is evident that banks must get aware of themselves about what customer need is and in fact provide it with a priority positioning in their policy planning.

In the span of mature and intense competitive pressure, it is imperative that banks have to maintain a robust and loyal customer base. The augmented internal and external competition in the area of banking has led to the profit compression compelling them to work proficiently with the available resources. The customer demand for comfort and security provided in lieu with cash transactions compared to digital services, making the bank operations more legible. There has been always positive relationship between the banks and their technologized services to capture market demographics and customers satisfactions with high orientation in service improvisation. The study of demographics reveals that the banks are facing problem in order to capture new customers from the market share where it is, costlier than the cost of retaining existing customer. Therefore, satisfied services of the accountants i.e., educated employees, businessman and youngsters who are a customised to technically equipped infrastructure and get updated with usage of services are assets for the banks who can make a positive promotion. Public sector banks are also making efforts to stay in the league of modern tech savvy banks, for example online transactions, ATMs, host of products like special savings account and sweep-in-account, no frills account (merged with the basic savings bank deposits account in 2010 by RBI) and easy receive accounts, cash back offers in order to promote digitalisation of transactions etc, Private sector banks

may have appeared to be winning the race, but public-sector banks, with their vast client base and unparalleled treasury of trust, are evolving their own brand of customer-friendliness. Public sector banks have also understood that in the era of competition, customer satisfaction is the key to success. Because satisfaction is basically a psychological state, care should be taken in the effort of quantitative measurement, although a large quantity of research in this area has recently been developed but yet to build a lot to meet the customer expectations.

II. Literature:

The previous studies mainly reveal the diminishing trends of public sector banks and increasing eminence of new private sector banks and foreign banks. Sathye (2003) has analysed the productive proficiency of banks in India. All commercial banks in the market try to sell mere products (Cross-selling), adopt new self-motivated marketing strategies, to develop new innovative products and to place greater emphasis on both the existing and insubstantial aspects of their service (Petridon and Glaveli, 2003). As a result of this discriminating competition, bank service quality has become an increasingly important factor in determining market shares and profitability in the banking sector (Anderson et al., 1994; Spathis et al., 2002). Perceived service quality is a point of measurement from a comparison of consumer's expectation with their perceptions of the service delivered by the supplier (Kangis and Voukelatos, 1997). Gronroos defined service quality as a mixture of three elements the quality of the consumption process itself is the quality of the outcomes of the process; and image of the provider of the service.

In order, to attain a goal of profit maximization, a company should have a high satisfaction rate from its clients. Though ultimate intention is to lead profit, substantially compelling the banking sector to pay much and more attention to satisfy customers (Management library, 2008). Researchers suggest that increased levels of customer satisfaction and loyalty are frequently attributed, linked to positive outcomes for a firm (Colgate, 1999). Measuring dimension of rate of customer satisfaction is also a measurement of how products and services supplied by an industry or bank, surpass customer expectation and it acts as a key performance indicator. This is due to the fact that one of the factors needed in order to attain high competency and also high competitiveness with a high market share through an increased, established and well sustained client population. Banks are beginning to understand and conceive about their customers, the one who purchase their products and use their services, are the primary drivers of their position on the profitability ladder.

Need for the study:

Though great study and literature has been constructed on banking and their developments to cope with upgraded infrastructure and customer service improvement still there is a great dearth which arrives with the customer perception, their expectations with service orientation, to improve customer loyalty. Both the public and private sector banks are competing in the market to improve the customer satisfaction to lead with customer loyalty. The present study is an approach made by the researcher to clear and attain a solution to problem lying between the customer expectations and provision of services in three different dimensions of the service transaction made by bankers with two most efficient and popular banks of Hyderabad city.

Objectives:

- 1) To know the customer satisfaction level with regarding to fund transfer in SBI a public and ICICI a private sector bank.
- 2) To study satisfaction level of a customer in concern with the security levels of both the banks in Hyderabad.
- 3) To assess documentation process time and its satisfaction level of both banks in the customer point of view.

Scope and limitations of the study:

The scope of the study is limited to the SBI and ICICI customer services data collected in the district of Hyderabad East, Telangana region. The study is pertaining to the period of data collection for six months from Oct 2016 to March 2017. And the study is limited to its certain locational branches and data collection limitations from the customer perception revelations.

III. Research Methodology:

The research is purely based on the empirical study of the customer data collected through SBI a public sector and ICICI, a private sector bank. Customers opinion was considered in Hyderabad city respondents to measure their satisfaction level with the help of a structured questionnaire for the collection of the primary data and the descriptive research has made from the secondary data collection for the construction of an article from various sources such as the banks bulletins, various journals, thesis, websites, publications by Indian Banks Association bulletin, the monthly RBI bulletins etc.,

Sample Size:

A sample of 130 questionnaires were being distributed in the main areas of Saroornagar, LB Nagar, Vanasthalipuram and Hayath nagar and Mansurabad areas of both ICICI and SBI. Where among those only 80 were returned from the customers of both banks and 30 of both the bank questionnaires were rejected due to the incomplete data found and only out of total collected 50 questionnaires were taken in to consideration for comparative study analysis of both banks in 3:2 ratio.

Hypothesis:

H01: There is no significant association between the type of bank and customer satisfaction levels towards electronic fund transfer.

H02: There is no significant association between type of bank and customer satisfaction levels towards bank security system.

H03: There is no significant association between type of bank and customer satisfactions towards documentation process.

IV. Test of Reliability

Table No: 1

Reliability Statistics		
Name of Bank	Cronbach's Alpha	No. of Items
SBI	.926	17
ICICI	.852	17

The test of reliability has been conducted in order to test the data standards and whether the data is suitable for further data analysis.

Table No:2

Scale Statistics				
Name of Bank	Mean	Variance	*Std. Deviation	No. of Items
SBI	65.25	119.454	10.929	17
ICICI	56.59	45.007	6.709	17

*Std. Deviation- Standard Deviation

Inference: Cronbach’s alpha has been run for a check of their reliability. The above table displays some of the results obtained. The overall alpha for all items is 0.926 and 0.852 for two respective banks, which is high and indicates strong internal consistency among the given items.

H₀₁: There is no significant association between type of bank and consumer satisfaction levels towards electronic fund transfer.

Table No: 3

Crosstab								
Particulars			E-fund transfer					Total
			Extremel y satisfied	Satisfied	Somewhat satisfied	Dissatisfied	Extremely dissatisfied	
Name of the Bank	SBI	Count	1	2	4	15	8	30
		% within the type of Bank	3.3%	6.7%	13.3%	50.0%	26.7%	100.0 %
	ICICI	Count	0	0	12	8	0	20
		% within the type of Bank	0.0%	0.0%	60.0%	40.0%	0.0%	100.0 %
Total	Count	1	2	16	23	8	50	
	% within the type of Bank	2.0%	4.0%	32.0%	46.0%	16.0%	100.0 %	

The above cross tab (table) indicates that, customers of both the banks are somewhat dissatisfied with e-fund transfer option but if we find out the satisfaction level of ICICI customers is better than SBI, in case of electronic fund transfer

Table No: 4

Chi-Square Tests			
Particulars	Value	Degrees of Freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.761 ^a	4	.003
Likelihood Ratio	19.586	4	.001
Linear-by-Linear Association	4.027	1	.045
N of Valid Cases	50		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .40.

From the above table chi square is significant value is < 0.05, **reject null hypothesis**. The customer opinion regarding electronic fund transfer of both transfer is different i.e., the ICICI bank customers are to somewhat happy comparatively with SBI customers in above test.

H₀₂: There is no relation between type of bank and consumer satisfaction levels towards bank security system

Table No: 5

Crosstab							
Particulars		17.6 Security system inside the bank				Total	
		Extremely dissatisfied	Dissatisfied	Somewhat satisfied	Satisfied		
Name of Bank	SBI	Count	3	3	17	7	30
		% within the type of Bank	10.0%	10.0%	56.7%	23.3%	100.0%
	ICICI	Count	1	5	14	0	20
		% within the type of Bank	5.0%	25.0%	70.0%	0.0%	100.0%
Total		Count	4	8	31	7	50
		% within the type of Bank	8.0%	16.0%	62.0%	14.0%	100.0%

The above cross table value is also reflecting that, ICICI customers are little more satisfied than SBI customers with reference to bank security system though, both the banks are maintaining good standards in this regard.

Table No: 6

Chi-Square Tests			
Particulars	Value	Degrees of Freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.073 ^a	3	.070
Likelihood Ratio	9.533	3	.023
Linear-by-Linear Association	1.607	1	.205
N of Valid Cases	50		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is 1.60.

From the above table chi square is not significant (sig. (significant) value is > 0.05), **no evidence to reject null hypothesis**. Almost both the banks in the Hyderabad East city are maintaining good security system for their premises to protect customer’s valuable money and jewellery, the same reflected in above study also.

H₀₃: There is no significant association between type of bank and consumer satisfactions towards documentation process.

Table No: 7

Crosstab							
Particulars		Speed of Documentation				Total	
		Extremely dissatisfied	Dissatisfied	Somewhat satisfied	Satisfied		
Name of Bank	SBI	Count	3	8	11	8	30
		% within the type of Bank	10.0%	26.7%	36.7%	26.7%	100.0%
	ICICI	Count	1	10	9	0	20
		% within the type of Bank	5.0%	50.0%	45.0%	0.0%	100.0%
Total		Count	4	18	20	8	50

	% within the type of Bank	8.0%	36.0%	40.0%	16.0%	100.0%
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The above analysis table indicates that with respect to documentation process both the banks' customers are partially satisfied with the process and to some extent the dissatisfaction level is high with the ICICI the private sector bank compared to SBI a public-sector bank.

Table No: 8

Chi-Square Tests					
Particulars	Value	Degrees of Freedom	of	Asymptotic	Significance
				(2-sided)	
Pearson Chi-Square	7.731 ^a	3			.052
Likelihood Ratio	10.546	3			.014
Linear-by-Linear Association	2.649	1			.104
N of Valid Cases	50				
a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.60.					

From the above table chi square is significant (sig. (significant) value is ≤ 0.05), **reject null hypothesis**. Though SBI bank documentation process was little lengthy and tedious compare with ICICI bank documentation processing. The ICICI customers are feeling dissatisfaction with bank documentation time and process as a point of negligence towards the customers' requirements with speediness.

Table No: 9

Null Hypotheses	Significant Value	Result
H01: There is no significant association between type of bank and consumer satisfaction levels towards electronic fund transfer.	0.003	Rejected
H02: There is no significant association between type of bank and consumer satisfaction levels towards bank security system.	0.070	Accepted
H03: There is no significant association between type of bank and consumer satisfactions towards documentation process.	0.052	Rejected

Regression (Overall Customer Satisfaction)

Table No: 10

Model Summary					
Name of Bank	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
SBI	1	.814 ^a	.663	.593	.7921
ICICI	1	.952 ^b	.907	.873	.4799
1. Predictors: (Constant), 1.a. Communication with customers, 1.b. Maintenance of documents, 1.c. Security system inside the bank, 1.d. Speed of documentation, 1e. Locker facilities					
2. Predictors: (Constant), 2. a. Communication with customers, 2. b. Speed of documentation, 2. c. Maintenance of documents, 2. d. Locker facilities, 2.e. Security system inside the bank					

Regression (Overall Customer Satisfaction)

R: represents the multiple correlation coefficients with a range lies between 0 and +1. Since the R value of 0.757 it means dependent variable of overall bank customer satisfaction is positively correlated with independent variables. The variables are e-fund transfer, Bank Security system and complaint redressal time followed by documents maintenance.

R square: represents the coefficient of determination and ranges between 0 and 1. Since the R square value is 0.573, it means 57.3 % of the variation explained by dependent variable in terms of independent variables.

Analysis through Annova

Table No: 11

ANOVA ^a							
Name of Bank	Model	Sum of Squares	Degrees of freedom	Mean Square	F	Significance	
SBI	1	Regression	29.642	5	5.928	9.449	.000 ^b
		Residual	15.058	24	.627		
		Total	44.700	29			
ICICI	1	Regression	31.326	5	6.265	27.203	.000 ^c
		Residual	3.224	14	.230		
		Total	34.550	19			

1. Dependent Variable:1 OVERALL CUSTOMER SATISFACTION
2. Predictors: (Constant), 2. a. Communication with customers, 2. b. Maintenance of documents, 2.c. Speed of documentation, 2.e. locker facilities, 2.f. Security system inside the bank.
3. Predictors: (Constant), 3. a. Communication with customers, 3. b. Speed of documentation, 3.c. Maintenance of documents, 3.d. Locker facilities, 3.e. Security system inside the bank

From the ANOVA table F, Where sig.(significant) Value is $0.000 < 0.05$ it means that the dependent variable overall customer satisfaction is more efficient.

Table No: 12

Coefficients							
Type of Bank	Model	Unstandardized Coefficients		Standardized Coefficients	t (regression coefficient)	Significance	
		B (Slope Line)	Standard Error	Beta			
Public Sector SBI	1	(Constant)	-2.036	1.023		-1.990	.058
		1.a. Security system inside the bank	.059	.194	.041	.305	.763
		1.b. Maintenance of documents	.535	.300	.308	1.782	.087
		1.c. Speed of documentation	.133	.216	.103	.618	.542
		1.d. Locker facilities	.556	.246	.441	2.264	.033
		1.e. Communication with customers	.283	.241	.237	1.173	.252
Private Sector ICICI	1	(Constant)	-8.105	1.004		-8.072	.000
		2.a. Security system inside the bank	-.286	.298	-.125	-.961	.353
		2.b. Maintenance of documents	1.391	.305	.527	4.557	.000
		2.c. Speed of documentation	1.567	.304	.695	5.148	.000
		2.d. Locker facilities	.269	.135	.254	1.984	.067
		2.e. Communication with customers	.222	.140	.181	1.586	.135
a. Dependent Variable: OVERALL CUSTOMER SATISFACTION							

From the above table the required multiple regression line is

Overall Customer Satisfaction (public sector banks) = $-2.036 + 0.059$ (Security system inside the bank) + 0.535 (maintenance of documents) + 0.133 (speed of documentation) + 0.556 (Locker facilities) + 0.283 (Communication with customers)

Overall Customer Satisfaction (private sector banks) = $-8.105 - 0.286$ (Security system inside the bank) + 1.391 (maintenance of documents) + 1.567 (speed of documentation) + 0.269 (Locker facilities) + 0.222 (Communication with customers)

V. Discussion of Results:

Due to the wide variation of the responses and perceptions of both public and private bank customers, banks need to improve their weak areas of performance. This study derived on the basis from various data analysis made and also proved through the empirical findings with respect to customer satisfaction. To outline, the outcome of this research which led us to the following conclusion and guiding principle for implication in both public sector & private sector banks (specifically SBI and ICICI):

1. To be successful in banking sector, banks must provide service to their customer that at least meet or better if exceeds their expectations. And the present study will provide some sort of guidelines to the policy makers (managers) of banks to take appropriate decision to improve the quality of services in Indian banking according to the needs and requirements of their customers and better communication as a priority measure as to withhold the customer in long run.

2. The customer satisfaction in terms of quality-oriented service is a relational marketing paradigm. The relationships are mostly viewed from the perspective of the organization providing services. For a service firm, in our case the banks, to build up a strong relationship is an important factor, and it can be achieved by increased satisfaction in customer and make him or her delight with improved efficiency in service quality.

VI. Conclusion:

The Indian banking sector has witnessed heightened competition with many banks coming up with all their potentialities and using their global strength to their advantage in order to establish themselves in the market. Private Banks seem to have satisfied customers with good services and they have been successful in retaining its customers by providing better facilities than Public sector Banks. But, still Private Banks need to go a long way to become customer's first preference. In an economy of innovative technologies and changing markets, each service quality variable has become important. New financial products and services innovative and which can fulfil the requirements and urgency needs of the clients must be introduced to stay competent in the market. Success mantra could be customer centric orientation, where the organization builds long term strategic relationships with its customers and private sector banks have been successful in achieving such relationship with customers however public-sector banks have to improve in this gap area. Private banks need to concentrate more on their credit facilities and insurance services since customers do not have a very good opinion about these facilities being offered by them. Public sector banks enjoy the trust of the customers, which they have been leveraging to stay in the race however they need to improve their service quality by improving their physical facility, infrastructure and most importantly giving proper soft skill trainings to their employees especially in public sector bank. The efforts must be made in the direction to enhance the retail banking experience.

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