



A STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICE DELIVERY WITH SPECIAL REFERENCE TO SBI and UBI BANKS

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ABSTRACT

Customer satisfaction has become one of the most important factors influencing the success and growth of banking institutions in the modern financial environment. Banks are continuously improving their service quality, technological facilities, and customer relationship practices to attract and retain customers. This study focuses on customer satisfaction towards service delivery with special reference to State Bank of India and Union Bank of India. The research aims to analyze the level of satisfaction among customers regarding various banking services offered by these banks.

The primary objective of the study is to evaluate customer perceptions about service quality, employee behavior, responsiveness, digital banking facilities, reliability, and overall banking experience. The study also attempts to identify the factors that influence customer satisfaction and compare the service delivery performance of SBI and UBI banks. Both primary and secondary data sources were utilized for the research. Primary data was collected through structured questionnaires distributed to customers of SBI and UBI branches, while secondary data was gathered from journals, websites, reports, and banking publications.

Keywords: Customer Satisfaction, Service Delivery, Banking Services, SBI, UBI, Digital Banking, Service Quality, Customer Loyalty.

INTRODUCTION

Conceptual Overview of Service Delivery The service delivery is one of the most important documents in the overall services offered to the customers. The 7th Pay of service marketing mix is the service delivery process. The service delivery refers to set of procedures and mechanism implemented and activities undertaken in order to deliver the service as desired by the customers. The service delivery often being influenced by five broad factors. They are:

1. The service providers (e.g., the people)
2. Equipment used to provide the service (e.g., vehicles, cash registers)
3. The physical facilities (e.g., buildings, parking, waiting rooms)
4. The client
5. Other customers at the service delivery location

A service delivery is a process of enabling the delivery of a service. The service delivery requires an inter link between service provider and the customer who requires the service. The service link keeps existing as long as the stakeholder completely feels the service is delivered. During the process of service delivery the customer needs to have clear assumption on requirement of service. In order to ensure that the services are delivered with an intention to make the customer loyal to the service banks. The concept of service delivery is more concerned with answering the questions such as where, when and how the service products are reached to the customers.

The vertical and horizontal view of customer satisfaction for various categories of customers is presented in the table 1.1.

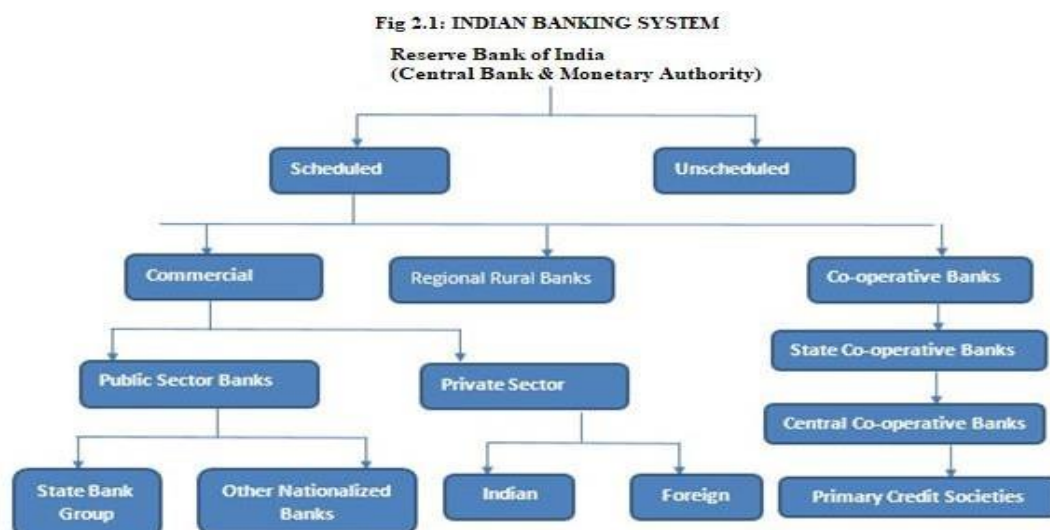
Table 1.1 Vertical and Horizontal view of Satisfaction (Oliver, 1997)

View point	Antecedents	Core concept	Consequences
Individual (Single transaction)	Performance or service encounter	Transaction specific satisfaction	Complimenting complaining word of mouth
Individual (time accumulated)	Accumulated performance history	Summary classification	Attitude, loyalty, switching
Firm's customers in the aggregate	Reputation, product quality, promotion	Average satisfaction, repurchase rates, competitive ranking	Share profits
Industry or commercial sector	Average quality, monopoly power	Consumer sentiment	Regulation taxation
Society	Product or service variety, average quality	Psychological well being	Tranquillity, productivity, social progress, alienation, consumerism

II. Indian Banking Industry – an Overview

The Indian banking system consist of public and private sector banks, foreign banks, regional rural banks, urban cooperative banks, rural cooperative banks and corporate credit institutions. The banking industry in India is broadly categorized into scheduled banks and non-scheduled banks.

The schedule banks in India are categorized into commercial banks and cooperative banks. All the 22 public sector banks, 12 private sector banks, 46 foreign banks, 43 regional rural banks come under commercial banks. Apart from this, the cooperative banks which are in operational are state cooperative banks, central cooperative banks, primary cooperative bank which are also been providing the services as cooperative banks.



III. Need for the Study

The business environment of banks is largely dominated by the efficiency of services and the service delivery process. It is proved to be one of the most instrumental factors that will dictate the result on whether the customer gets satisfaction or not. The banking services in India have been transforming in terms of its efficiency through sophisticated technology driven services with an aim to provide maximum customer satisfaction. Banks have their own limitations in the form of limited staff, changing bank norms and rising demands from customers. The expectations and services of banks have been witnessing rising gap and this phenomenon has been adversely affecting the customer satisfaction. In view of the emerging scenario of rising demands for customer centric service delivery, the study provide an in-depth analysis on customer service delivery mechanism being implemented and followed by hands and further the study evaluates the effectiveness of service delivery on customer satisfaction.

Objectives of the Study:

1. To know the customer awareness of facilities available in SBI and UBI Banks
2. To evaluate the customers perceptions on facilitates provided by the SBI and UBI Banks
3. To know the customer opinions on services quality in SBI and UBI Banks

Scope of the Study

The study is confined to two selected public sector banks and its branches in urban and rural areas of Ananthapuramu district. For the evaluation perceived service quality, the five dimensions of Servqual are analyzed. The perceptions on these five dimensions of servqual are ascertained and comparison is made using mean analysis.

RESEARCH METHODOLOGY

Sources of Data

The required data is collected from both primary and secondary sources.

Primary Sources of Data: The required primary data is collected by using structured questionnaires distributed to the customers of selected bank branches. Further, to analyze the service delivery in terms of time spent for the services, the observation method is applied to record the factual data.

Secondary Sources of Data: The secondary data is collected from published sources. The report of RBI and the Annual Reports of select banks are also part of secondary source of data. Further, the data and information available from Bank Manuals, branch-wise notices, IBEF, ASSOCHAM, CII reports are taken as part of secondary data. Further, the reports, published articles, journals are taken into consideration as sources of secondary data.

Data Collection: Primary data is collected from the SBI and UBI Banks customers, i.e., sample respondents by using a structured questionnaire. The structured questionnaire is consists of 4 parts. Part-1 presents the demographic profile of the customers. Part-II concentrates on the perception on general and specific banking services offered in the branches. Part-III present the service delivery evaluation, Part-IV will concentrate on factors influencing the customer satisfaction towards banking service and perceived serviced quality on the basis of five dimensions.

The questionnaire pertaining to the bank staff include profile of bank staff, services offered to the customers and the procedures applied for service delivery in bank branches.

Data Analysis

The data quantified are tabulated and following statistical techniques are applied.

- i) To analyse the perceptions, Likert 3 point rating scale is applied. The weighted mean and standard deviation are computed for further analysis.
- ii) The mean analysis is applied to compare the better performing bank in terms of service delivery dimensions and customer satisfaction.
- iii) To analyse the association between various attributes influencing the perception of the customers, the Chi-square test method is applied.

Results of Reliability & Validity

The reliability test is applied with a view to examine the internal consistency among the items framed for study. A total of 30 items/variables are studied and the computed Cronbach's Alpha is 0.7893 which reveal that there is a high internal consistency among the variables/items. Further, the validity is tested using a pilot study to study the content validity and context validity. Further, statistically the convergent validity is applied to test the results. The computed Pearson correlation coefficient ranges in between 0.662 to 0.844. Further, the variables are proved significant at 5 per cent significance level. The results support the confirmation of validity of test results.

Table 3.1
Results of Reliability Analysis

	N	%
Total sample respondents	267	100.0
Cronbach's alpha	N of Items	
0.7893	30	

IV. RESULT AND DISCUSSIONS

Table 4.1 Bank Distribution

Banks	Frequency	Percent
SBI	122	45.7
UBI	145	54.3
Total	267	100.0

In table 4.1 observed that among the 267 participants surveyed, 122 people (45.7%) are linked to the State Bank of India (SBI), whereas a slightly larger group, 145 people (54.3%), are connected to Union Bank. This suggests that Union Bank is slightly more represented in the sample.

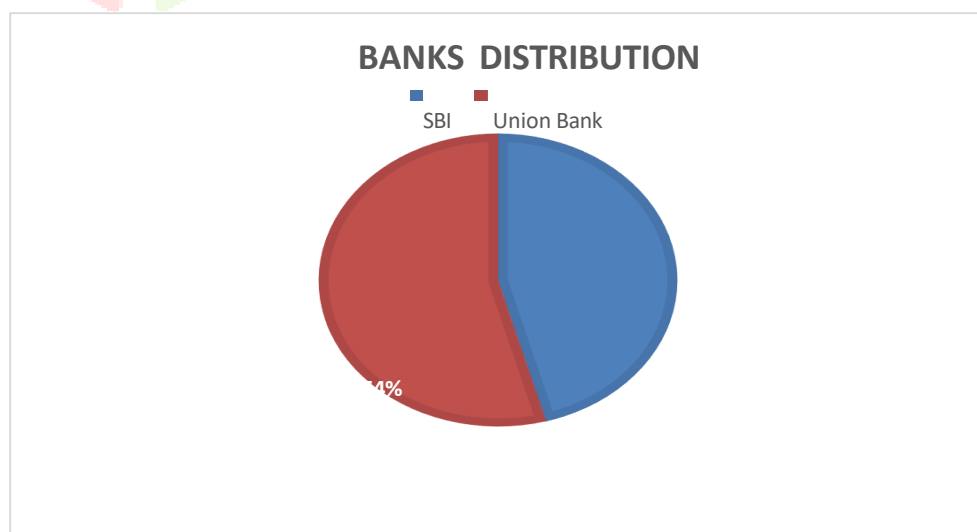


Fig 4.1 Banks distribution

Table 4.2 Gender Distribution

Gender	Banks		Total
	SBI	UBI	
Male	101(36.66)	120(44.33)	221(82.7)
Female	21 (7.89)	25 (9.89)	46(17.22)
Total	122(44.55)	145(54.22)	267(100.00)

The above table 4.2 shows the respondents, males constitute a significant majority, with 221 individuals accounting for 82.8% of the total, while females make up 46 individuals, or 17.2%. This demonstrates a clear gender imbalance, heavily skewed towards male participants.

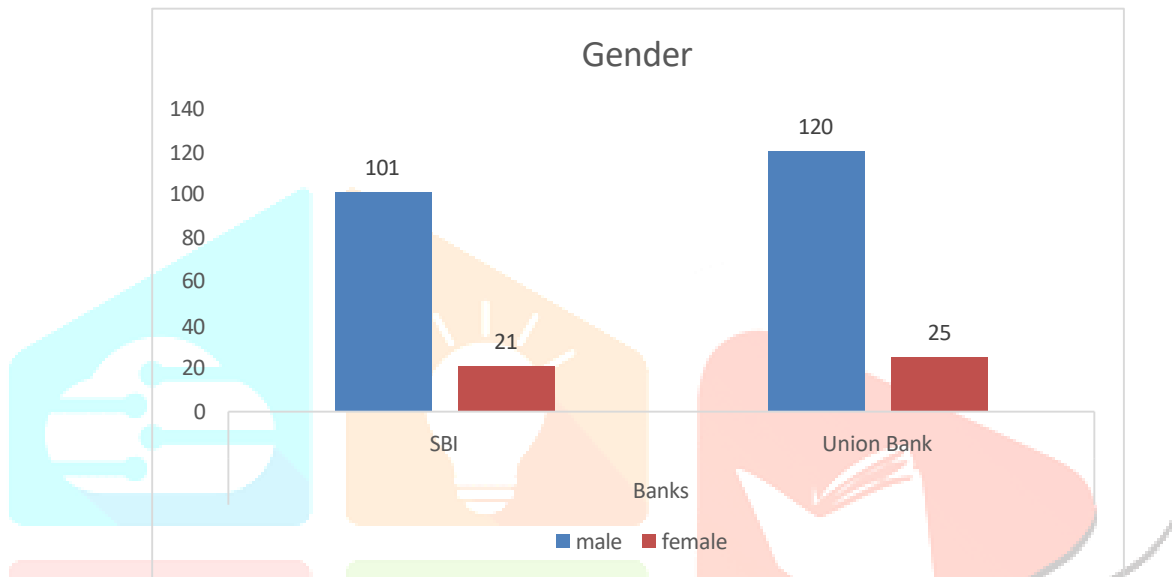


Fig 4.2 Gender

Table 4.3: Marital Status

Marital_Status	Banks		Total
	SBI	UBI	
Married	73(27.34)	87((32.58)	160(59.92)
Unmarried	49(18.35)	58(21.72)	107(40.07)
Total	122(45.69)	145(54.30)	267(100.00)

In table 4.3 Regarding marital status, 160 participants (59.9%) are married, whereas 107 participants (40.1%) are single. This data indicates that married individuals make up the majority of the respondents.

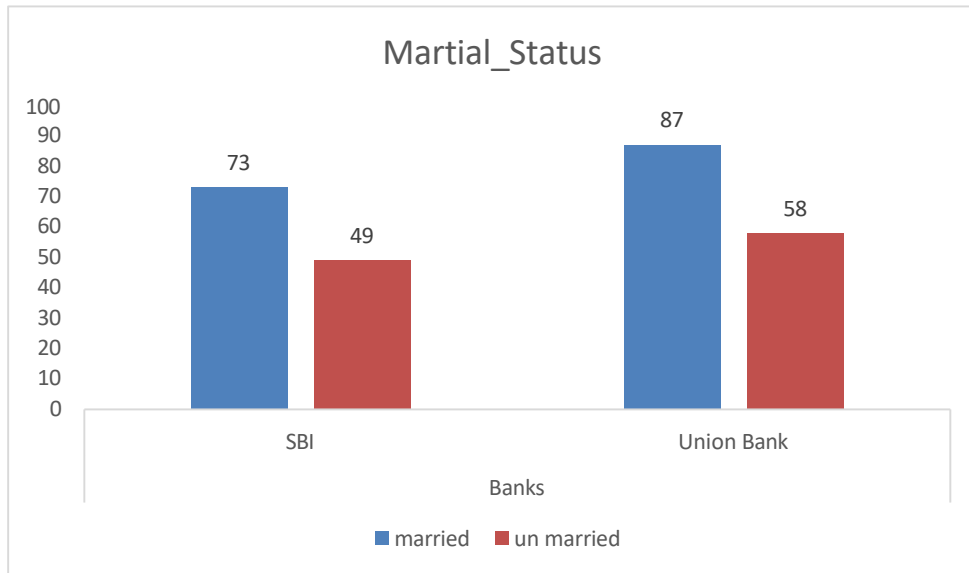


Fig 4.3 Martial Status

Table 4.4 Age Distribution

Age	Banks		Total
	SBI	UBI	
below 30 yrs	50(18.72)	66(24.71)	116(43.44)
31-40	72(26.96)	77(28.83)	149(55.80)
41-50	0(0.00)	2(0.74)	2(0.74)
Total	122(45.69)	145(54.30)	267(100.00)

In table 4.4 the largest group of participants, totalling 149 individuals or 55.8%, is aged between 31 and 40 years. Following this, 116 participants, making up 43.4%, are under the age of 30. A mere 2 respondents, equating to 0.7%, are in the 41–50 age bracket, underscoring the limited involvement of older age groups in the survey.

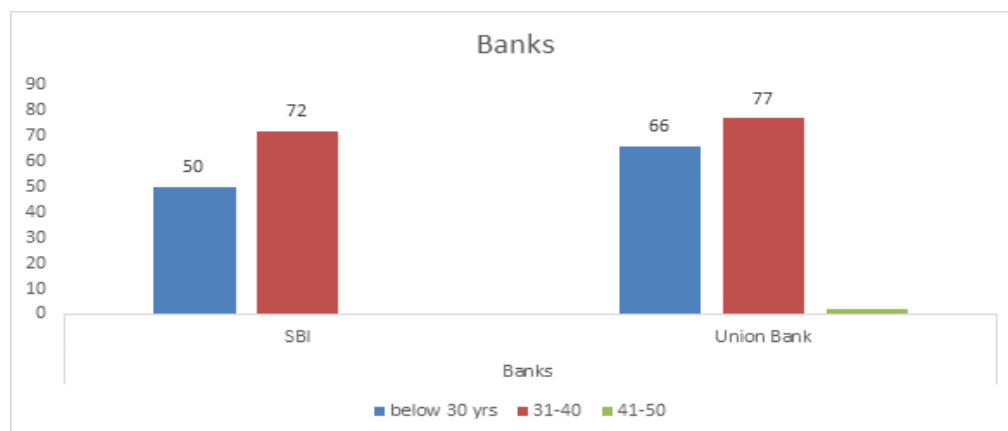


Fig 4.4 Age

Table 4.5 Income Distribution

Income	Banks		Total
	SBI	UBI	
below 50,000	39(14.60)	41(15.36)	80(29.96)
50,000-60,000	55(20.60)	69(25.84)	124(46.44)
60,000-80,000	22(8.23)	31(11.61)	53(19.85)
80,000-1,00,000	2(0.75)	2(1.5)	4(1.5)
above 1,00,000	4(1.50)	2(0.75)	6(2.25)
Total	122(45.69)	145(54.30)	267(100.00)

In table 4.5 the largest group of respondents, comprising 124 individuals (46.4%), reported an income range of ₹50,000 to ₹60,000. This was followed by 80 participants (30.0%) who earned less than ₹50,000, and 53 individuals (19.9%) whose earnings fell between ₹60,000 and ₹80,000. A mere 4 respondents each (1.9%) were in the income brackets of ₹80,000 to ₹100,000 and over ₹100,000.

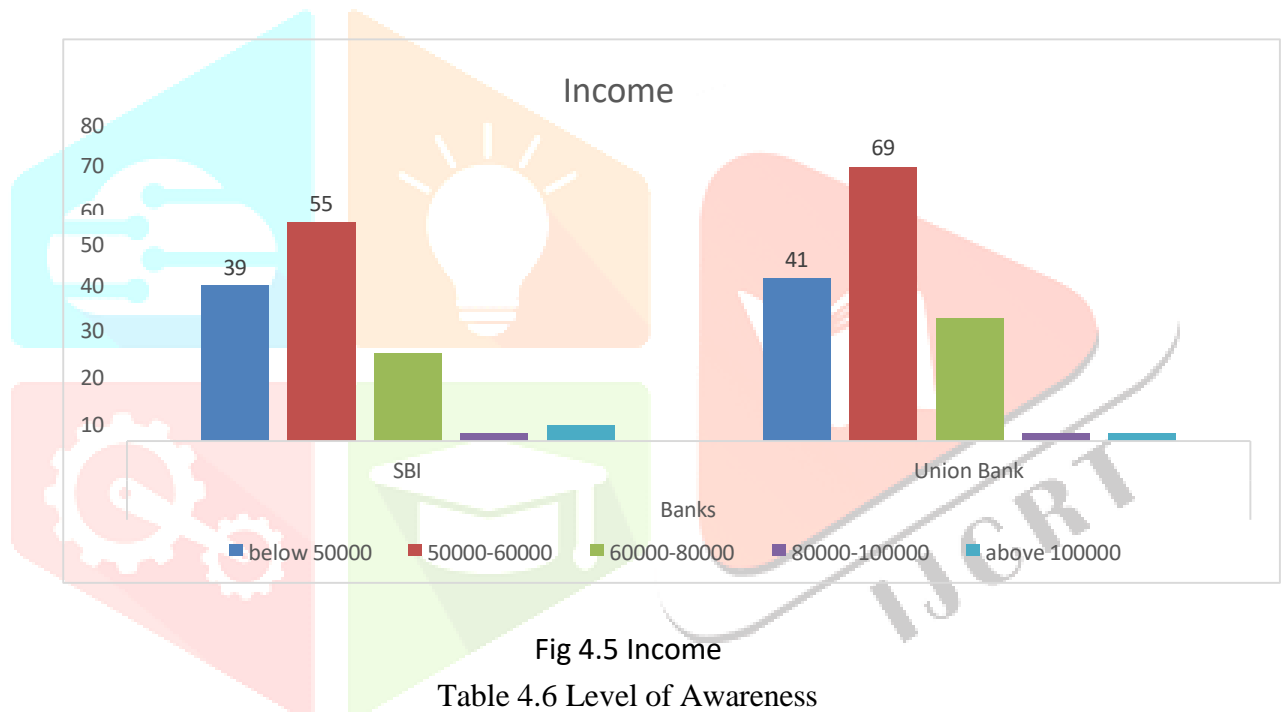


Fig 4.5 Income

Table 4.6 Level of Awareness

S No	Awareness	Highly Awareness	Moderately	Natural Aware	Slightly Aware
1	ATM card facility provided by public sector banks?	35 (13.11)	135 (50.56)	90 (33.71)	7 (2.62)
2	Debit Card facility provided by public sector banks?	23 (8.61)	109 (40.82)	121 (45.32)	14 (5.24)
3	Internet Banking facility provided by public sector banks?	42 (15.73)	110 (41.20)	104 (38.95)	11 (4.12)
4	Mobile Banking facility provided by public sector banks?	26 (9.74)	108 (40.45)	109 (40.82)	24 (8.99)
5	NEFT/RTGS facility provided by public sector banks?	37 (13.86)	116 (43.45)	93 (34.83)	21 (7.87)

6	E-Loans/Retail Banking facility provided by public sector banks?	25 (9.36)	110 (41.20)	109 (40.82)	23 (8.61)
7	Prepaid Forex facility provided by public sector banks?	33 (12.36)	111 (41.57)	91 (34.08)	32 (11.99)
8	Tax e-payments facility provided by public sector banks?	38 (14.23)	143 (53.56)	71 (26.59)	15 (5.62)
9	Utility payments and research facility provided by public sector banks?	18 (6.74)	116 (43.45)	105 (39.33)	28 (10.49)
10	Merchant Banking Services facility provided by public sector banks?	21 (7.87)	118 (44.19)	103 (38.58)	25 (9.36)

In the table 4.6 above results reveal that the 50.56% of the respondents moderately aware of ATM card facility provided by public sector banks, 45.32% of the respondent's natural awareness of Debit Card facility provided by public sector banks. Of the 41.20% of the customers aware of Internet Banking facility provided by public sector banks it is good indication for knowing the customers technology having the their mobiles. Regarding the Mobile Banking facility provided by public sector banks more or less naturedly aware of mobile facility in the banking sector. The higher of the customers they know about NEFT/RTGS facility provided by public sector banks, the 43.45% of the respondents are agree with this particular facility.

V. SUMMARY OF FINDINGS, SUGGESTIONS & CONCLUSION

- Regarding marital status, 160 participants (59.9%) are married, whereas 107 participants (40.1%) are single (un married). This data indicates that married individuals make up the majority of the respondents from SBI and UBI.
- The largest group of participants, totalling 149 individuals or 55.8%, is aged between 31 and 40 years. Following this, 116 participants, making up 43.4%, are under the age of 30. A mere 2 respondents, equating to 0.7%, are in the 41–50 age bracket, underscoring the limited involvement of older age groups in the survey. In comparison of both banks SBI is more than UBI.
- The largest group of respondents, comprising 124 individuals (46.4%), reported an income range of ₹50,000 to ₹60,000. This was followed by 80 participants (30.0%) who earned less than ₹50,000, and 53 individuals (19.9%) whose earnings fell between ₹60,000 and ₹80,000. A mere 4 respondents each (1.9%) were in the income brackets of ₹80,000 to ₹100,000 and over ₹100,000. UBI is less when compare to SBI in the income range of Customers.

Conclusion

In the Global era everything has become more competitive whether it is Government, Private or Public Sector. The employees of these organizations should be competitive enough to face the global competition in attracting customers or Consumers who are directly or indirectly influencing or affecting the works of the employees. Hence Customer satisfaction is very important in all activities of the firms. The Public sector banks under our study are State Bank of India and Union Bank of India. Here the respondents of the study are the customers of the both Banks. They expressed their views about the delivery system of public banking services in Ananthapuramu District. The results are mixed through the interpretation and findings. In certain areas the customers do not know whether the services are available or not. For instance when it comes to the Internet Banking services and mobile banking services more than 60% do not know. But here one more thing to be noted that many customers are from the rural background and that too farmers. In this context both Banks Employees have to take more initiative to bring awareness among the people in rural areas to satisfy them. In many respects both banks are doing good. In some areas like Internet Banking, E-Loans, Mobile banking still has to bring awareness among the customers to satisfy them.

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