

Customer Satisfaction in State Bank of India and Bank of India in Gadchiroli District – A detailed study

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Abstract

Banks are the essential part of the life. One has to approach the branch individually, to withdraw cash or deposit a cheque or request a statement of accounts. Again in the era of true internet banking any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Internet Banking and various other banking services are the part of day to day life. The quality of life is affected by the banking services provided by the banks.

Bank of India and State Bank of India are two leading bank in public sector. The banks are having large pool of customer database. However, the business success of the banks depend upon the customer satisfaction through appropriate banking services. This research is aiming towards identifying the satisfaction level of customers towards banking services of both the banks. This will be beneficial for banks as well as customers. If banks find the reason for customer dissatisfaction they will definitely try to improve their services which will be beneficial for customers.

Keywords: Internet Banking, banking services, public sector.

Introduction

Due to globalization & liberalization many significant modifications are taking place in different sectors of economy like industry, business & management. To retain pace with these modifications, banking industry has also accepted several innovative exercises and methods in its day-to-day functioning. Such new modifications in the techniques, methods of operation, and management in the day to day functioning of banks are known as “innovative banking” or e-banking. The modifications, that the banking industry has seen in the last decade is the outcome of globalization & liberalization, which possibly were not seen, anywhere, in its whole history. These modifications are not only seen in developed countries but they are found in developing countries like India. The financial reforms that were introduced in the early 1990s and globalization & liberalization measures brought in a completely new functional environment to the banking services and products like ‘anywhere banking’, ‘telebanking’, ‘internet banking’ and so on. In this era, Banks are actively looking at unified core banking solution. The solution that offers one view of the customer across all service lines. Modifications in the regulatory government and the move to participate in the Global banking system, centered to look at technologically based solution. Therefore, banking industry is acceptance of technology in a big way. The development of information technology has been a big boon to the banking industry. The term ‘Information technology’ defines the phenomenon created by the merging of technologies associated with computing, communication and office systems. In the past, most accounting processes in bank were paper oriented. With the beginning of new technology like computers, electronic equipment’s and communication networks, the modern accounting systems have under gone a sea-change both in their preparation

and presentation. The traditional system of preparing the account at quarterly, half yearly and annually misplaced their significance since the information are continuously up-dated and made available at anytime and anywhere. The information technology allows the banking organization to redesign and restructure their working. It has assisted the banking industry in several ways, especially enlightening its customer relation and build up the business development. Banking industry has accepted various activities under the purview of IT in its operation. Globalization and Liberalization have enforced the banks to think in terms of technology benefits and quality services to customers as future is full of challenges and survival will be a difficult task. The entry of IT infrastructure in the corporate world of banks has taken many innovations, in particular the E-banking.

Evolution of E-Banking

The Electronic Banking is not a new idea in the history of banking. “ It initiated in year 1871, when the western union telegram company, headquartered in Rochester, New York, initiated to offer a national wide money transfer service. About 80 years later, there was another major innovation that did not get as much attention from the public. It was the year 1950 development of magnetic ink character recognition (MICR) used in connection with regards and categorization checks by both humans and machines. Without MICR, it would have been impossible for our paper-based system to method about 70 billion checks used in the early twenty first century.

Customer Satisfaction

One of the most important components that is basic for any and every organizations and the associations which portray consumer satisfaction. This is very essential variable among all other organizations which also prompts the income of the organizations. Simultaneously, it is seen that, this idea has also turned into a field of enthusiasm for scholastic and advertisers for a longer span of time. According to Hall and Jones (1999) there is fulfillment which acts as a principle marker for various client maintenance. Their trust is one of the crucial elements where even the clients don't change their administrations or set of items supplier on off chance that actually they are happy with the purchase made. Also, this idea acts an essential for client reliability. A few analysts trust is also a definitive objective of consumer satisfaction of client devotion, which considers the inclination of a client to pick one important administration or item over and another for a specific set of needs (Hanson, 2004). This element can be driven in an organization to be more beneficial for the future development and its execution

(Henderson, 2003). There are altogether all having different meanings of consumer satisfaction. The main meaning of this idea is clarified by Henderson et al. (2001).

He defines the consumer satisfaction as more enthusiastic express that includes client assessment of an administration which has given an impression in an organization and also his reaction to it.

Service Quality and Consumer satisfaction

As per the survey there are developing writing proposes which has all the markings made of being relative in accord among advertising analysts where even service quality and consumer satisfaction are 2 separate builds which is as remarkable and share a very cozy relationship among them (Krugman et al., 2012). Several investigations were made by buyer in fulfillment to have been directed in direct contact of administration settings, and also by and large, the scientists who concur that these two builds are adroitly unidentifiable (Lall et al., 2003). There are huge quantities of key

components which actually recognize the consumer satisfaction provided from service quality and are given beneath.

Perceived Quality and Consumer Satisfaction

Simultaneously, there are many scientists and many advertisers also have attempted to remove the various connections between the service quality and the consumer satisfaction. In today's scenario, consumers are perceived both service quality and the expectations are more fascinating elements which are the analysts since they trust on these elements in a roundabout way which may influence consumer satisfaction. It is a result of service quality and a brilliant component that can also impact on association's benefit and their achievement (Rai, 2013). As per disconfirmation of hypothesis, there are major 2 factors that influences consumer satisfaction and the idea is thus communicated in taking after condition:

Consumer execution – client's expectation = consumer satisfaction

Literature Review

(Delgado et al, 2011). Various scientists have highlighted the significance of the client based contact in making and also in giving the great service quality (Duraton, 2008). In reality, Business person's administration practices are imperative in building the trust and even the consumer satisfaction (Evans, 1995). Henceforth, it can be said that, when the group of administrator tries to cope up with the service quality provided and even the consumer satisfaction given to change the crucial administration subject and in present is a human asset administration and simple administration as well.

It incorporates several measurements which are made and it can also be arranged into both interior condition as well as both the outer condition. In inward condition there are essential concentrate on the hierarchical culture and there is overwhelming rationality to convey to the administration arrangement by administration and then again outer condition may especially concentrate on the physical action of administration area. As studied prior, Gerschenkron (1962) has given the exact working environmental condition and comprise huge variables for well-being and their execution made and furthermore it is ideal for every last way made.

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Research Methodology

This research is designed to study the **A comparative study of customer satisfaction in state bank of India and bank of India in Gadchiroli District**. To keep the research design in-line with the research objectives the researcher has taken due care, that the tools used in research are objective oriented. This study primarily deals with the customer satisfaction in state bank of India and bank of India in Gadchiroli District.

Sample Size

In this study, the researcher has taken responses from 600 students, 90 faculties and 30 HR managers. Total sample size with demographic analysis is given below.

Table: Demographic Analysis

		Bank of India				State Bank of India			
		Male		Female		Male		Female	
		Count	%	Count	%	Count	%	Count	%
Age	Below 18 Years	20	6.3%	5	2.8%	20	6.3%	5	2.8%
	18 to 25 Years	52	16.3%	13	7.2%	52	16.3%	13	7.2%
	26 to 35 Years	95	29.8%	55	30.4%	95	29.8%	55	30.4%
	36 to 45 Years	121	37.9%	74	40.9%	121	37.9%	74	40.9%
	Above 45 Years	31	9.7%	34	18.8%	31	9.7%	34	18.8%
Marital Status	Married	197	61.8%	122	67.4%	173	54.2%	95	52.5%
	Unmarried	122	38.2%	59	32.6%	146	45.8%	86	47.5%
Education Qualification	Below SSC	32	10.0%	10	5.5%	34	10.7%	9	5.0%
	SSC	57	17.9%	42	23.2%	59	18.5%	32	17.7%
	HSC	50	15.7%	37	20.4%	48	15.0%	40	22.1%
	Graduate	146	45.8%	63	34.8%	137	42.9%	79	43.6%
	Post Graduate	34	10.7%	29	16.0%	41	12.9%	21	11.6%
	Professional	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Occupation	Government Service	20	6.3%	0	0.0%	20	6.3%	0	0.0%
	Private Service	125	39.2%	95	52.5%	125	39.2%	95	52.5%
	Agriculture	122	38.2%	48	26.5%	122	38.2%	48	26.5%
	House Wife	2	.6%	38	21.0%	2	.6%	38	21.0%
	Own Business	50	15.7%	0	0.0%	50	15.7%	0	0.0%
Monthly Income	Below Rs. 5000	38	11.9%	47	26.0%	58	18.2%	31	17.1%
	Rs. 5,000 to Rs. 15,000	78	24.5%	52	28.7%	60	18.8%	73	40.3%
	Rs. 15,001 to Rs. 30,000	77	24.1%	33	18.2%	83	26.0%	29	16.0%
	Above Rs. 30,000	126	39.5%	49	27.1%	118	37.0%	48	26.5%

Objectives of the study:

1. To compare operational efficiency of Bank of India and State Bank of India in Gadchiroli.
2. To compare performance of Bank of India and State Bank of India in Gadchiroli.
3. To study the customer perception towards banking services of BOI and SBI.
4. To study the availability and uses of banking services offered by BOI and SBI.
5. To compare quantitative and qualitative aspect of Service Quality of Bank of India and State Bank of India in Gadchiroli.

Hypothesis

H1: There is significant difference between consumer perception about banking services provided by State Bank of India and Bank of India in Gadchiroli District

Limitations of the study:

The study is based on following limitation:

- The study is limited to the banking services of Bank of India and State Bank of India, Gadchiroli
- Sample size of 500 customers from each bank has been taken which is not the exact representation of the population

Data Analysis

To test the null hypotheses “There is no significant difference between consumer perception about banking services provided by State Bank of India (SBI) and Bank of India (BOI) in Gadchiroli District”, independent sample t-test is applied where the means of factors representing consumer perception is compared among two banks and following results were obtained:

Table :Independent Samples Test						
		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Accurate services	Equal variances assumed	.000	.993	-14.137	998	.000
	Equal variances not assumed			-14.137	997.972	.000
Quick service	Equal variances assumed	7.265	.007	-8.061	998	.000
	Equal variances not assumed			-8.061	989.285	.000

Secured ATMs	Equal variances assumed	7.122	.008	-6.225	998	.000
	Equal variances not assumed			-6.225	996.196	.000
Error free internet banking	Equal variances assumed	11.263	.001	-3.437	998	.001
	Equal variances not assumed			-3.437	990.565	.001
Easy to connectivity	Equal variances assumed	.027	.870	-6.307	998	.000
	Equal variances not assumed			-6.307	996.224	.000
No error in services	Equal variances assumed	7.029	.008	0.000	998	1.000
	Equal variances not assumed			0.000	992.999	1.000
Personal attention	Equal variances assumed	49.039	.000	-11.820	998	.000
	Equal variances not assumed			-11.820	962.472	.000
The website design is attractive	Equal variances assumed	14.240	.000	-10.477	998	.000
	Equal variances not assumed			-10.477	984.132	.000
The banks give proper response to the request	Equal variances assumed	22.526	.000	-8.651	998	.000
	Equal variances not assumed			-8.651	984.775	.000

The bank is easy accessible by Telephone	Equal variances assumed	52.601	.000	-8.033	998	.000
	Equal variances not assumed			-8.033	962.057	.000
It is easy to find what I need on the Website	Equal variances assumed	1.335	.248	-1.657	998	.098
	Equal variances not assumed			-1.657	997.951	.098
The bank does not issue my personal information	Equal variances assumed	.042	.837	2.918	998	.004
	Equal variances not assumed			2.918	997.013	.004
I quickly complete bank transaction	Equal variances assumed	19.480	.000	1.416	998	.157
	Equal variances not assumed			1.416	981.694	.157

Mean values of the consumer's perception is compared between BOI and SBI using independent sample t test. It has been analyzed from the above table that the significance value of 10

parameters viz., Accurate Services, Quick Services, Secured ATMs. Error Free internet banking, Easy connectivity, personal attention, attractive design of website, proper response to request, easy accessibility by telephone and no issue of personal information show a significance 2-tailed value less than 0.05 (p value < 0.05). Whereas only 3 parameters i.e. No error in service, easy to find what is needed on website and quickly completing bank transaction have significance 2-tailed value more than 0.05, which states that there is significant difference between consumer perception about banking services provided by State Bank of India and Bank of India.

This is further explained with the help of following table:

Table Showing significant difference in consumer perception

Sr. No.	Consumer Perception	Whether Significant	Dominant
1	Accurate services	Yes	Bank of India
2	Quick service	Yes	Bank of India
3	Secured ATMs	Yes	Bank of India
4	Error free internet banking	Yes	Bank of India
5	Easy to connectivity	Yes	Bank of India
6	No error in services	No	NA
7	Personal attention	Yes	Bank of India
8	The website design is attractive	Yes	Bank of India
9	The banks give proper response to the request	Yes	Bank of India
10	The bank is easy accessible by Telephone	Yes	Bank of India
11	It is easy to find what I need on the Website	No	NA
12	The bank does not issue my personal information	Yes	Bank of India
13	I quickly complete bank transaction	No	NA

Table shows that there is fair amount of significant difference between 10 parameters out of 13 factors. Hence, the hypotheses i.e. "There is no significant difference between consumer perception about banking services provided by State Bank of India (SBI) and Bank of India

(BOI) in Gadchiroli District is **rejected** and alternate hypotheses i.e. "there is significant difference between consumer perception about banking services provided by State Bank of India and Bank of India" is **accepted**.

Conclusion

This research started with the objective to assess the service quality of two major public sector bank in the Gadchiroli, i.e. Bank of India and State Bank of India. The banking is a backbone of nation as well as life blood for common people in India. There are plenty of customers of Bank of India and State Bank of India in Gadchiroli as these are two reputed banks in Gadchiroli.

However, now a day, customers are having more options in banking. There are lot of private bank, public sector bank and co-operative bank which are offering competitive services to customers. It is the prime responsibility to the bank to take care of the customer satisfaction.

After the study of first hypothesis it is to be noted that on all 10 parameters where significant difference was found, the dominant bank is Bank of India. It proved that on all these ten factors Bank of India is performing better than State bank of India in Gadchiroli.

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