

# A Study on Customer Satisfaction towards Service Quality in SBI And ICICI

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## ABSTRACT

Banks play a vital role in the socio-economic development of our country. Banks offer several facilities to enhance the standard of living of our citizens. The main objective of the study was to study satisfaction level of customers towards CRM in SBI and ICICI, and to find the opinion of the customers as to Customer Relationship Management of the banks with respect to service quality management. Convenient sampling technique was used for the study. The study was done with 150 respondents . CRM offers the most holistic route for banks to enhance customer relationships. Banks can enhance customer retention, profitability and loyalty and get an increased share of banks from their customers. Banks have to come out with innovative measures to satisfy the needs of both the present and the potential customers at the same time adopt procedures to win bank the lost customers. hence, this study has taken up to find the customer relationship in state bank of India and ICICI.

## 1. Introduction

Banks play a vital role in the socio-economic development of our country. Banks offer several facilities to enhance the standard of living of our citizens. In the past, owing to lack of information and proper guidance, the general public could not avail the full benefits from the banking industries to improve their standard of living. It is now undeniable that the face of the Indian consumer is changing. Banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. The thrust of financial sector reforms was to improve efficiency, competitiveness and productivity of the financial system. The entry of new generation private sector banks which provided technology aided services like Internet banking, Mobile banking, Inter Branch network, etc., has electrified the banking environment in India and has added a new dimensions to automation in Indian banking. Customer Relationship Management is a vital factor to improve the performance of the banks.

Customer service management is a key component of business today. The concept is very crucial as it incorporates customer, customer service, customer satisfaction, customer value, customer loyalty, customer retention, etc. In one word, it is linked to Customer Relationship Management (CRM) and Customer Experience Management (CEM). So far as jargons are concerned, more or less relationship Marketing, CRM and customer service management are interchangeably used. Relationship Marketing attracts maintains and enhances customer relationship.

## 2. Statement of the problem

In a service industry like banking, the quality of customer service holds primary significance in the context of sustained business growth. . For years, banks have been guilty of five interpersonal sins, that have caused tremendous irritation to customers: inability to cross sell, long queues , poor service attitude, lack of information and lack of humility, that prevent them from maintaining good customer relationship. Banks are

concentrating only on acquiring new customers. They seldom understand the importance and profitability of creating loyalty and retaining customers. For the last decade most banks have been so absorbed that their own internal issues, particularly merger- drives, cost-cutting and re-engineering, that customers and their relationship often received short shrift. Banks have to come out with innovative measures to satisfy the needs of both the present and the potential customers at the same time adopt procedures to win bank the lost customers. hence , this study has taken up to find the customer relationship in state bank of India and ICICI.

## 3. State Bank of India

State Bank of India (SBI) is that country's largest commercial bank. The government-controlled bank--the Indian government maintains a stake of nearly 60 percent in SBI through the central Reserve Bank of India--also operates the world's largest branch network, with more than 13,500 branch offices throughout India, staffed by nearly 220,000 employees. SBI is also present worldwide, with seven international subsidiaries in the United States, Canada, Nepal, Bhutan, Nigeria, Mauritius, and the United Kingdom, and more than 50 branch offices in 30 countries.

## 4. ICICI Bank

**ICICI Bank** (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company head quarters in Mumbai, Maharashtra with its registered office in Vadodara. In 2014, it was the second largest bank in India in terms of assets and third in term of market capitalization. It offers a wide range of banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The bank has a network of 4,850 branches and 14,404 ATMs in India, and has a presence in 19 countries including India. ICICI Bank was originally promoted in 1994 by

ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary.

## 5. Objective of the study

- To find the opinion of the customers as to Customer Relationship Management of the banks with respect to service quality management.
- To study satisfaction level of customers towards CRM in SBI and ICICI.

## 6. Methodology

**Sources of data:** Primary data has been collected of the questionnaires filled by the customers of SBI and ICICI Banks .

**Sample size:** The sample size of the study is 150 respondents.

**Sampling technique:** The technique adopted for the study is convenient sampling technique.

**Area of the study:** The project is done in Coimbatore city.

**Tools for analysis:** The statistical tools used are, Percentage Tools, Chi- square test and t- test

## 7. Review of literature

**Thanuja and Ashwini(2015)** have focused on “A study on Customer relationship management in banking sectors” analyses the CRM strategies adopted by banks to attract and retain the customers. And to analyse the problems faced in banks. In this study primary data has been collected by well structured questionnaire from 385 respondents. The statistical tools used in the study were frequency distribution, central tendency, dispersion and Pearson’s test. The result of the study reveals that counter staff are responsible for maintaining the relationship with customers because most of the information are given by them. Customer relationship

management helps banks to increase customers and its reputation. Based on the study they suggested that customer interaction programmes are very essential to study the characteristics of customers

**Savarimuthu and Vijayalakshmi (2016)** has made an attempt on “ Customer relationship practices in selected private sector banks with reference to Coimbatore district”. Researcher aim to study the customers perception towards CRM techniques in selected private sector banks and to offer suitable measures for improving CRM practices in selected banks. They used both primary and secondary data in their study. Primary data has been collected from 150 respondents through qualitative questionnaire. Secondary data has been collected by using annual reports of banks, journals, magazines and books. Statistical tools used in the study were mean scores, percentage analysis, ranking method, linkert’s scale analysis, correlation analysis, chi square. The focused that the most important factor which influenced the attitude of customers towards CRM practices in bank is high safety on banking transactions.

## 8. Findings of the study

The results of the percentage analysis are:

Out of 150 respondents taken for the study 50.7 % of the respondents are female.,32.7 % of the respondents are in the age group of 26 to 35 years,52.7 % of the respondents are degree holders,64 % of the respondents are married,43.3% of the respondents are private employees,41% of the respondents earn income of Rs.20001 to Rs.40000, 42.0% of the respondents have account with the bank for less than 5 years, 67.3% of the respondents are considering private sector bank as most technologically advanced bank, 38.0% of the respondents are considering quality of service as most valued attribute of the bank.

**Table-1 Level of satisfaction on service quality of the bank**

Level of satisfaction		HD	D	N nor D	S	HS	Total
Feeling safe in transacting with the bank	No	0	3	3	73	71	150
	%	0	2	2	48.7	47.3	100
Availability of ATMs	No	0	4	12	93	41	150
	%	0	2.7	8	62	27.3	100
Employees knowledge to answer the customer question	No	2	8	47	71	22	150
	%	1.3	5.3	31.3	47.3	14.7	100
Bank individual attention to customers	No	0	13	44	70	23	150
	%	0	8.7	29.3	46.7	15.3	100
Employees understanding on the specific needs of the customer	No	2	12	45	69	22	150
	%	1.3	8	30	46	14.7	100
Problem solving skills of the staff members	No	2	19	52	62	15	150
	%	1.3	12.7	34.7	41.3	10	100
Keeping of correct records of the customer	No	2	3	27	83	35	150
	%	1.3	2	18	55.3	23.3	100
Immediate solutions to customer’s problem.	No	8	12	44	71	15	150
	%	5.3	8	29.3	47.3	10	100
Providing update information to customers	No	6	15	37	65	27	150
	%	4	10	24.7	43.3	18	100
Convenient working hours.	No	13	12	21	66	38	150
	%	8.7	8	14	44	25.3	100

The above table states that 48.7% of the respondents are satisfied with the safety in transacting with the bank, 62.0% of the respondents are satisfied with the availability of ATMs, and 2.7% of the respondents are dissatisfied with the availability of

ATMs. 47.3% of the respondents are satisfied with the Employees knowledge in answering the customers question and 1.3% of the respondents are dissatisfied with the Employees knowledge in answering the customers question.

46.7% of the respondents are satisfied with the bank's individual attention to customers. 46 % of the respondents are satisfied with the employees understanding on the specific needs of the customer. 41.3% of the respondents are satisfied with the Problem solving skills of the staff members

55.3% of the respondents are satisfied with the Keeping of correct records of the customer and 1.3% of the respondents are highly dissatisfied with the Keeping of correct records of the customer. 47.3% of the respondents are satisfied with the Immediate solutions to customer's problem 43.3% of the respondents are satisfied with the Providing update information to customers and 4% of the respondents are highly dissatisfied with the Providing update information to customers. 44% of the respondents are satisfied with the convenient working hours

and 8% of the respondents are dissatisfied with the convenient working hours.

### Chi-Square Analysis

Chi-square test has been applied to find out if there is any significant relationship between the personal variables of the respondents and Overall satisfaction of the customers. The relationship between the variables is tested at 5% level of significance. The personal variables and study variables taken for the study are: Gender, Age, Educational Qualification, Marital status, Profession and Monthly Income

**Ho:** "There exists no significant relationship between the demographic profile of the respondents and Overall satisfaction of the customer relationship management practices in the bank."

**Table-2 Personal Factors Vs Overall Satisfaction With Customer Relationship Management Practices**

Personal Factors	SBI	ICICI
Gender	Value 0.329, Df 2, Sig 0.848	Value 5.216, Df 2, Sig 0.074
Age	Value 3.641, Df 8, Sig 0.888	Value 7.503, Df 8, Sig 0.483
Educational Qualification	Value 8.205, Df 8, Sig 0.818	Value 7.643, Df 8, Sig 0.469
Marital status	Value 2.594, Df 2, Sig 0.273	Value 8.283, Df 2, Sig 0.016
Profession	Value 5.140, Df 8, Sig 0.742	Value 11.682, Df 8, Sig 0.166
Monthly Income	Value 18.734, Df 10, Sig 0.044	Value 7.346, Df 10, Sig 0.692

Chi-square test has been applied to find out if there is any significant relationship between the personal variables of the respondents and study variables taken for the study. The relationship between the variables is tested at 5% level of significance.

There is no significant relationship between the personal factors, such as, Gender, age, educational qualification, profession, marital status, monthly income and the overall satisfaction of the customers Relationship

Management practices in banks. Hence, the hypothesis framed has been rejected.

### t-Test

The following table highlights the level of satisfaction of the respondents on the factors contributing to service quality of the bank with respect to their banks.

**Hypothesis:** "There exists no significant difference in the mean values on the level of satisfaction of the respondents towards factors contributing to service quality of the banks"

**Table:3 T-Test- Level of Satisfaction Vs Service Quality of the Bank**

Factors contributing to service quality of the bank	SBI		ICICI		Total		t Test
	Mean	SD	Mean	SD	Mean	SD	
Feeling safe in transacting with the bank	4.53	0.64	4.29	0.61	4.41	0.64	0.020**
Availability of ATMs	4.13	0.66	4.15	0.67	4.14	0.67	0.903
Employees knowledge to answer the customer question	3.93	0.79	3.44	0.81	3.69	0.84	0.000**
Bank individual attention to customers	4.09	0.72	3.28	0.75	3.69	0.84	0.000**

Employees understanding on the specific needs of the customer	3.89	0.80	3.40	0.89	3.65	0.88	0.000**
Problem solving skills of the staff members	3.71	0.88	3.21	0.83	3.46	0.89	0.001**
Keeping of correct records of the customer	4.05	0.71	3.89	0.85	3.97	0.79	0.213
Immediate solutions to customers problem.	3.67	0.86	3.31	1.04	3.49	0.97	0.022**
Providing update information to customers	3.85	0.94	3.37	1.05	3.61	1.02	0.004**

The above table depicts the mean, standard deviation and t-test results. The t-test results states that at 5% level of significance. Feeling safe in transacting with the bank, Employees knowledge to answer the customer question, Bank individual attention to customers, Employees understanding on the specific needs of the customer, Problem solving skills of the staff members, Immediate solutions to customers problem and Providing update information to customers there exists significant difference in the mean values of satisfaction level of the respondents on the factors contributing to service quality of the bank among SBI and ICICI banks. Hence, the hypothesis is rejected.

## 9. Suggestions

- Since majority of the customers consider quality of service as most valued attribute of the bank, it is suggested that the banks take steps to improve their service quality, strategies, and customer interaction strategies
- The banks should be extremely responsive to customer requirements ahead of its competitors which is very important and should also work on managing customer experiences. This factor appears to have

influenced and is affecting changes in the customer relationship management in the public and private sector banks.

## 10. Conclusion

Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination. Further, it is evident from the data, private banks are better off than the public sector banks regarding premises and administrations. CRM offers the most holistic route for banks to enhance customer relationships. Banks can enhance customer retention, profitability and loyalty and get an increased share of banks from their customers. Banks need to embrace CRM as a principle and adopt a strategy for managing customer relationships that effectively addresses three key areas, customers, processes and technology. Finally banks should take actions such as recognition and delegation of work, freedom to handle customer's grievances and management's approval to take decision according to the situations.

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