

A Study on Customer Satisfaction Towards Banking Services Provided By SBI With Reference to Erode City

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ABSTRACT

This study examines customer satisfaction with the services provided by the State Bank of India (SBI). SBI, India's largest public sector bank, offers various services, including savings accounts, credit cards, fixed deposits, and loans. The research aims to identify factors influencing customer satisfaction and the level of satisfaction with SBI's services. The study reveals that SBI customers are generally satisfied with the bank's services. However, there's room for improvement in areas like responsiveness and empathy. Key factors influencing customer satisfaction include service quality, convenience, security, and employee behavior. The study's findings suggest that SBI should focus on enhancing service quality and customer engagement to improve overall satisfaction.

KEYWORDS: Customer Satisfaction, Service Quality, SBI, Banking Services.

INTRODUCTION

State Bank of India (SBI) is a major Indian public sector bank headquartered in Mumbai, Maharashtra. It holds the position of the 48th largest bank globally by total assets and was the sole Indian bank listed in the Fortune Global 500 for 2020. SBI dominates the Indian banking sector with a 23% market share by assets and is the largest employer in the country with nearly 250,000 employees. Notably, in 2023, it ranked 77th in the Forbes Global 2000 list. SBI achieved significant milestones in market capitalization, crossing ₹5 trillion in September 2022 and ₹6 lakh crore in February 2024, making it the second PSU to do so after Life Insurance Corporation. Recognized by the Reserve Bank of India as a Domestic Systemically Important Bank (D-SIB), SBI is considered crucial to India's financial stability. The bank's roots trace back to the Bank of Calcutta in 1806, evolving through mergers and acquisitions to become the State Bank of India in 1955. It has absorbed over twenty banks throughout its history. In August 2022, SBI launched its first dedicated branch for start-ups in Bengaluru, aiming to support and foster India's burgeoning start-up ecosystem. Products and Services Offered SBI offers a plethora of products and services such as savings account, credit cards, fixed deposits, personal loan, home loan, business loan, debit card, loan against property, car loan, gold loan, mudra loan and more.

STATEMENT OF PROBLEM

In the current competitive world banks have to struggle their might to offer the best have offer the best of the customer satisfaction through various innovative strategies in order to services in industry. Banking industry is passing through a challenging phase. The demonetization policy introduced by the government has affected the banking industry to a great extent. The banking sector facing lot of challenges due to competition, technologies developments changing customer's needs and policies of government. In this competitive and fast changing era, it becomes imperative for a bank to satisfy the needs of the customer. The banks are spending a lot of the time and energy to frame policies about customer satisfaction. The study would stand as a sincere attempt to evaluate customer satisfaction of SBI in Erode city.

OBJECTIVES OF THE STUDY

- To analyse the awareness among customers about the services offered by the SBI banks in Erode city.
- To identify the factors that influences the selection of SBI banking services in Erode city.
- To examine the satisfaction level of respondents towards of SBI services.
- To make suggestions for improving for the services provided by SBI.

SCOPE OF THE STUDY

- The study is conducted on behalf of the customers of SBI.
- The study is conducted to know the customer preference towards the choosing the services, the awareness on the various services provided by banks, the frequency of services used.
- The study has put forward the Customers as well as acceptability behavior for the services.
- The study defines about their satisfaction level of towards the services provided by the SBI in the selected area.

RESEARCH METHODOLOGY

The term “research” refers to the systematic method consisting of enunciating the problem formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solution towards the concerned problem or in certain generalization for some theoretical formulation.

Research in common parlance refers to search for knowledge. In short the search for knowledge through objective and systematic method of finding solution to a problem is “research”.

SAMPLING

The samplings are collected by issuing questionnaires to the respondents Personally.

SAMPLING TECHNIQUE

In vast population, the respondents are randomly selected and the study is based on their own opinion. Hence, convenience of sampling methods is applied.

SAMPLING SIZE

In this study the sample size is 50 respondents for collecting the data.

PERIOD OF STUDY

The period of the study is for Six months.

SOURCE OF DATA

The present study depends on two types of data.

- a) Primary data
- b) Secondary data
 - Primary data are directly collected from the sample respondents.
 - Secondary data is collected through the magazines, journals.

STATISTICAL TOOLS

The tool used for the study is:

- Simple Percentage analysis

SIMPLE PERCENTAGE ANALYSIS:

It refers to a special kind of rates, percentage are used in making comparison between two or more series of data. A percentage is used to determine relationship between the series.

$$\text{Simple percentage analysis} = \frac{\text{Number of Respondents}}{\text{Total Number of Respondents}} * 100$$

REVIEW OF LITERATURE

Aurora and Malhotra (2010) studied the level of customer satisfaction and marketing strategies in both private and public sector banks in India. It revealed six factors of customer satisfaction in public sector banks viz, routine operations, price, situational environmental technology and interaction. But in private banking sector, they found seven factors in total, having staff factors as the top ranked and situational factors as the lowest ranked items. Instead of price factor,

Dutta K. and Dutta A. (2010) investigated the perception of expectation of customers across all the banks in India. This study showed that customers are most satisfied with the services of foreign banks followed by private and public banks. This study suggested that Indian public banks should improve their banking services.

Edwin M. & Fathima S. (2011) conducted a study on the impact of service quality and customer satisfaction in commercial banks. This study shows that there is close link between the customers' perception on the service quality factor and customer satisfaction. It further showed that the impact of the service quality factor on customer satisfaction is unique. It brought the suggestion that bank managers have to formulate appropriate marketing strategies to satisfy their customers.

LIMITATIONS OF STUDY

- The sample size is 50 hence finding cannot be generalized.
- The period of the study is restricted to 6 months.
- It was difficult to know whether the respondents are truly given the exact information.
- Customer preferences and opinions are supposed to change from time to time.

FINDINGS OF THE PERCENTAGE ANALYSIS

- The Majority (56%) of the respondents are male.
- The Majority (62%) of the respondents belongs to the age group between 18-25 yrs.
- The Majority (72%) of the respondents are unmarried.
- The Majority (68%) of the respondents are coming from rural area.
- The Maximum (34%) of the respondents are undergraduate.
- The Majority (62%) of the respondents occupation are others.
- Majority (52%) of the respondents belongs to the income category of Rs.50,001 to Rs.1,00,000.
- The Majority (70%) of the respondents are influence by their family.
- The Maximum (48%) of the respondents are used up to 2 to 3 years.
- The Majority (78%) of the respondents are used to maintain this account with savings account.
- The Maximum (46%) of the respondents are used the product of SBI with others.
- The Maximum (44%) of the respondents are preferred the services with checking and saving account.
- The Maximum (30%) of the respondents are highly satisfied with ATM services.

SUGGESTIONS

- The banker should encourage and extended more number of loans to their customers.
- State bank of India should open ATM center in the necessary area of the study and also based on the demand and supply of money the banker put them in ATM center.
- The State bank of India should be come forward open adequate branches in rural areas in erode district.
- The banker may be open a separate customer care center into the bank for development of banker and customer relationship.
- Some of the customers using savings account deposits in every Bank. So the Bank management should think of introducing new schemes regarding savings accounts and marketing those to the customers.

CONCLUSION

The banking sector is undergoing major changes due to competition and the advent of technology. The customers are looking for better and quality services which would enhance their satisfaction. From the above analysis, it is clear that the SBI bank caters most of the customer needs and it's has satisfied majority of its customers. SBI bank has many positive features and satisfies most of the customer needs by the services offered. In spite of this fact, it has been observed that many customers are not aware of all sorts of facilities provided by SBI.

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