

**COMPARATIVE STUDY OF CUSTOMER SATISFACTION  
TOWARDS SERVICES PROVIDED BY PUBLIC SECTOR  
BANK, PRIVATE SECTOR BANK AND CO- OPERATIVE  
SECTOR BANK OF NAVI MUMBAI**

**Dr. Maniram Dekate\***

**Prof. Sunil Bapu Kadam\*\***

**ABSTRACT**

After 1991, adoption of new policy by RBI and easy norms several private banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. In the competitive market, the banks are facing challenges of advancement of technology. It becomes necessary for service providers to meet or exceed the target customer's satisfaction with quality of services expected by them. Hence, the present research attempted to study customers satisfaction of quality of services, both transactions based and IT enabled in terms of its constituent factors in public sector, private sector and co operative banks. Also through the present study, we would gauge the extent of IT adoption in public sector, private sector and co operative banks in this e-age. The present investigation was planned with the objective to assess the extent of use of services especially the IT enabled services in these banks and to analyze the constituent factors affecting customer satisfaction with the quality of services. The present study was conducted in public sector, private sector and co operative banks of Navi Mumbai. Multistage random sampling was used

\* Associate Professor, Department of Commerce, University of Mumbai, Kalina, Santacruz, Mumbai.

\*\* M Com, M Phil., Assistant Professor Department of Accountancy, N G Acharya & D K Marathe college Of Arts, Science & Commerce, Chembur, Mumbai, India.

for selection of sample. While selecting the branch, care was taken to see that branch should provide at least five IT enabled services. This step was followed to have Intra Bank comparison. The study shows that the customers of nationalized banks were not satisfied with the employee behavior and infrastructure, while respondents of private and Co operative banks were not satisfied with high charges, accessibility and communication.

### Introduction:

The banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors. For the past three decades India's banking system has several outstanding achievements to its credit. The most striking is its extensive reach.

The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of Indian Banking System can be segregated into three distinct phases. They are as mentioned below:

- Early phase from 1786 to 1969 of Indian Banks
- Nationalisation of Indian Banks and up to 1991 prior to Indian banking sector Reforms.
- New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991.

With the advent of liberalization policy and RBI's easy norms several private and foreign banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. In the competitive market, every customer demands better services. In this new customer era banks need to deliver a more efficient, customer-focused and inventive offering than ever before to reconnect with their clients. Like other industries, even banking sector is striving hard to become increasingly customer-centric in order to survive and grow. Service quality, customer satisfaction, customer retention, customer loyalty, customer delight are now the major challenges in gripping the Indian banking sector. Most of the literature review referred in the present paper reveals that as compared to public sector, private sector bank customers' level of satisfaction is comparatively

more in India. In this paper, the present study was conducted in public sector, private sector and co operative banks of Navi Mumbai.

The area of the study selected is Navi Mumbai. It is one of the fastest developing modern cities in the country, which is well-planned with various infrastructure facilities. According to the Navi Mumbai Socio – Economic Survey -2005 report prepared by Kirloskar Consultants at the behest of CIDCO reveals that Navi Mumbai is a cosmopolitan modern and literate city, slowly earning the reputation as the emerging educational capital of India. Therefore, the research proposal aims to have an insight in which the customer's satisfaction with the services provided by the banks and also to identify the customer's opinions / expectations with regard to the same.

### **NEED FOR THE STUDY**

The basic requirement for conducting this study was to examine the customer feedback and their knowledge about various services provided by the public sector, private sector and co operative banks of Navi Mumbai. The study was conducted to find out the level of satisfaction about the services provided by both the banks among its customers.

The study will help the bank in understand and analyzing the reasons as to why the customers are not using the services that are provided by the bank. It will help the bank to finalize its marketing strategy by suggesting few marketing steps that would help the bank in obtaining larger market share. With the help of the study, the bank can also frame certain competitive marketing strategies to outperform the market leader.

### **Objectives of the Study:**

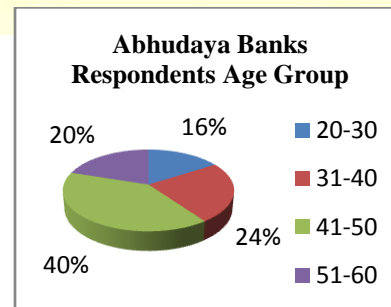
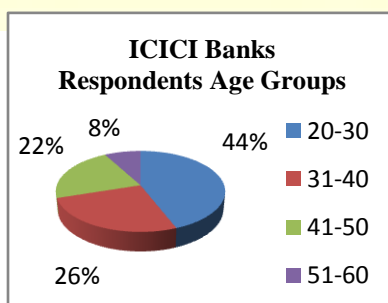
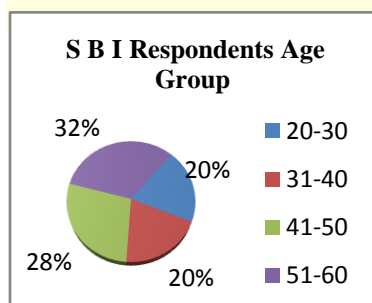
The objective of the present study is to do a comparative analysis of services provided by SBI, ICICI and Abhudaya Co –Operative Banks and the resultant customer satisfaction from the services.

### **RESEARCH METHODOLOGY:**

The present study is based on both primary data and secondary data. The information relating to the customer satisfaction towards services provided by the banks viz. SBI, ICICI and Abhudaya Co-Operative Bank of Navi Mumbai city is collected for the study through survey with the help of questionnaire. Data collection through questionnaire is one of most widely accepted method of collecting data as it requires respondent to fill the data and not the researcher or interviewer. The total sample size of the study is 150 consisting 50 from SBI, 50 from ICICI bank and 50 from Abhudaya Co-Operative Bank. These respondents have been selected on random sampling basis. We have done personal interviewing that is I asked the person in front of me to fill the questionnaire and we were there with the respondent at all times in order to guide him/her and solved the queries at the time of filling in the responses. In order to understand the customer satisfaction towards services provided by these banks of Navi Mumbai city, following attributes have been taken into consideration.

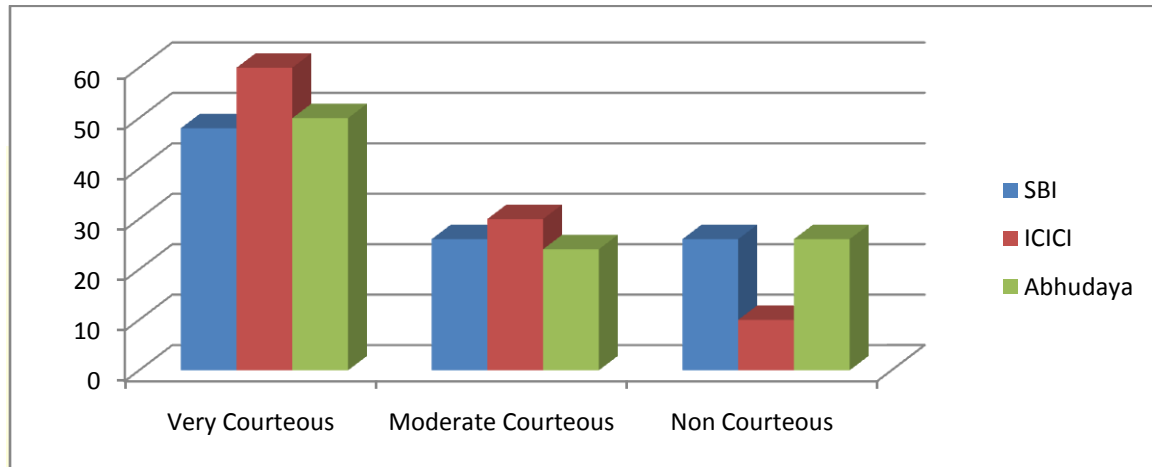
**Table 1 - Demographic- Age of Respondents:**

Age group (years)	Number of Respondents		
	SBI	ICICI Bank	Abhudaya Co-Operative Bank
20-30	10	22	8
31-40	10	13	12
41-50	14	11	20
51-60	16	04	10
<b>Total</b>	<b>50</b>	<b>50</b>	<b>50</b>



The above pie charts witness that the younger customers are more inclined towards services provided by private sector bank than the public and co-operative sector bank.

**Courteous employees:**



The bar diagram given above suggests that 60% customers of ICICI bank found the employees very courteous as compared to 48% of SBI and 50% of Abhudaya Bank employees. The 26% customers of SBI and Abhudaya Bank perceived of employees are non courteous as compared to only 10% of ICICI bank.

**Savings Account Portability :**

Customer can request for transfer of Savings Account from one branch to another branch of ICICI Bank by giving a written request in the branch or by calling the 24 X 7 Customer Care OR placing a request through internet

banking. The account is transferred within 2 working days while in SBI and the same action needs more time and in case of Abhudaya Bank such facility is not available.

**ATM Service:**

Every customer essentially needs ATM service. This service has brought revolution in the banking industry. Proper

functioning of ATM is absolutely must to cater the needs of the customer. The following table illustrates the satisfaction of the customers about this service.

**Table 2- satisfaction of the customers about ATM service**

Satisfaction	SBI		ICICI		Abhudaya Bank	
	Respondent	%	Respondent	%	Respondent	%
High Satisfactory	15	30	42	84	10	20
Moderate Satisfactory	22	44	5	10	22	44
Unsatisfactory	13	26	3	6	18	36
<b>Total</b>	<b>50</b>	<b>100</b>	<b>50</b>	<b>100</b>	<b>50</b>	<b>100</b>

The customers of ICICI bank in large number 84% are highly satisfied than only 30% customers of SBI and 20% of Abhudaya Bank about ATM service. The reasons given are ATM of ICICI bank works almost in all times. There is rarely close down or nonworking of the machines. The ATMs are clean and manned by an active security guard. A very few customers of ICICI have complaint of shortage of ATMs. The 13 unsatisfied customers of SBI and 18 of Abhudaya Bank felt that very often there is internet failure, shortage of cash, close down and out of order condition of ATMs. The ATMs are generally in bad state like non working conditions of air conditioners and cameras. Often the Statement of transaction provided is not readable.

#### **Bank statement/Passbook:**

The ICICI bank issues quarterly statement of account instead of passbook free of cost to all customers. The SBI and Abhudaya bank issues a passbook wherein the customer can make entries as and when he needs. These entries are made free of cost.

#### **Internet Banking:**

Use of the internet to carry out financial transactions is certainly one of the most promising avenues for linking

customers with financial service providers. Through the internet a customer can verify real-time account balances

any time from any location, move funds instantly from one account to another, confirm that deposits have been made, submit an application for loans and credit cards and carry out online bill paying. The customers of ICICI bank and SBI bank perceive that internet banking for them is



very convenient, fast and often uninterrupted. On the contrary customers of abhudaya bank find this service slow and often interrupted due to frequent server down.

**Customer care:**

24-hour Customer Care is always available to answer any query or to take instructions in ICICI bank, while this 24-hour facility is not available to the customers of SBI and Abhudaya Bank

**Deposit of cheques:**

For deposition of cheques only drop box is available at SBI, while in ICICI bank and Abhudaya bank along with drop box facility customer can ask for acknowledgement receipt.

**Collection of Cheques:**

It is not always that the cheque is deposited at the base branch. Hence some amount is charged for the service of collection of cheques through outstation branch. The local cheques deposited for collection in all bank are realization take 2-3 days. The processing of out station cheques is faster in ICICI bank than other banks.

**Demand draft facility:**

Some respondents of SBI and Abhudaya bank are not satisfied with the DD facility provided by the bank. There is unusual delay in issuing of draft due to large customers and shortage of staff. Sometimes even the DD is issued after the normal working hours of the bank. ICICI bank issues DD immediately after getting the request from its customer.

**Information about new products and schemes:**

Many new schemes and policies are prepared by SBI and Abhudaya bank, but it is not communicated to the customers properly. As the customers are mostly unaware about these schemes; they do not get the benefit of the schemes and policies. The ICICI bank timely provides the information about the new product and schemes by sending pamphlets and brochures to their customers.

**Ambience:**

The customers of ICICI bank find the bank spacious, clean, well furnished and pleasant working conditions. While in SBI and Abhudaya Bank customers suggest need of comfortable furniture (writing tables and chairs) and cleanliness.

Table 3- COMPARITIVE RATING CHART

S. No	SERVICE	State Bank of India	ICICI Bank	Abhudaya Co-Op Bank
1	Attitude of employees	Good	Excellent	Good
2	Saving account portability	Tedious	Fast	Tedious
3	ATM facility	Good	Excellent	Good
4	Passbook facility	Available	Not available	Available
5	Internet Banking	Slow	Fast	Slow
6	Timings	Inconvenient	Convenient	Convenient
7	Issue of DD	Delayed	Faster	Faster
8	Customer care	Not 24x7	24x7	Not 24x7
9	Ambience	Not very pleasant	Pleasant	Not very pleasant
10	Collection of cheques	Time consuming	Quick	Time consuming
11	Issue of cheque book	Good	Good	Good
12	Information about new services and products	Not properly informed	Properly informed	Not properly informed
13	Cheque deposit for collection	No counter foil is provided	Provides counter foil	Provides counter foil
14	Parking facility	Not available	Not available	Not available

Source : primary Data

## CONCLUSION

The data showed, quality of services provided by private sector bank (ICICI) is better than public sector bank (State Bank of India) and Co-Operative sector Bank (Abhudaya Co- Operative Bank) in Navi Mumbai city. It is evident that public sector banks have a strong presence in the market, but in recent times they are facing stiff competition from private and Co-Operative sector banks in the range and quality of services offered. In the present scenario though all banks need to be service oriented in order to keep meet the stiff competition, but Public and Co-Operative sector banks need to concentrate more on providing updated information about services to customers.



## RECOMMENDATIONS

- ✓ Making the existing customers aware of the other products of SBI, Abhudaya Bank and take their interest feedback for the same timely.
- ✓ Proper description of charges debited and credit entries in the account should be made in the account statement.
- ✓ Improved technical infrastructure in the form of uninterrupted internet connectivity and orderly working of ATMs 24 x 7 of SBI and Abhudaya Bank
- ✓ ICICI bank is recommended to adopt passbook system which might be helpful to increase reliability.
- ✓ All the banks are recommended to see availability of free parking while choosing any location for a branch.
- ✓ A bank can differentiate itself with weekends and extended working hours.

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