

Customer's Attitude towards Products and Services of Banks

(A comparative Study of SBI and ICICI Bank)



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Abstract

The Research paper focused on the attitude of the customers towards various services of the banks. The products and services of a bank include ATM service, debit and credit card service, net banking, mobile banking, money transfer, DEMAT service, Loan facility etc. The state bank of India from the public sector banks and ICICI bank from the private sector banks are the main competitors of banking industry. The service quality of the private sector banks is excellent and fast as compared to public sector banks but charges are high. The recovery policy of the banks should be liberal. As per the expectations of the global customers RBI and banks should launch more retail services. The rate of interest and other charges of business loan of SBI are low as compared to ICICI Bank. Business (including SME) loan facility of SBI is more effective but the difference is not significant. The interest and other charges of saving account of SBI and ICICI Bank are almost same. The service of ICICI Bank is fast as compare to SBI. Saving and Fixed Deposit Account service of ICICI Bank is excellent and very good. The service quality of Debit Card, Credit Card and Net Banking of SBI and ICICI Bank is almost same. The Minimum Balance, Debit Card and SMS Charges of SBI are low as compared to ICICI Bank. The difference in the Minimum Balance, Debit Card and SMS Charges of SBI and ICICI Bank is significant. The Bank Draft, RTGS and other Transaction Charges of SBI are also low but the difference is not significant. There is a scope to improve the banking services in India as compared to global banks.

Keywords: Banks, Customers, Banking services, SBI, ICICI Bank.

Introduction

The progress of a bank depends upon the satisfaction of the customers. The satisfaction of the customers depends upon the quality of service of a bank. The products and services of a bank include ATM service, debit and credit card service, net banking, mobile banking, money transfer, DEMAT service, Loan facility etc. The Research paper focused on the attitude of the customers towards various services of the banks. Many banking reforms and recommendations initiated by the RBI. The support of bank officials is very important for the implementation of various banking reforms. The state bank of India from the public sector banks and ICICI bank from the private sector banks are the main competitors of banking industry. The service quality of the private sector banks is excellent and fast as compared to public sector banks but charges are high. There is a need of healthy bank borrower relationship. The recovery policy of the banks should be liberal. As per the expectations of the global customers RBI and banks should launch more retail services.

Objectives of the Study

The present study is the detail examination of customer's attitude towards Products and Services of Banks Efforts are made find out whether or not, to what extent the quality of services is efficient and effective. The study intends to achieve the following objectives:-

1. To know the customers opinion and awareness about the products and services of the banks under the study.
2. To analyze the opinion of bank managers towards customer's attitude and service quality of banks.
3. To identify the areas where more intention is required for improving efficiency as regards customer's satisfaction
4. To suggest certain workable measures to improve the service quality of banks.

Data Collection

Primary data required for the purpose of study is collected by administering a structured questionnaire about the products and services to customers of SBI and ICICI Bank in Sriganganagar district of Rajasthan. The questionnaire is personally administered by the researcher to the selected 70 customers of SBI and ICICI Bank. The questionnaire is administered after giving an idea relating to the objectives of the study and social significance of the results. The researcher contacted the bank customers through telephone and visited three times to collect filled questionnaire. After the follow up, 55 filled up questionnaire were received, giving a response of 78.57 per cent was considered adequate for the analysis.

Explanation of the Study

The following is the detail analysis and interpretation of the response the customers of SBI and ICICI bank towards various products and services:-

Overall Service Quality of SBI and ICICI Bank

As per the opinion of most customers the overall service quality of ICICI Bank is excellent and very good. Out of 25 customers of ICICI Bank 76% respond for excellent and very good service quality as compared to 60% in case of SBI. No customer of ICICI Bank responds for poor service quality as compared to 3% in case of SBI. So the difference in the service quality of SBI and ICICI Bank is not significant. Both the banks are serving to their customers very efficiently. The ICICI Bank is a private sector bank and the service is fast as compared to SBI but the network of the SBI is wide as compared to ICICI Bank. Now the SBI is also maintaining quality service for the customers.

Saving and Fixed Deposit Account Service of SBI and ICICI Bank

As per the opinion of most customers the Saving and Fixed Deposit Account of ICICI Bank is excellent and very good. Out of 25 customers of ICICI Bank 68% respond for excellent and very good Saving and Fixed Deposit Account service as compared to 40% in case of SBI. No customer of ICICI Bank responds for poor service quality of Saving and Fixed Deposit Account as compared to 3% in case of SBI. So the difference in the service quality of Saving and Fixed Deposit Account of SBI and ICICI Bank is significant. The service quality of Saving and Fixed Deposit Account of ICICI Bank is more effective.

Debit Card, Credit Card and Net Banking Service of SBI and ICICI Bank

As per the opinion of most customers the service quality of Debit Card, Credit Card and Net Banking of SBI and ICICI Bank is almost same. Sixty percent customers of ICICI Bank respond for excellent and very good service of Debit Card, Credit Card and Net Banking as compared to 57% in case of SBI. No customer of SBI and ICICI Bank responds for poor service quality of Debit Card, Credit Card and Net Banking. So the difference in the service quality of Debit Card, Credit Card and Net Banking of SBI and ICICI Bank is not significant. The service quality of

Debit Card, Credit Card and Net Banking of ICICI Bank is same.

Home Loan Facility of SBI and ICICI Bank

As per the opinion of most customers the Home Loan Facility of SBI is excellent and very good. Seventy Three percent of the customers of SBI respond for excellent and very good service of Home Loan as compared to 64% in case of ICICI Bank. No customer of SBI and ICICI Bank responds for poor service quality Home Loan. Seven percent of the customers of SBI respond for average service quality of Home Loan as compared to eight percent in case of ICICI Bank. The minimum rate of interest on Home Loan of SBI is 8.50% as compared to 8.65% in case of ICICI Bank. Overall the home loan facility of SBI and ICICI Bank is same the difference may be seen in procedure of sanctioning the home loan.

Car Loan Facility of SBI and ICICI Bank

As per the opinion of most customers the Car Loan Facility of SBI is excellent and very good. Seventy Seven percent of the customers of SBI respond for excellent and very good service of Car Loan as compared to 48% in case of ICICI Bank. No customer of SBI and ICICI Bank responds for poor service quality Car Loan. Ten percent of the customers of SBI respond for average service quality of Car Loan as compared to twelve percent in case of ICICI Bank. The rate of interest and other charges of SBI are low as compared to ICICI Bank. So the difference in the service quality of SBI and ICICI Bank is significant. The car loan facility of SBI is more effective.

Personal Loan Facility of SBI and ICICI Bank

As per the opinion of most customers the Personal Loan Facility of ICICI Bank is excellent and very good. Fifty two percent of the customers of ICICI Bank respond for excellent and very good service of Personal Loan as compared to 40% in case of SBI. No customer of ICICI Bank responds for poor service quality of Personal Loan as compared to 3% of SBI. Forty percent of the customers of ICICI Bank respond for good service quality of Personal Loan as compared to twenty seven percent in case of ICICI Bank. The rate of interest for personal loan of ICICI Bank is low but all other charges are very high. The difference in the service quality of SBI and ICICI Bank is significant. The Personal Loan facility of ICICI Bank is more effective.

Loan against Property and Gold of SBI and ICICI Bank

As per the opinion of most customers the service quality of Loan against Property and Gold of SBI and ICICI Bank is almost same. Forty Seven percent of the customers of SBI respond for excellent and very good service of Loan against Property and Gold as compared to 36% in case of ICICI Bank. No customer of SBI and ICICI Bank responds for poor service quality Loan against Property and Gold. Forty percent of the customers of ICICI Bank respond for good service quality of Loan against Property and Gold as compared to 23 percent in case of SBI. Overall the Loan against Property and Gold facility of SBI and ICICI Bank is same the difference may be seen in procedure of sanctioning the home loan.

Business (including SME) Loan Facility of SBI and ICICI Bank

As per the opinion of most customers the Business (including SME) Loan Facility of SBI is excellent and very good. Sixty percent of the customers of SBI respond for excellent and very good service of Business (including SME) Loan as compared to 52% in case of ICICI Bank. No customer of SBI and ICICI Bank responds for poor service quality Business (including SME) Loan. Twenty Three percent of the customers of SBI respond for good quality of Business (including SME) Loan as compared to thirty Two percent in case of ICICI Bank. The rate of interest and other charges of SBI are low as compared to ICICI Bank. The Business (including SME) loan facility of SBI is more effective but the difference is not significant.

Minimum Balance, Debit Card and SMS Charges of SBI and ICICI Bank

As per the opinion of most customers the Minimum Balance, Debit Card and SMS Charges of SBI are low. Fifty two percent of the customers of ICICI Bank respond for high and very high charges of Minimum Balance, Debit Card and SMS as compared to 7% in case of SBI. No customer of SBI responds for very high charges as compared to 8% of SBI. Forty Six percent of the customers of SBI respond for Low Minimum Balance, Debit Card and SMS Charges as compared to 8% percent in case of ICICI Bank. The difference in the Minimum Balance, Debit Card and SMS Charges of SBI and ICICI Bank is significant. The Minimum Balance, Debit Card and SMS Charges of SBI are low.

Bank Draft, RTGS and other Transaction Charges of SBI and ICICI Bank

As per the opinion of most customers the Bank Draft, RTGS and other Transaction Charges of SBI are low. Thirty Two percent of the customers of ICICI Bank respond for high charges of Bank Draft, RTGS and other Transaction as compared to 6% in case of SBI. No customer of SBI and ICICI Bank responds for very high charges. Twenty Seven percent of the customers of SBI respond for Low Bank Draft, RTGS and other Transaction Charges as compared to Twenty percent in case of ICICI Bank on the other hand 50% & 40% respectively respond for average. The Bank Draft, RTGS and other Transaction Charges of SBI are low.

Findings

The rate of interest and other charges of business loan of SBI are low as compared to ICICI Bank. As per the opinion of the most customers Business (including SME) loan facility of SBI is more effective but the difference is not significant.

The interest and other charges of saving account of SBI and ICICI Bank are almost same. The service of ICICI Bank is fast as compare to SBI. As per the opinion of most customers the Saving and Fixed Deposit Account of ICICI Bank is excellent and very good.

As per the opinion of most customers the service quality of Debit Card, Credit Card and Net Banking of SBI and ICICI Bank is almost same.

As per the opinion of most customers the Minimum Balance, Debit Card and SMS Charges of SBI are low as compared to ICICI Bank. The difference in the Minimum Balance, Debit Card and SMS Charges of SBI and ICICI Bank is significant.

As per the opinion of most customers the Bank Draft, RTGS and other Transaction Charges of SBI are also low but the difference is not significant.

Suggestions

In the wake of globalization, the customers have assessed indigenous part of the business. Both SBI and ICICI Banks should offer retail banking products to keep the ensure customer satisfaction. Further they need more efforts to render constant services to make them delightful customers. Lower interest should be charged on Education Loan schemes. No land security or house security should be required under these schemes. It should be given to needy students freely and systematically. Banks should not take more time in sanctioning and on distributing the loans. Sufficient amount of loan should be sanctioned according to the need of the project. The bank officials should be specially trained to meet out the requirements and to finalize the loan proposals. So that the beneficiaries may get their loan proposal finalized well in time and adequately.

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