CUSTOMER SATISFACTION AND SBI: A CASE STUDY OF DUNGARPUR CITY

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ABSTRACT

In the organised segment, banking system plays an important role in economic development of a country. With the current changes in the financial orientation of banks, the purpose of banking is being re defined. The main driver of this change is changing customer needs and expectation. In this era, Customers do not want to wait in long queues and spend hours in banking transaction. This change in customer attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the customer doorstep. Every day, Banks have to transact with many customers and it is a universal fact that no one business can run without customers. This empirical study was conducted to know about level of customer satisfaction regarding banking services and to know affect of demographic variables on customer's satisfaction. In this study, primary data were collected by using well structured questionnaire from a sample of 50 customers of SBI in Dungarpur city in Rajasthan. For analysis of data, Percentage analysis, chi-square and descriptive analysis have been used. The finding of this study revealed that there is no significant difference between demographic variables and customer satisfaction. Organisation need to retain existing customers while targeting non-customers; measuring customer satisfaction provides an indication of how successful the organization is at providing product and services to the marketplace.

KEYWORDS: *Bank, Customer Expectation, Demographic, Structured Questionnaire.*

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Introduction

Banking & financial reform started in 1991 in India which included large scale mergers, amalgamations, and acquisitions among banks and financial institutions. Due to merger and acquisition, there was growth in size and competitive strength, resulting in adoption of a new financial service organization, i.e. universal banking. This move attempted to bridge the gap between banking and financial service providing institutions (Benston, 1994). With the emergence of Universal banking, bank aim to provide all banking products and services offering under one roof such as investment, insurance, mortgage, securitization, etc. and their endeavour is to be customer centric. This new reform will witness financially sound and experiences players transforming the industry with best practices in product development, operational efficiency, marketing capability and services focus. Further the technology oriented banking has become one of the latest mantras of success in the market, especially to win over the customer. The Indian banking industry is also reengineering and automating their banking processes by expanding technology rapidly.

According to Philip Kotler, "A person perceived performance form product in relation to his or her expectation, as a result disappointment or pressure is known as satisfaction. Customer satisfaction is measured by how product and services supplied by a company to meet customer expectation. Between 1990 and 1998, **Berry and Brodeur** defined ten 'Quality Values' which influence customer satisfaction behaviour. It was further expanded by Berry in 2002 and known as the ten domains of satisfaction. It include: quality value, timeliness, efficiency, ease of access, environment, inter-department teamwork, front line service behaviours, commitment to the customer and innovation. These factors are emphasized for continuous improvement and organisational change measurement as an integral mode. **Owusu-Frimpong (1999),** other factors that customers are looking for in a high customer service can be divided into two broad groups as tangible and intangible factors. The tangible factors include performance,

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quality, reliability, cost of services and convenience and the intangible factors include reputation, sense of caring, courtesy, willingness to help, problem solving ability of staff, etc. The tangible and the intangible factors mainly concern the point about customer's perception about how he/she is being treated by a bank. In every organization, customer service plays an important role to generate income and revenue from the point of view of an overall sales process engineering effort (**Don & Rogers, 2008**). The banks are able to differentiate themselves from the competition and improve their image in the eyes of the customer due to the benefits of the current customer – centric banking industry. Financial services organizations are managing products and services, delivery systems, environment and people for improving customer care strategies and programs, so as to provide an efficient and caring service, getting things right the first time and maintaining standards **(Naveed, 2009)**.

State Bank of India

On 1st July State Bank of India was constituted under the State Bank of India Act 1955, for the purpose of taking over the undertaking and business of the Imperial Bank of India. Under the Imperial Bank of India Act 1920, the Imperial Bank of India was founded in 1921. The Bank's transactions include general banking business of every description i.e. foreign exchange, merchant banking and mutual funds. The bank's main divisions include treasury, retail banking, corporate/wholesale banking and other banking businesses.

In 1959 State Bank of India (Subsidiary Bank) Act was passed. State Bank of Hyderabad became the first subsidiary of SBI in October. During this period, State Bank of Jaipur, State Bank of Bikaner, State Bank of Indore, State Bank of Travancore, State Bank of Mysore, State Bank Patiala and State Bank of Saurashtra became subsidiaries of the bank. In 1972, a merchant banking division was set up in the central office to cater to promotional needs of the corporate sector. In order to meet all the developmental needs of the villages including their social and cultural needs, the bank launched an integrated rural development programme, aimed at not only covering the credit needs of agriculture and agricultural activities and village industries, but also housing and social activities.

During 1991 the bank set up a new subsidiary called the SBI Factors and Commercial Serviced Pvt. Ltd. for rendering factoring services to the industrial and commercial units in Western India. As the insurance sector is opened up, The State Bank of India (SBI) proposed to take up the life insurance and general insurance business. The State Bank of India (SBI) has decided to take over SBI Home Finance (SBIHF), with its assets and liabilities. In 2000, State Bank of India Mutual Fund has launched the Magnum Gilt Fund, dedicated to investing in government securities.

In 2001, the Bank has signed a MOU with Cardif S.A. for the bank's life insurance business. The Bank has incorporated a subsidiary 'SBI Life Insurance Company Ltd.' for doing life insurance business. During this year launch of the SBI International card and the SBI Global Card for global travelers in India. SBI International cards and SBI Gold Cards would be accepted at over 20 million Visa outlets worldwide and one lakh outlets in India.. SBI is the only Bank to have been permitted a 74% stake in the insurance business.

During 2003 India's largest commercial bank, State Bank of India (SBI) planned to position itself as an 'Universal Bank' catering to the diverse needs of the society. A K Purwar, Chairman of SBI said, "We are now aspiring to becoming a universal bank". The bank wants to be present in every financial aspect of funds, be it banking, credit cards or insurance. "Towards this effect, we are planning to convert our branches into 'Super Shoppe', which will sell all products," he added. Computerisation of all the operations is going on full swing. SBI launched virtual debit cards to check online fraud and promote ecommerce in 2012. SBI and ICICI Banks are leading m-banking revolution in India. With the advent of Smartphone and 3G services, the Mobile Banking (m-Banking) services have been fast catching up with Indian customers for conducting balance inquiries, account transactions, utility payments, and other banking activities using a mobile handset. SBI has gone beyond the usual domains of technology in term of platform solution, operational details and service content in a very aggressive manner to serve the excluded common citizen at minimal costs. Two days in a month are observed as 'customer day', when Branch Head & Administration officers are available to receive suggestion from customer and resolve their grievances.

Objectives of the Study

- To know satisfaction level of customer of SBI regarding various banking services.
- To study the affect of demographic factors on level of satisfaction of bank's customers

Hypothesis of the Study

The demographic factors don't affect level of satisfaction of customers of bank

Scope of the Study

The scope of the study is confined to SBI Bank operating in Dungarpur district in Rajasthan in terms of customer satisfaction. The study has been undertaken on the basis of sample survey.

Research methodology

Systematic methodology is pre-requisite for a good research. It directly influences the validity of the research findings. The major type of information used is primary data. This is done through primary survey. This data was collected through questionnaires as research instrument, which included questions based on the objectives of the study and customer service issues relevant to the study. A sample of 50 respondents was be used in the research The researchers used Percentage analysis, Chi Square Test, Descriptive analysis have been applied with graphical and table presentation for the analyses.

Customer Satisfaction of SBI

- **Analysis of SBI's customer's questionnaire**

As per the response of respondents, the following results could be interpreted:

Table 1: Distribution of Respondents According to Gender

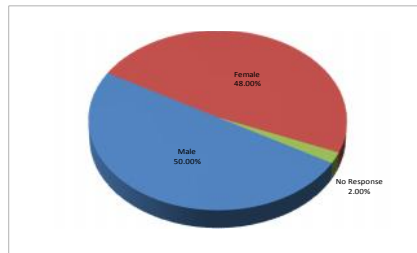| Gender	N	%
Male	25	50.00
Female	24	48.00
No Response	1	2.00
Total	**50**	**100.00**

Fig. 1: Distribution of Respondents According to Gender

Out of 50 respondents 54% are male and 48% are female.

Table 2: Distribution of Respondents According to Profession

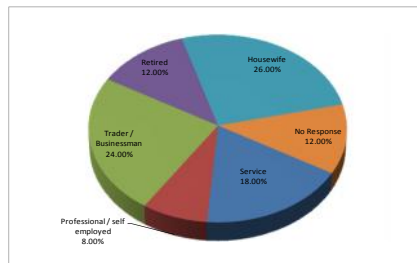| Profession	N	%
Service	9	18.00
Professional / self employed	4	8.00
Trader / Businessman	12	24.00
Retired	6	12.00
Housewife	13	26.00
No Response	6	12.00
Total	**50**	**100.00**

Fig.2: Distribution of Respondents According to Profession

18% respondents are service class, 24% respondents are belonging to trader and retired are 12% and housewife and self employed are 26% and 8% respectively.

Table 3: Distribution of Respondents According to Age

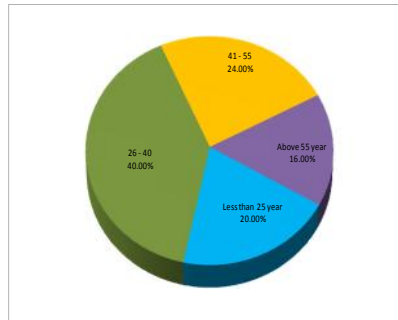| Age	N	%
Less than 25 year	10	20.00
26 - 40	20	40.00
41 - 55	12	24.00
Above 55 year	8	16.00
Total	**50**	**100.00**

Fig. 3: Distribution of Respondents According to Age

For the study, the customer are above the age group of 18 year were considered. 20 percent respondents belonged to the younger age group (18- 25 years), 40% belonged to the middle age group(26-40 years), 24% respondents belonged to the older age group (41-55 years), and 16% respondents belonged to oldest age group (above 55 years).

Table 4: Distribution of Respondents According to Education

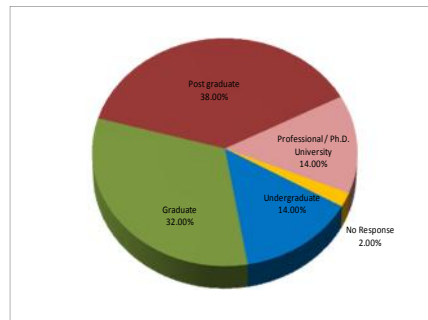| Education	N	%
Undergraduate	7	14.00
Graduate	16	32.00
Post graduate	19	38.00
Professional / Ph.D. University	7	14.00
No Response	1	2.00
Total	**50**	**100.00**

Fig. 4: Distribution of Respondents According to Education

The data reveals that only 14% are ungraduate and 38% are post graduate. This implies that Most of the respondents are highly educated.

Table 5: Distribution of Respondents According to Income

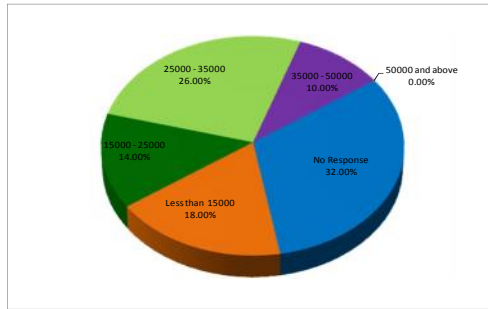| Income	N	%
Less than 15000	9	18.00
15000 - 25000	7	14.00
25000 - 35000	13	26.00
35000 - 50000	5	10.00
50000 and above	0	0.00
No Response	16	32.00
Total	**50**	**100.00**

Fig. 5: Distribution of Respondents According to Income

A majority of respondents (26%) are belong to middle level income group i.e. 25000-35000 and 32% respondents had not shown their income.

Table 6: Satisfaction with different parameters of banks

| Statement	High	Medium	Low
Bank has adequate space to customers to transact business.	80.00	4.00	16.00
Banking companies will have modern equipment as well as large ATM network.	92.00	6.00	2.00
Bank have convenient branch location	74.00	4.00	22.00
Adequate drinking water and sanitary facilities are available.	50.00	26.00	24.00
Banks provide accurate information related to e-banking channels and their usage.	40.00	40.00	20.00
I feel safe and secure while transacting with the bank.	76.00	24.00	0.00
Bank will not misuse your personal information.	64.00	30.00	6.00
Employees are well trained and can provide detailed knowledge of service.	64.00	24.00	12.00
Bank helps me to plan my investment.	38.00	52.00	10.00
The bank website is secure for your credit card information.	50.00	44.00	6.00
Bank will have operating hours convenient to their entire customer.	56.00	8.00	36.00
The employees of bank will understand the specific needs of their customers.	58.00	24.00	18.00
Bank offers a complete range of services	78.00	14.00	8.00
Bank enhance its technological capacity (e.g. Computerization, networking of operation etc.) to serve customers more effectively.	50.00	34.00	16.00
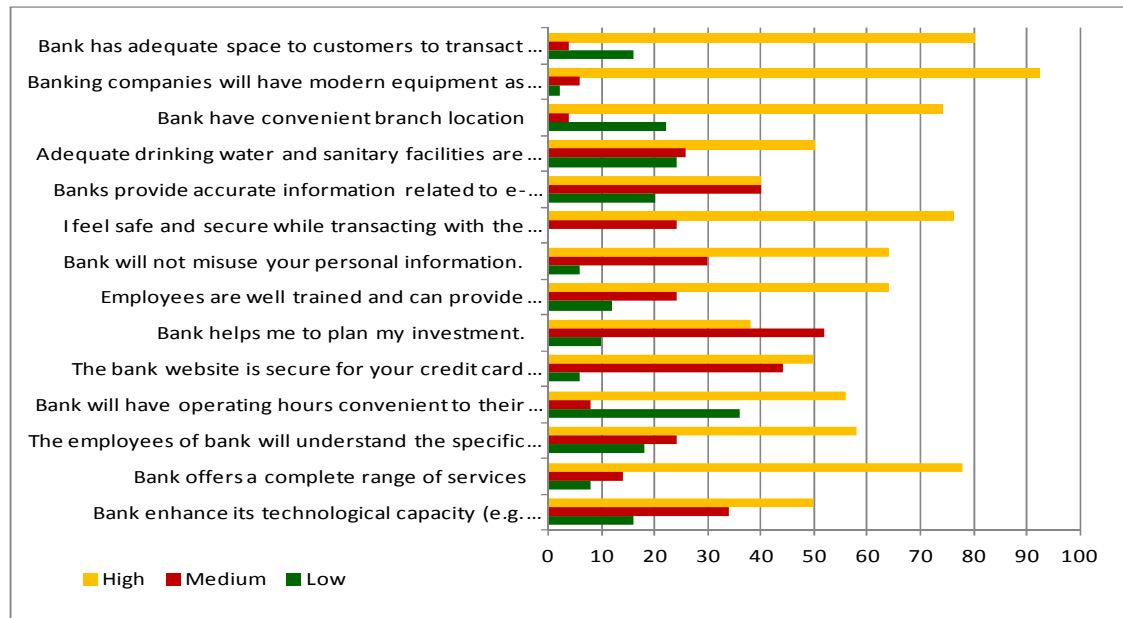
Fig. 6: Satisfaction with different parameters of banks

The data reveals that customers are highly satisfied (80%) with adequate space for customers in bank and complete range of services which SBI is offering. Most of the Customers are also feeling safe while transacting with bank and they are assured for bank website and not misuse of their personal information . The table shows that SBI's employees are well trained and but only 58% respondents are agreeing that bank's employees understand the specific need of customers. Customers are highly satisfied about branch location and also their ATM facility. But there are low satisfaction regarding adequate drinking water, snaitary facility ,operating hours and some respondents are not fully agree that bank enhance its technology capacity.

Satisfaction with Banking Services V/s Demographic Variables

Table 7: Age

Age	Satisfaction		X2	df	Result
	Low	High			
< 25 years	10.34	28.57			
26 - 40 years	68.97	38.10			
41 - 55 years	10.34	14.29	5.137	3	NS
> 55 years	10.34	19.05			
Total	**100.00**	**100.00**			

It is seen that the Chi-square value is 5.137 and the probability value is greater than 0.05. Hence there is no significant relationship between age and customer satisfaction with banking services.

Table 8: Gender

Gender	Satisfaction		t^2	df	Result
	Low	High			
Male	55.17	52.38			
Female	44.83	47.62	0.038	1	NS
Total	**100.00**	**100.00**			

It is seen that the Chi-Square value is 0.038 and the probability value is greater than 0.05. Hence there is a no significant relationship between Gender and customer satisfaction with banking services.

Table 9: Education

Education	Satisfaction		t^2	df	Result
	Low	High			
Undergraduate	10.34	9.52			
Graduate	24.14	19.05			
Post graduate	44.83	61.90	1.784	3	NS
Professional/Ph.D	20.69	9.52			
Total	**100.00**	**100.00**			

It is seen that the Chi-Square value is 1.784 and the probability value is greater than 0.05. Hence there is a no significant relationship between education and customer satisfaction with banking services.

Table 10: Income

Income	Satisfaction		t^2	df	Result
	Low	High			
< 15,000	18.18	27.78			
15,001 - 25,000	45.45	27.78			
25,001 - 35,000	31.82	22.22	4.036	3	NS
35,001 - 50,000	4.55	22.22			
Total	**100.00**	**100.00**			

It is seen that the Chi-Square value is 4.036 and the probability value is greater than 0.05. Hence there is a no significant relationship between income and customer satisfaction with banking services.

Table 11: Profession

Profession	Satisfaction		t^2	df	Result
	Low	High			
Service	24.14	33.33			
Profession	13.79	19.05			
Traders	27.59	19.05	0.953	3	NS
Retired and House Wives	31.03	28.57			
Total	**96.55**	**100.00**			

It is seen that the Chi-Square value is 8.843 and the probability value is greater than 0.05. Hence there is a no significant relationship between profession and customer satisfaction with banking services.

Conclusion

The finding of the study shows that demographic factors like age, education, income and profession are not playing important role in varying level of satisfaction of customers. The studies reveals that SBI is required to enhance its technology capacities to serve customers more effectively and customers give much importance to safe and secure transaction, prompt services, creditworthiness of bank and attitude of employees toward customers. This implies that employees should behave properly with customers and cooperate them to knowing various banking services and help them to understand investment plans.

Limitation and Recommendations for further research

Research is not without the share of limitation. This study has also certain limitation like this study is limited to SBI of Dungarpur city, Rajasthan (India) only and limited to 50 respondents. And data are collected by questionnaire, so it is also limited to level of cooperation and information provided by customers. This research can be expand by increasing sample size for getting more relevant results. The present research focused only on SBI of Dungarpur city, further research can be done to analyze customer satisfaction in other bank and other city or state of India.

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