



A COMPARATIVE STUDY OF CUSTOMER SATISFACTION TOWARDS HDFC BANK AND STATE BANK OF INDIA

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ABSTRACT

Nationalized banks, commercial banks, and specialised financial institutions are the three basic categories of Indian banking. The Reserve Bank of India functions as a centralised organisation that monitors any anomalies and shortfalls in the system. Since the nationalisation of banks, public sector banks or nationalised banks have gained importance and have made significant growth. The necessity to become more customer-focused has compelled slow-moving public sector banks to take a more aggressive approach. This study is to learn about customers' preferences for public and private sector banks. To determine which facility has the most effect on a customer's decision to choose a bank. To contrast the various services offered by these banks and. To raise awareness of the bank's numerous services.

Keywords: Banking sector, economy, Public Sector Banks (PSBs), Private Sector Banks, financial performance.

1. INTRODUCTION

Indian banking has progressed from a lethargic commercial institution to a very proactive and dynamic one. This change has been substantially facilitated by a big dose of liberalization and economic reforms, which have enabled banks to pursue new business prospects rather of producing money from traditional sources. Banking in India is extremely fragmented, with 30 banking institutions accounting for about 50% of deposits and 60% of advances. Due to their sheer size and penetrative networks, Indian nationalized banks continue to be the largest lenders in the economy, ensuring strong deposit mobilization. Nationalized banks, commercial banks, and specialized financial institutions are the three basic categories of Indian banking.

This report provides a comparison of two different banks sectors which will give you insights about the facilities and the contrast of the services offered and to raise the awareness about bank's numerous services.

The surveys has been conducted on the following banks,

- A. State Bank of India
- B. HDFC Bank

2. LITERATURE REVIEW

Denise K. Conroy in his study titled (Customer satisfaction measures in the public sector: what do they tell us?) attempts to devise customer satisfaction measures, according to him there are a number of factors that can affect the interpretation of results - the nature of the customer, service provision, service quality and, for the public sector, the extent to which consumer sovereignty exists.

Dawn Iacobucci, Amy Ostrom, Kent Grayson in their study titled (Distinguishing Service Quality and Customer Satisfaction: The Voice of the Consumer) presents two studies that rely on divergent methodologies to examine whether or not quality and satisfaction have distinct antecedent causes, consequential effects, or both (i.e., whether or not they should be considered a single construct, or distinct, separable constructs).

Antreas D. Athanassopoulos in his study titled (Customer Satisfaction Cues To Support Market Segmentation and Explain Switching Behavior) examined the customer satisfaction cues in retail banking services in Greece. The study proposes an instrument of customer satisfaction that contains service quality and such other attributes as price, convenience, and innovation.

Fulwari A.A. (2020), "Concentration and Competition in the Indian Banking Sector: A Bank Group wise study" has analyzed how various banking groups concentrate and compete with each other by adopting aggressive products and pricing strategies to secure higher market share

I.M. Pandey (2005): An efficient allocation of capital is the most important financial function in modern times. It involves decision to commit the firm's funds to the long term assets. The firm's value will increase if investments are profitable and add to the shareholders wealth.

DR.S. Gurusamy (2009): One of the key elements of importance for shaping the financial system of a country is the pension fund. The fund contributes to the development of social security systems of a country is the pension fund. The fund contributes to the development of social security system of a country. A fund is established by private employers, governments, or unions for the payment of retirement benefits. Pension funds are designed to provide for poverty relief, consumption smoothing etc. Pension funds not only provide compensation for the loyal service rendered in the past, but in a broader significance.

3. RESEARCH METHODOLOGY

It describes the data collection method, the sampling plan, the tools of investigation, planning and testing of questionnaire and the limitations of the study. The study requires the data to be collected from two different sources i.e. the primary source and the secondary source. The primary data is collected with the help of structured questioners which is being modified & reliable and the secondary data through the various journals, newspapers and websites.

Data Source:

- a) **Primary Data:** Primary data was collected by means of questionnaires
- b) **Secondary data:** Secondary data collected by referring to various books, newspapers, magazines, journals and internet (details in bibliography)

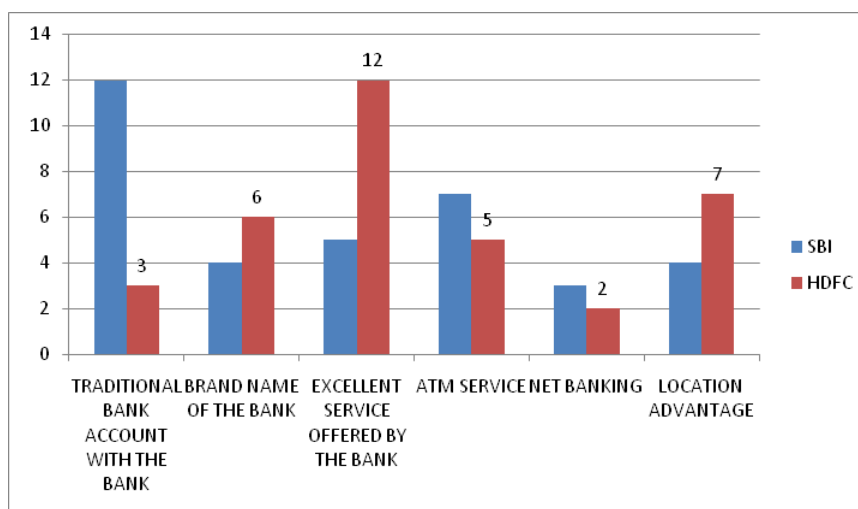
4. DATA ANALYSIS AND INTERPRETATION

This part of the study focuses on the examination of financial services which are provided by of the involved SBI and HDFC Bank. And the survey has been conducted in the branches of Vadodara respectively.

1) Comparative study of most important reason choosing the particular bank

FACTORS	SBI	HDFC
I have at raditional bank account with the Same bank	12	3
The brand name of the bank	4	6
The excellent service offered by this bank	5	12
ATM service	7	5
Net banking facility	3	2
Location advantage	4	7

Fig. 1



It is observed that people tend to choose SBI more for being traditional bank account with the same bank, ATM and net banking services. And people choose HDFC for its services, brand name and Location advantage which are being provided by the bank.

2) Comparative study of the customers of SBI and HDFC bank regarding the account facilities provided to them

FACILITY	SBI	HDFC
Savings account	18	21
Current account	5	7
Fixed deposit	12	6
NRI account	0	1

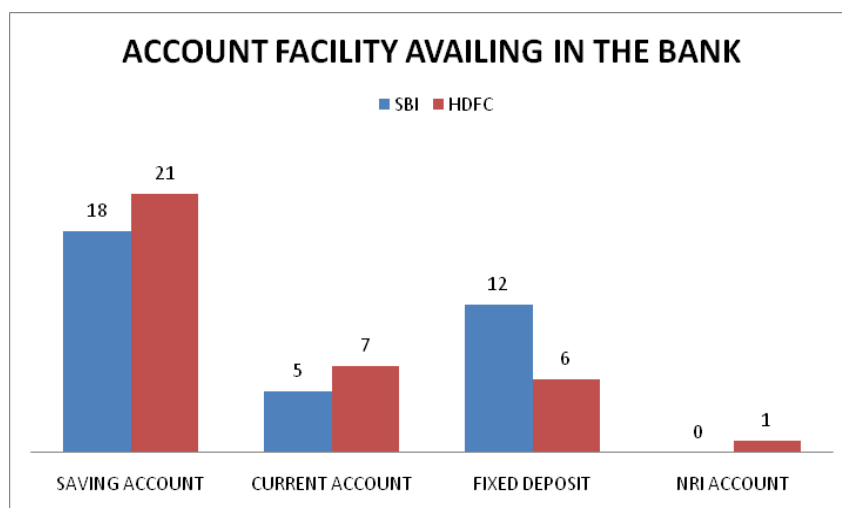
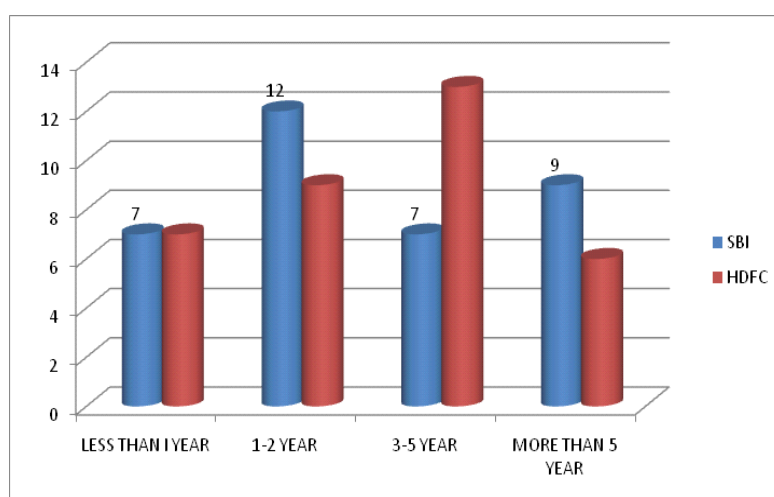


Fig. 2

It is observed that customers give preference to SBI for fixed deposit rather than HDFC bank. And they prefer HDFC bank for savings, current and NRI account than SBI.

3) Comparative study of the time period of customers dealing with SBI and HDFC bank

YEARS	SBI	HDFC
Lessthan1year	7	7
1to2years	12	9
3to5years	7	13
Morethan5years	9	6

**Fig 3**

It is observed that customers have been associated with the SBI bank for longer time than the HDFC bank. Here we can see that in the recent years people are becoming more inclined towards HDFC than that of SBI.

REASONS	SBI	HDFC
To make a deposit	14	17
To get a device for investment options	2	3
To inquire about a balance	7	5
To withdraw cash	12	10

4) Comparative study of reason that make customer to typically visit bank branch

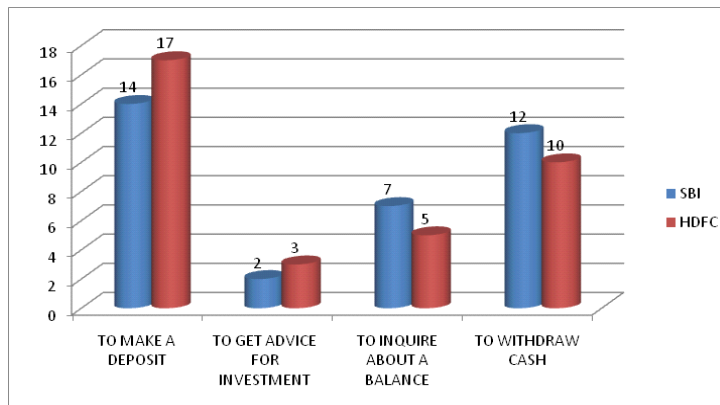


Fig.4

It is observed that customers tend to visit SBI bank more to with draw cash and visit HDFC bank investment advices, balance enquiries and to make deposits.

5) Comparative study of most satisfying facility offered by them

FACILITY	SBI	HDFC
ATM	13	10
Loan	7	4
Earlychequeclearance	2	8
Preparationofdrafts	3	2
Interestpackage	3	3
Netbanking	3	5
Phonebanking	4	3

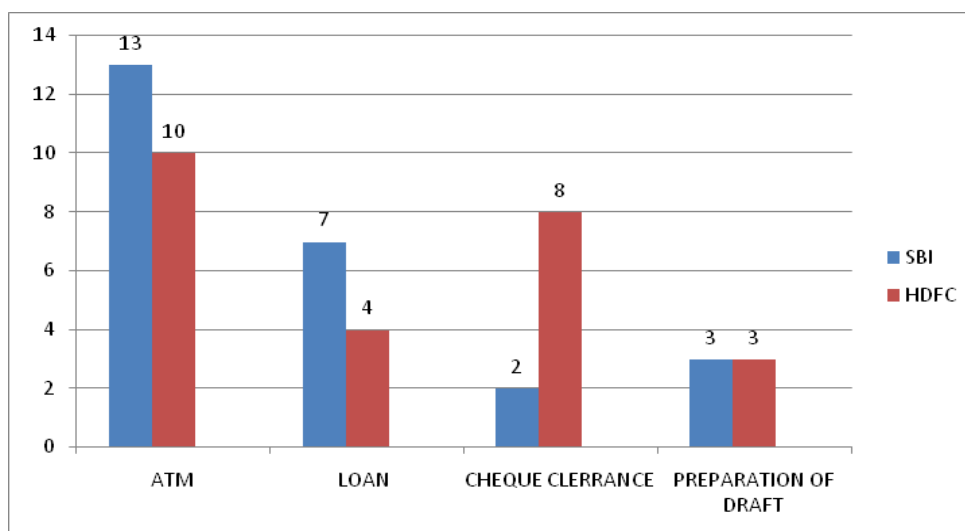
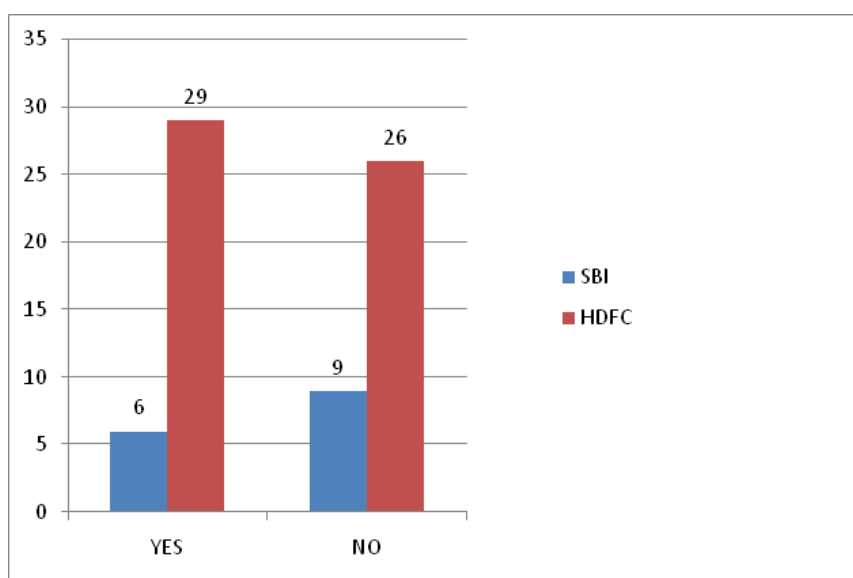


Fig-6

It is observed that the customers are more satisfied with SBI for their ATM, Loan, Interest package and Phone banking services. And the HDFC customers are satisfied with the early cheque clearance and net banking services

6) Customers want to shift to another bank if they are provided with better service

CHANGE	SBI	HDFC
YES	6	9
NO	29	26

**Fig 6**

It is observed that most of the customers of both the banks don't want to shift to another banks for better services.

7) Comparison regarding the overall satisfaction of the customers

SATISFCTION	SBI	HDFC
EXCELLENT	8	7
GOOD	6	12
SATISFACTORY	18	8
AVERAGE	3	5
BELOW AVERAGE	0	3

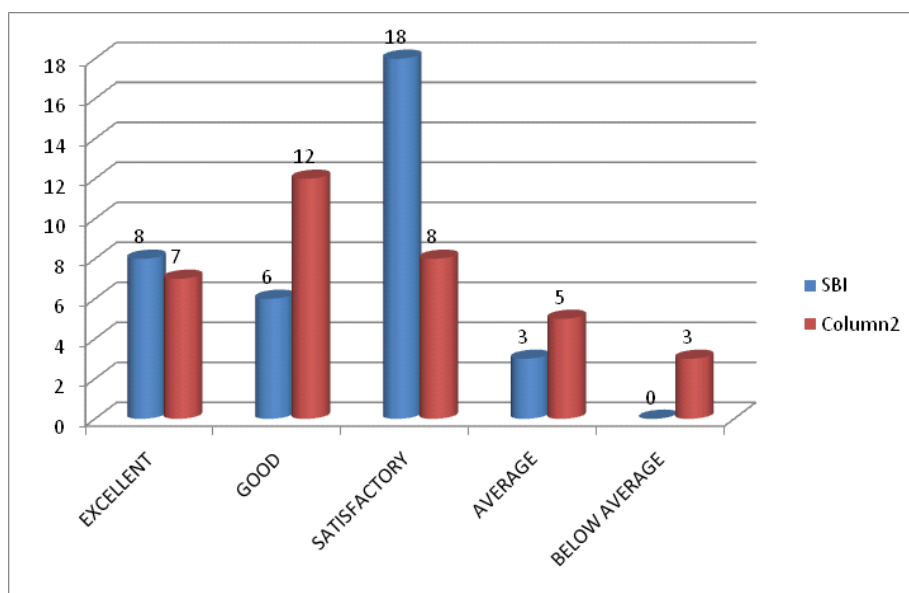


Fig. 7

It is observed that most of the SBI customers are satisfied with the services of the bank with satisfactory ratings. And most of the HDFC customers gave well to average ratings to the services of the bank.

5. SUGESSTIONS AND ASSUMPTIONS

SUGESSTIONS

- 1) Both the customers from SBI and HDFC bank have suggested that the bank should open one of its branches in industrial areas like focal point.
- 2) One of the most common suggestions was to lower down the minimum balance required in the savings account.
- 3) Staff should be more co-operative to the customers.
- 4) Customers were not fully aware of the services and the various charges which they have to pay. Therefore, Banks should try to give some more information to its existing customers.

ASSUMPTIONS

The project report is based on the preference of the customers and the level of satisfaction towards SBI and HDFC bank. During the project, we came to know that both the banks are highly preferred by the customers, but their preference is different up to some extent towards the service of these banks. Following are the assumptions of the project.

- 1) Range of the survey is limited to Vadodra city. It may not hold the same result in the different city.
- 2) The sample size for the survey is restricted to 70. Out of which 35 questionnaires were filled by the customers of SBI and 35 were filled by customers of HDFC bank.
- 3) Survey is done in a very short period of time. This may have an impact on the final result of the survey.

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