

A Comparative Study of Customer Service in SBI And ICICI Banks in Vijayawada

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Abstract: This paper endeavors an examination of execution among one public sector and private sector type of banks – open and private area banks in Vijayawada city utilizing the rundown of administration qualities in view of various competitive measurements such as physical assets, dependability, responsiveness, affirmation and customer satisfaction levels. Simple random sampling technique is adopted over 500 respondents, 300 clients of Public Sector Banks and 200 clients of Private Sector Banks constitute the specimen for the review. The research demonstrate that Public sector bank-SBI performed altogether by fulfilling its clients with great administrations and they have been fruitful in holding its clients by giving better satisfaction levels than Public sector bank-ICICI. The exploration focuses that new money related items and administrations must be persistently acquainted all together to remain capable and that Public sector banks also need to practice good practices in certain aspects to compete with private sector banks.

Keywords: Customer satisfaction, public and private sector type of banks, sbi & icici banks.

Date of Submission: 14-11-2017

Date of acceptance: 25-11-2017

I. Introduction

Satisfaction is a crucial concern for both customers and organizations including banks. Frantic efforts are being made by banks to offer high quality products and services to their customers. Customers also want the best value for their money and are sparing no efforts in searching for high quality services. The banking industry like any other financial services is facing a rapidly changing market, new technologies, uncertainties, fierce competition and more demanding customers and the changing climate has present an unprecedented set of challenges. Banking is a customer oriented service industry, therefore the customer is the focus and customer service is the differentiating factor.

II. Literature Review

In spite of Public sector banks enjoying the trust of the customers, which they have been leveraging to stay in the race, Private sector banks seem to have satisfied its customers with good services and they have been successful in retaining its customers by providing better facilities than Public sector banks. But, still Private sector banks need to go a long way to become customer's first preference. In an economy of innovative technologies and changing markets, each and every service quality variable has become important. New financial products and services have to be continuously introduced in order to stay competent. 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 area.

There is no significant association between personal variables such as age, education, gender, occupation, monthly income and choice of banks (Public and Private sector). There is no significant difference between the types of banks (Public and Private sector) with respect to service quality dimensions.

What is Quality?

Quality has been defined in various ways by quality gurus like Juran, Deming and Crosby. Joseph Juran has defined quality as fitness for use. Deming believes quality has to satisfy the needs of customer, both present and future. The essence of these definitions is the same. As applicable to Banking, Quality may be defined as the ability to satisfy the customer's requirements and needs to the fullest and to be able to replicate this on an on-going basis. Quality is especially important in the banking sector because duplication of products and services is relatively easy. Further, differentiation of products is difficult of hazy. Thus, quality becomes the only differentiator and the key to continuing success. With increasing competition, banks that survive and succeed will be the one that provide quality service. Research studies have repeatedly proved that customers are

willing to pay for quality service. Banks that wish to succeed and stay ahead must, therefore, systematically build a structure that aims at providing Total Quality Service. As with the bank's financial goals, success can be achieved only with proper analysis and suitable goals.

III. Customer Satisfaction

There is a great deal of discussion and disagreement in the literature about the distinction between service quality and satisfaction. The service quality school view satisfaction as an antecedent of service quality - satisfaction with a number of individual transactions "decay" into an overall attitude towards service quality. The satisfaction school holds the opposite view that assessments of service quality lead to an overall attitude towards the service that they call satisfaction. There is obviously a strong link between customer satisfaction and customer retention. Customer's perception of Service and Quality of product will determine the success of the product or service in the market which paves the way for customer satisfaction.

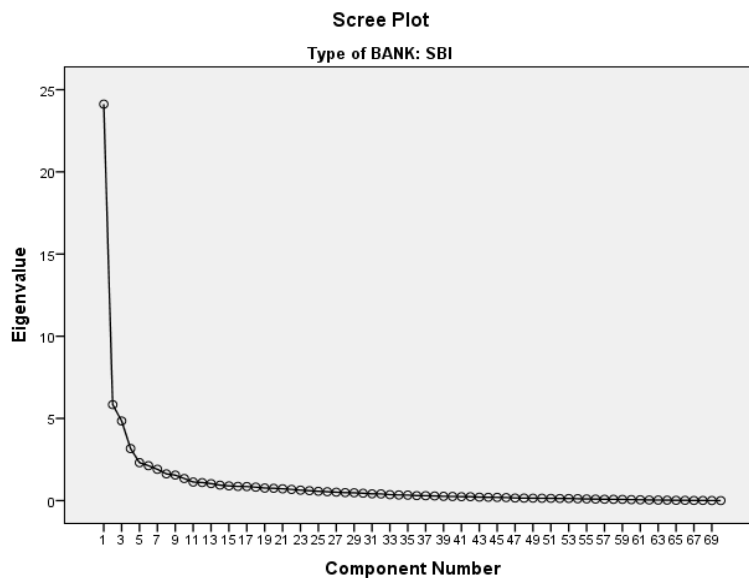


Figure 3.1 Scree plot of sbi bank of Vijayawada

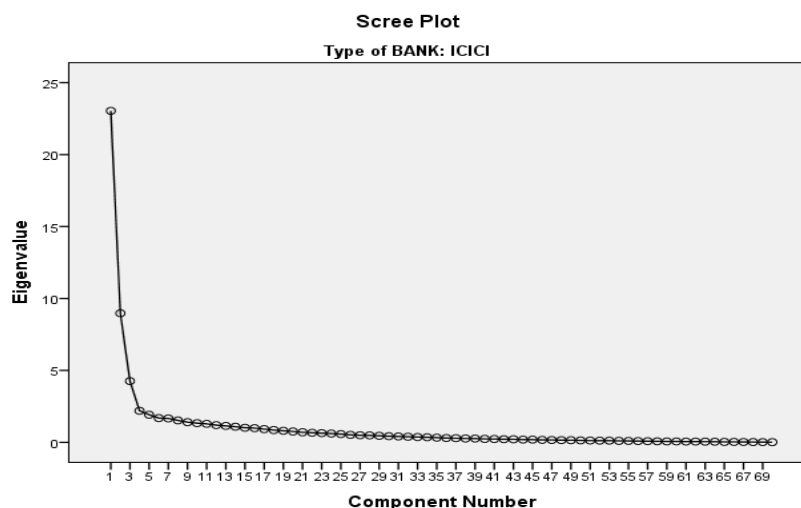


Figure 3.2 Scree plots of icici bank of Vijayawada

If experience of the service greatly exceeds the expectations clients had of the service then satisfaction will be high, and vice versa. In the service quality literature, perceptions of service delivery are measured separately from customer expectations, and the gap between the two provides a measure of service quality industry. There are various factors that actually generate customer satisfaction. Service quality is one of them. This study has been designed to examine the customer satisfaction with service quality in the selected public and private sector banks from Indian banking sector.

Objectives:

1. To study the association between various demographic variables and the choice of banks.
2. To compare the public sector banks and private sector banks in terms of customer satisfaction.

IV. Research Methodology

The study is based on a survey conducted in Vijayawada city with the sources of Primary data and Secondary data. The secondary data was collected from various possible records like books, magazines, periodicals and websites. Simple random sampling technique is adopted and out of 500 respondents, 300 customers from Public Sector Banks and 200 customers from Private Sector Banks constitute the sample for the survey. The questionnaire is divided into seven sections which consists of demographic information of customers and the questions focused on the age, education, gender, occupation and monthly income and it also has SERVQUAL questionnaire All the data were collected from bank customers through Personal Interactions with consumers of different banks and Interaction with customers at Malls and other market places. After the data has been collected, it was entered into Microsoft Excel and was prepared for analysis.

V. Limitations of the Study

This study is geographically restricted to Vijayawada city only. Limited numbers of banks (only one Public sector and one Private sector banks) were covered under the study. The sample size do not ensure representative and conclusive finding and finally, a more robust analysis is needed to reach a strong conclusion.

VI. Data Analysis

The major statistical tools used in this study are KMO, Bartlett’s Test, Chi square test, ANOVA and Correlation analysis.

Table 6.1 Reliability of sbi & icici banks of Vijayawada

Dimension	SBI	ICICI
Location and Accessibility	0.883	0.869
Service products offered by the bank	0.886	0.860
Price Related Concerns	0.844	0.783
Employee Behaviour	0.888	0.896
Customer relationship	0.787	0.923
Cyber Security	0.947	0.923
Customer Satisfaction	0.817	0.805

VII. Conclusion

Banks that wish to provide quality service need to make investments in upgraded technology which helps to deliver superior service and provide better Management Information Systems and Decision Support Systems. It also helps banks better analyze and manage various risks, and this has become increasingly important in today's global market. The below bar chart gives the overall customer satisfaction on service products offered by sbi and icici banks of Vijayawada.

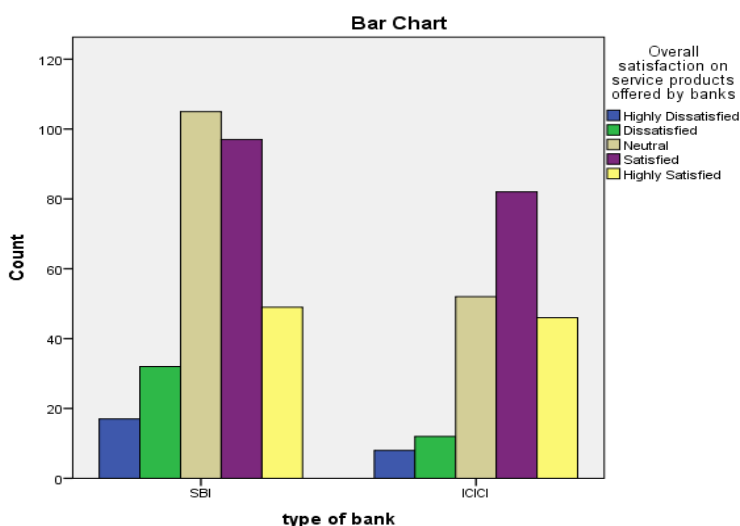


Figure 7.1 Overall Customer satisfaction in sbi and icici banks of Vijayawada

Innovation will be the hallmark of the banks that will lead. Therefore, all the banks remains committed to provide technology-backed quality service to its customers and in building a service quality approach to banking. This research demonstrates that Public sector bank-SBI performed altogether by fulfilling its clients with great administrations in Vijayawada and they have been fruitful in holding its clients by giving better satisfaction levels than Public sector bank-ICICI in certain aspects only.

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IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with SI. No. 4481, Journal no. 46879.

N. Satyanarayana A Comparative Study of Customer Service in SBI And ICICI Banks in Vijayawada". *IOSR Journal of Business and Management (IOSR-JBM)*, vol. 19, no. 11, 2017, pp. 93-96.