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Analysis on Various Financial Services Offered by Banks in India

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Abstract:

In the research paper, I studied twelve different financial services offered by Indian Banks. In which it's included public banks, private banks, cooperative banks and foreign banks. In total there are 10 banks are consider for study the industry. It tries to compare the banks on the basis of the services provided by them, inter and intra. The paper consists of 200 samples from Ahmedabad City to give their opinion about the services offered by different banks.

Keywords: Financial services, Indian banks, questionnaire for banking services, primary data collection for banks

1. Introduction

Currently, overall banking in India is considered as fairly mature in terms of supply, product range and availability. Even though reach in rural India still remains a challenge for the private sector and public sector banks. Well computerized foreign banks are beginning to compete seriously with the nationalized banks. They aim at a profitable and wealthy part of the market. Almost 80% of the businesses are still controlled by Public Sector Banks. They are still dominating the commercial banking system.

The banking sector is one of the biggest service sectors in India and now-a-days is in a way to attract the biggest market of Asia in investment. The banking sector today is focusing on how to efficient services to its customers. The Indian Banking System consists of various financial institutions whose objective is serving the people for their financial and economic needs. This paper is a survey of customer perception towards banking services provided by banks in India. The purpose of this analysis is to measure customer's awareness, perception and level of satisfaction with regard to services offered by Indian banks in Indore city. The attributes like internet banking, ATM services, timings, attitude of staff towards customer of the bank etc. have been analyzed.

The new age IT (Information technology) is bringing about sweeping changes in the banking industry, forcing them to re-engineer many of their basic processes and systems. Few of the technology-driven electronic banking services being offered are viz. Automated Teller Machine (ATM), Electronic Clearing Service (ECS), Electronic funds transfer (EFT), Tele-banking, Internet banking etc. New technological capabilities could be effectively used to create value and to better manage customer relationship.

1.1. Literature Review

1. Safeena et al (2010) determines the customer's perception on internet banking adoption. The study shows that perceived usefulness, perceived ease of use, consumer awareness & perceives risk are the important determinants of online banking adoption and have strong and positive effect on customer to accept online banking system.
2. Santhiyavalli, G. (2011) determined the customer's perception of service quality of the selected branches of SBI and study the major factors responsible for their satisfaction.
3. Surbhi Singh and Renu Arora (2011) presented a paper on a comparative study of banking services and customer satisfaction in public, private and foreign banks of Delhi and this study shows that the customers of nationalized banks were not satisfied with the employee behavior and infrastructure, while respondents of private and foreign banks were not satisfied with high charges, accessibility and communication.
4. MS Linda Mary Simon (2012) A study on customer perception towards services provided by Public sector bank and Private sector bank in Coimbatore region reveals that private bank is providing better services to its customers than the public sector bank. It is evident that public sector banks have a strong presence in the market, but in recent times they are facing stiff competition from private sector banks in the range and quality of services offered.
5. M.E. Doddaraju (2013) presented a study on customer satisfaction towards public and private sector banking services with special reference to the Anantpur District of Andhra Pradesh concluded that satisfaction level with regard to public sector unit's courtesy shown by bank staff at the counter is very low. Therefore, the banks should pay special attention to "Human Resource Development" by giving timely training to the employees to conduct
6. A., Naser, K., 2002 The study examined key drivers of customer satisfaction using 167 customers and it was found that core and relational performances had impact on customer satisfaction and there was negative relationship between customer expertise and customer satisfaction Suresh chandar et al (2002). - The study examined relationship between service quality and customer satisfaction in Indian banking sector. These were found to be independent but closely related. Both constructs

vary significantly in core services, human element, and systematization of service delivery, tangibles and social responsibility.

7. GaniA, Mushtaq Bhatt (2003) The study is conducted to do a comparative study of service quality of commercial banks and its dimensions in commercial banks. SERVQUAL is used and sample size was 800 customers. The study found out that CITI bank and Standard chartered bank are good in tangibility and in reliability also they are good. In responsiveness parameter Indian banks are inferior to foreign banks. In Assurance and empathy Indian banks are inferior.
8. Navdeep Aggarwal and Mohit Gupta (2003) This study basically finds out the primary dimensions and sub dimensions of service quality. Informal structured interviews are conducted with branch managers and academicians to formulate a banking service quality model. The study found out that service time and personal interactions are very important along with ambience for service quality
9. Zhou, L (2004) The study analyzed impact of service quality in banks on customer satisfaction in china's retail banking and it was found out that reliability and assurance were the primary drivers of customer satisfaction. It was also found out that there were significant variations in expectations and perceptions in customers
10. Arora S (2005) This study analyzed factors influencing customer satisfaction in public sector, private sector and foreign banks in northern India. 300 customers were given questionnaires which revealed that significant differences exist in customer satisfaction level of customers in each group of banks regarding routine operation and situational and interactive factors. Foreign banks were found to be the leaders in mechanization and automation
11. Debashis and Mishra (2005) The study analyzed and measured customer satisfaction in branch services provided by nationalized banks in northern India. 1200 customers were given.

1.2. Problem Statement

Customers are lifeblood for any business and banking industry is highly service oriented business. When there is service concern; it always deals with the perceptual decision taking of the customer. Here, in this paper we tried to figure out the reason for the perception of the people of India for choosing the banking service on the basis of cost, convenience, facility and general factors like modernization of the bank, promptness for attending customer.

1.3. Hypothesis

1.3.1. Hypothesis 1

- H0: In public sector banks customers are satisfied with State bank of India
- H1: In public sector banks customers are satisfied with other than S.B.I.

1.3.2. Hypothesis 2

- H0: In public sector banks customers are satisfied with I.C.I.C.I Bank
- H1: In public sector banks customers are satisfied with other than I.C.I.C.I Bank

1.3.3. Hypothesis 3

- H0: Customers are highly satisfied with private sector banks services over other sector banks
- H1: Customers are satisfied with public bank services over other sector banks

1.4. Objective of Study

- To get suggestions for improvement or changes in the services of banks.
- To study what do people expect in new era of banking?
- To know about the customer preferences.
- To know in which service quality dimension, the bank is performing well and in which dimension it needs improvement.

1.5. Scope of Study

The study encompasses banking services quality of all types of banks of India in. The study covers respondent who are the customers of these banks in Ahmedabad City. These customers belong to various professions, places, of both genders, with varied income groups and varied age groups.

1.6. Research Design

Research design used for this research is descriptive research.

1.7. Data Sources

For this research primary data as well as secondary data was collected.

1.7.1. Primary Data

- The primary data means those data which are collected for the first time by researcher for particular research only.
- The data has been collected by filling questionnaire from group of various customers of various banks of Ahmedabad.

1.7.2. Secondary Data

- The secondary data are those data which are available for the use of second time.
- For this research secondary data was collected from websites, magazines, journals, articles, etc.

1.8. Population

Population is a set from which samples are drawn. A population is defined as including all people or items with the characteristics one wishes to understand. I have selected all customers of banking services of India.

1.9. Sampling Frame

Sampling frame is the source material or device from which a sample is drawn. For my research purpose I have selected respondents who are customers of various banks of Ahmedabad.

1.10. Sample Size

The sample size is 200 (20 samples for each bank)

1.11. Sampling Technique

Convenient Sampling

1.12. Sampling Units

The customers of various banks of Ahmadabad City

2. Analysis and Interpretation

2.1 Selected Banks

2.1.1. Public Sector Banks

1. Central bank of India
2. Bank of Baroda
3. State bank of India

2.1.2. Private Sector Banks

1. Axis Bank
2. HDFC Bank
3. ICICI Bank

2.1.3. Cooperative Banks in India

1. Gujarat Cooperative Banking in India
2. Punjab State Cooperative Bank

2.1.4. Foreign Bank

1. American Express bank
2. Commonwealth Bank

2.2. Questionnaire Analysis

- Q-1 Gender: It shows that there, majority of male which is 62% It indicates that the female is half than male. It shows that the female does not aware about the banking services as compare to male.
- Q-2 Age: This shows that majority of the public are of 25-50 who invest in the various financial services of banks. It indicates that 48% public is fall in the range of 25-50.
- Q-3 Income: It shows the annual income of investors who are investing in the bank. There are more percentage of investors who are not earning may be that persons are of both gender those are the students, housewives, and the aged persons who do not able to do job. The person whose annual income of Rs. 500000-1000000 is investing more in the banking sector which is 33% of the sample population.
- Q-4 Facilities: It has been seen that 100% people are using banking facilities.
- Q-5 Uses of the account: It indicates that the investors who are using banking facilities from the last 5-10 year with high percentage which is 40% and the investors who use banking facilities from more than 10 years are 26%. From last 1 year there are very few investors who invest in this facility which is only 7% from the sample population. So it has been observed that banking facilities are used more from last 5-10 year.
- Q-6 Sectors: It shows that majority of the investors are using public sector banks with 48% and 31% in private sector, 16% in co-operative and 5% in foreign so it's been observed that public sector banks are more preferable among investors for financial services of banks.

- Q-7 Types of Account: There are 32% people who uses saving account in banking services and 29% in current account but there is one noticeable thing that 39% investors uses both type of account current and saving which is quite positive for banks.
- Q-8 Following Services Individual Bank Wise Analysis:
 - Deposits
 - Credit Creation
 - Lending of Money
 - Transfer of Money
 - Safe Deposits locker
 - Gift cheques
 - Cards
 - Loans
 - Investment
 - NRI Services
 - RTGS
 - Mobile Banking

2.2.1. ICICI

According to the survey, ICICI Bank provides highly satisfied services with 59% (35% + 24%) by way of Mobile banking while 59% (12% + 20% + 28%) people believes that they highly dissatisfied with the lending of money services provided by ICICI Bank.

2.2.2. HDFC Bank

According to the survey, 41% people highly satisfied with transfer of money services provided by HDFC Bank, 36% people just satisfied with the lending of money services provided by the said bank, 31% neutral with the investment services, 27% people dissatisfied with the safe deposit services while 15% highly dissatisfied with the credit creation services provided by HDFC Bank.

2.2.3. AXIS Bank

Interpretation: According to the survey, 37% people highly satisfied with investment services provided by Axis Bank, 34% people satisfied with Gift cheques services provided by the said bank, 32% neutral with the RTGS services, 19% people dissatisfied with the Loans services while 20% highly dissatisfied with the credit creation services provided by Axis Bank.

2.2.4. SBI

Interpretation: According to the survey, 35% people highly satisfied with mobile banking services provided by SBI Bank, 33% people satisfied with the gift Cheques services provided by the said bank, 38% neutral with the cards services, 17% people dissatisfied with the NRI services while 20% highly dissatisfied with the credit creation services provided by SBI Bank.

2.2.5. Bank of Baroda

Interpretation: According to the survey, 40% people highly satisfied with investment services provided by Bank of Baroda, 31% people satisfied with mobile banking services provided by the said bank, 29% neutral with Loans services, 15% people dissatisfied with gift cheques services while 14% highly dissatisfied with transfer of money services provided by Bank of Baroda.

2.2.6. Central Bank of India

Interpretation: According to the survey, 34% people highly satisfied with Safe deposit locker services provided by Central Bank of India, 25% people just satisfied with Gift cheques services provided by the said bank, 35% neutral with the investment services, 20% people dissatisfied with cards services while 20% highly dissatisfied with the NRI services provided by Central Bank of India.

2.2.7. American Express

Interpretation: According to the survey, 22% people highly satisfied with safe deposit locker services provided by American Express, 32% people satisfied with investment services provided by the said bank, 53% neutral with the RTGS services, 22% people dissatisfied with gift cheques services while 18% highly dissatisfied with lending of money services provided by American Express.

2.2.8. Commonwealth Bank of Australia

Interpretation: According to the survey, 12% people highly satisfied with investment services provided by Commonwealth Bank of Australia, 27% people satisfied with the gift cheques services provided by the said bank, 65% neutral with the NRI services, 20% people dissatisfied with cards services while 11% highly dissatisfied with RTGS services provided by Commonwealth Bank of Australia.

2.2.9. Gujarat State Co-operative Bank

Interpretation: According to the survey, 14% people highly satisfied with credit creation services provided by Gujarat State Co-operative Bank, 29% people satisfied with safe deposit locker services provided by the said bank, 61% neutral with lending of money services, 21% people dissatisfied with Mobile banking services while 14% highly dissatisfied with loans services provided by Gujarat State Co-operative Bank.

2.2.10. Punjab State Co-operative Bank

Interpretation: According to the survey, 15% people highly satisfied with safe deposit lockers services provided by Punjab State Co-operative Bank, 28% people satisfied with transfer of money services provided by the said bank, 69% neutral with the NRI services, 19% people dissatisfied with credit creation services while 15% highly dissatisfied with the RTGS services provided by Punjab State Co-operative Bank.

3. Overall Findings and Hypothesis Testing

Bank Name	Overall Satisfaction	Overall Neutral	Overall Dis-satisfaction
ICICI Bank	51%	23%	26%
HDFC Bank	52%	18%	31%
AXIS Bank	50%	24%	26%
SBI	44%	30%	26%
Bank of Baroda	58%	20%	21%
Central bank of India	45%	25%	30%
American Express	35%	46%	19%
Commonwealth Bank of Australia	28%	53%	19%
Gujarat State Co-operative Bank	31%	51%	18%
Punjab State Co-operative Bank	28%	52%	20%

Table 1: Overall analysis of different financial services

- From the above table we can analyze that the majority of the customer of ICICI bank are satisfied (51%).
- If compare to the public sector bank, central bank will not be gaining more profit from the services.
- From the graph HDFC bank and AXIS bank's customer we also satisfied with the services offered by them as its satisfaction level is 52% and 50% respectively.
- The reason behind that the majority of customer satisfied with services, bank has increasing their sales and make some large income, providing better services, different operation activity and ICICI bank which is a private bank introduced new innovated scheme and plans to make profit by providing good quality of services to its customers.
- SBI and BOB we also in higher satisfaction category as it has high satisfaction level 44% and 58% respectively compare to its dis-satisfaction which is only 26% and 21%.
- Apart from the private and public sector bank foreign and co-operative bank's customer natural from the services offered by them. The reason behind that is neutral factor we more than satisfaction and dis-satisfaction level. Which is above 50% so, we can say that customer of co-operative bank and foreign banks have neutral view regarding.

3.1. Hypothesis Testing

3.1.1. Hypothesis 1

- H0: In public sector banks customers are satisfied with State bank of India
- H1: In public sector banks customers are satisfied with other than S.B.I.

By looking at the satisfaction and dissatisfaction level Bank of Baroda is the choice of the selected responded in the public sector and not the SBI as per the financial services offered. So H0 is rejected in this hypothesis.

3.1.2. Hypothesis 2

- H0: In public sector banks customers are satisfied with I.C.I.C.I Bank
- H1: In public sector banks customers are satisfied with other than I.C.I.C.I Bank

There is very stiff competition as per the result also in the private sector banks. By looking at the satisfaction and dissatisfaction level ICICI bank is the choice of the selected responded in the private sector. So H0 is accepted in the hypothesis.

3.1.3. Hypothesis 3

- H0: Customers are highly satisfied with private sector banks services over other sector banks
- H1: Customers are satisfied with public bank services over other sector banks

We can say that the satisfaction levels in the three private sector banks are more than the three public sector banks. So, here H0 is accepted.

4. Conclusion

To conclude as per the services offered by the bank, it says that the ATM facility is very important facility for the investors while recurring facility is lowest important facility for the investors. 41.50% investors choose bank which provides best personalized services. Majority of the investors are satisfied with the interest rate provided by the bank. 42.50% investors are satisfied with the internet banking facility. 70% of investors are satisfied with overall service quality provided by the bank.

5. Further Scope for the Study

As I here select customers from one city with limited customers, this study can be further expanded by having more customers from different cities, because the customers' preference changes area wise also. That will give better idea for the customer satisfaction towards different services offered by the banks.

6. References

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Annexure

1. Respondent Name: _____
2. Gender Male Female
3. Age Less than 25 26 to50 More than 51
4. What is the total income of household?
Under 100,000 500000 but less than 10, 00,000
100,000 but less than 500,000 10, 00,000 and higher
5. Have you using banking facilities?
 Yes No
6. From the last how many years you are using facilities?
 0-1 year 1-5year 5-10year more then10year
7. Which sector of bank you used?
 Private public co-operative Foreign
8. Which type of account you using in the bank?
 Saving current both

1-High Satisfaction	2-Satisfaction	3 - Neutral	4 - Dis-Satisfaction	5 – High Dis-Satisfaction
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Most preferable facility of used in private and other banks (In total 10 Banks column)

Services	ICICI Bank	HDFC Bank	Bank Name
Deposits			
Credit Creation			
Lending of Money			
Transfer of Money			
Safe Deposits locker			
Gift cheques			
Cards			
Loans			
Investment			
NRI Services			
RTGS			
Mobile Banking			