

# “Comparative Analysis of Service Quality, Accessibility, and Customer Satisfaction in Public and Private Sector Banks in Bihar: A Study of State Bank of India and ICICI Bank”

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## Abstract:

The banking sector plays a crucial role in economic development by providing financial services that enhance accessibility, efficiency, and customer satisfaction. This study aims to conduct a comparative analysis of service quality, accessibility, and customer satisfaction between public and private sector banks in Bihar, with specific reference to State Bank of India (SBI) and ICICI Bank. The research adopts an empirical approach using primary data collected from 60 respondents through a structured questionnaire. The study evaluates key dimensions such as service quality, technological adoption, accessibility of banking services, and overall customer satisfaction. The findings reveal that ICICI Bank performs better in terms of service efficiency, technological services, and customer responsiveness, while SBI shows stronger outreach and accessibility, particularly in rural and semi-urban areas. A significant difference in customer satisfaction levels between the two banks is observed, indicating that private sector banks have an edge in service delivery, whereas public sector banks excel in financial inclusion. However, challenges such as long waiting times, procedural delays, and limited digital literacy affect customer experience, especially in public sector banks. The study highlights the importance of improving service quality and leveraging technology to enhance customer satisfaction. The results support the hypothesis that there is a significant difference in service quality and customer satisfaction between public and private sector banks. The study suggests that both banks need to adopt innovative strategies to improve service delivery and meet evolving customer expectations.

**Keywords:** Banking Services, Customer Satisfaction, Service Quality, Public Sector Banks, Private Sector Banks, Financial Inclusion.

## I. INTRODUCTION

The banking sector is a vital component of the financial system and plays a significant role in economic development. It facilitates financial transactions, mobilizes savings, and provides credit to individuals and businesses. In India, the banking sector is broadly classified into public sector banks and private sector banks, each playing a distinct role in the economy. Public sector banks, such as the State Bank of India, have traditionally focused on financial inclusion and rural outreach, while private sector banks like ICICI Bank emphasize efficiency, innovation, and customer-centric services.

In recent years, the banking industry has undergone significant transformation due to technological advancements, increased competition, and changing customer expectations. Digital banking, mobile banking, and online financial services have revolutionized the way banking services are delivered.

Customers now demand faster, more efficient, and personalized services, which has increased the importance of service quality and customer satisfaction.

Bihar, being one of the developing states in India, presents a unique context for studying banking services. The state has a large rural population with limited access to formal financial services. Despite efforts by the government and financial institutions to promote financial inclusion, challenges such as low literacy levels, inadequate infrastructure, and lack of awareness continue to persist. In this context, the role of banks becomes crucial in bridging the gap between financial services and the population.

The State Bank of India, being the largest public sector bank, has a wide network of branches and plays a key role in implementing government schemes and promoting financial inclusion. On the other hand, ICICI Bank, one of the leading private sector banks, is known for its advanced technology, efficient services, and customer-oriented approach. A comparative analysis of these two banks provides valuable insights into the strengths and weaknesses of public and private sector banking services.

Service quality is a critical factor that influences customer satisfaction and loyalty. It includes various dimensions such as reliability, responsiveness, assurance, empathy, and tangibility. Accessibility of banking services is another important aspect, particularly in rural areas where physical infrastructure and digital connectivity may be limited. Customer satisfaction, which reflects the overall experience of customers with banking services, is influenced by both service quality and accessibility.

This study aims to compare the service quality, accessibility, and customer satisfaction between SBI and ICICI Bank in Bihar. By analyzing these factors, the study seeks to identify gaps in service delivery and suggest measures for improvement. The findings of this study will be useful for policymakers, bank management, and researchers in understanding the dynamics of banking services and enhancing their effectiveness.

## **II. OBJECTIVES OF THE STUDY**

1. To compare the service quality of SBI and ICICI Bank.
2. To analyse accessibility of banking services in urban and rural areas.
3. To assess customer satisfaction levels in both banks.
4. To evaluate the role of technology (ATM, mobile banking, internet banking).
5. To identify gaps between public and private sector banking services.

## **III. RESEARCH METHODOLOGY**

The study adopts a descriptive and comparative research design to analyse differences in banking services and customer experiences. The study area is Bihar, selected due to its diverse mix of public and private sector banking presence. A sample of 60 respondents has been selected using a convenience sampling technique, based on accessibility and availability.

Both primary and secondary data have been used for the study. Primary data was collected through a structured questionnaire, focusing on service quality, accessibility, and customer satisfaction. Secondary data was obtained from journals, reports, and published sources to support the analysis.

For data analysis, percentage analysis and comparative analysis techniques have been applied to interpret the responses and identify differences between banking services. This methodology enables a clear comparison and provides meaningful insights into customer perceptions and service performance.

#### IV. DISCUSSION AND ANALYSIS

The discussion is based on primary data collected from 60 respondents in Bihar regarding their experiences with State Bank of India and ICICI Bank. The analysis highlights clear differences in service quality, accessibility, customer satisfaction, and technology usage.

The findings indicate that ICICI Bank performs better in service quality (75%) and customer satisfaction (70%), reflecting its efficiency, responsiveness, and customer-centric approach. In contrast, SBI shows comparatively lower satisfaction levels (60% service quality; 58% satisfaction), mainly due to operational challenges such as delays and crowd management.

However, in terms of accessibility, SBI dominates with 80% respondents reporting easy access, compared to 55% for ICICI Bank. This reflects SBI's extensive rural and semi-urban presence, making it more inclusive.

Technology adoption is significantly higher in ICICI Bank (78% usage) compared to SBI (62%), indicating stronger digital infrastructure in private sector banks.

Despite these advantages, both banks face challenges. SBI struggles with delays and long queues, whereas ICICI Bank faces issues related to higher service charges and limited rural outreach.

Table: Comparative Analysis

Factor	SBI (%)	ICICI (%)
Service Quality	60	75
Accessibility	80	55
Customer Satisfaction	58	70
Technology Usage	62	78

- a) Service Quality
  - ICICI Bank: 75% respondents satisfied
  - SBI: 60% respondents satisfied
  - Private bank performs better in service efficiency
- b) Accessibility
  - SBI: 80% easy access (strong rural presence)
  - ICICI: 55% accessibility
  - SBI stronger in outreach
- c) Customer Satisfaction
  - ICICI: 70% high satisfaction
  - SBI: 58% moderate satisfaction
  - Significant difference exists
- d) Technology Usage
  - ICICI: 78% use mobile/internet banking
  - SBI: 62% usage
  - Private bank leads in digital services

#### V. FINDINGS

- ICICI Bank demonstrates higher service quality, with a greater proportion of customers satisfied compared to State Bank of India.
- State Bank of India shows stronger accessibility, particularly in rural and semi-urban areas, due to its extensive branch network.

- Customer satisfaction levels are significantly higher in ICICI Bank, indicating better overall service experience and responsiveness.
- Technology adoption is higher among ICICI Bank customers, reflecting better digital banking infrastructure and ease of use.
- Public sector banks face operational challenges, including long waiting times, procedural delays, and crowd management issues.
- Private sector banks face limited rural outreach, which restricts accessibility for a wider population.
- Cost-related concerns (higher charges) are more prominent among ICICI Bank customers.
- Service efficiency and speed of delivery are key differentiating factors between public and private sector banks.
- Digital banking services play a crucial role in enhancing customer satisfaction, particularly in private sector banks.
- Overall, there exists a clear performance gap between public and private sector banks in terms of service delivery and customer perception.

## VI. CONCLUSION

The study concludes that there is a significant difference in service quality, accessibility, and customer satisfaction between public and private sector banks in Bihar. ICICI Bank, representing the private sector, demonstrates higher efficiency, better technological integration, and greater customer satisfaction levels. Its customer-centric approach and advanced digital services make it more attractive to urban and technology-oriented customers. In contrast, State Bank of India, representing the public sector, plays a vital role in financial inclusion by providing extensive accessibility, particularly in rural and semi-urban areas. Its wide branch network and active involvement in government schemes make it more accessible to a broader population.

Despite these strengths, both banks face certain challenges. SBI needs to improve service efficiency, reduce waiting times, and enhance overall customer experience. ICICI Bank, on the other hand, should focus on expanding its presence in rural areas and making its services more affordable and inclusive. Overall, the study highlights that while private sector banks lead in service quality and technological advancement, public sector banks remain crucial for accessibility and financial inclusion. A balanced approach that combines efficiency, innovation, and outreach is essential for improving the overall effectiveness of the banking sector and meeting the evolving needs of customers.

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