A STUDY ON SALES OF RETAIL BANKING PRODUCTS AND CUSTOMER SATISFACTION OF ICICI BANK LIMITED

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Abstract

India has an extensive banking network, in both urban and rural areas. ICICI Bank is the largest private sector bank and India's second-largest bank with total assets of about Rs.1 trillion and a network of about 645 branches and offices and over 2100 ATMs across 250 cities. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital, asset management and information technology. The present paper is based on survey conducted to know the customer satisfaction level regarding the retail banking products that are provided by ICICI bank ltd. The survey was carried out among A/c holders of ICICI bank ltd. in Bangalore city. At the same time, customers were asked to give any unsatisfactory aspects that they may have come across or any problems they faced with the services. Percentage analysis has been used in this study to analyze the primary data collected via structured questionnaire. Furthermore, the paper also attempts to suggest likely improvements so that satisfaction level of the employees may be improved further.

KEYWORDS: *Account holders, Banks, Customer satisfaction, Finance, Market*

Introduction:

*ICICI Bank Ltd, Bangalore –***Koramangala** *Branch:*

ICICI Bank Ltd, Bangalore- Koramangala Branch, commenced its operations from May 1, 1999. It initially started with Retail Channels & Liabilities Group (RCLG) products as its only product group. The retail liabilities products consists of Savings Bank Account, Term Deposits, Recurring Deposits, Roaming Current Account, Kid e Bank Account (for children), Bank @ Campus Account (for college students), Power Pay Account (for corporate salary solution), NRI Services & Foreign Exchange, Private Banking Services, Debit Cards and Tax Saving Bonds. It also introduced Third party products such as Demat Accounts, IDirect Account (a unique 3 in one account from icicidirect.com), RBI bonds and Mutual Funds.

ICICI Bank Ltd, Bangalore, Koramangala Branch, was able to gain upon the market and was also able to capitalize on considerable market share. Then it ventured into Retail Asset Products Group (RAPG) such as Home loans, Car Loans, Two Wheeler loans, Personal loans, Commercial loans, Consumer loans & loans against securities and once again the branch was able to grab a firm grip in the market.
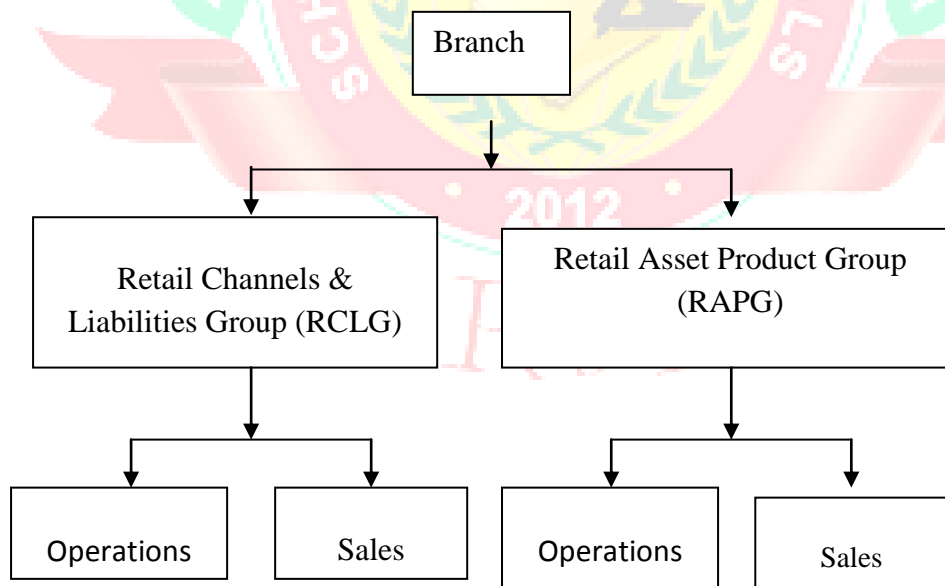
Retail Channels & Liabilities Group (RCLG)

The product portfolio of RCL Group includes the following:

-   Roaming Current Account
-   Savings Bank Account

- Bank @ Campus
- Fixed Deposit
- Recurring Deposit
- Power Pay Account (Salary Account)
- Credit Cards & Debit cum ATM Cards
- EDC Machine (Card Swiping Machine)

The various channels of ICICI Bank and ICICI Caps will be integrated under this Group and will function as a single integrated network. To achieve customer centricity, it is intended that the channels will essentially focus on three functions:

- Transaction Banking
- Sales
- Customer Service

Transaction Banking involves all the day-to-day banking functions of the channels. Sales includes sale of liability products, all third party products and cross sell of asset products. Customer servicing will involve service to facilitate meeting NRI targets. The Customer Service Group will be responsible for handling and quick resolution of customer service issues across all retail products. This Group is also responsible for recommending specific process and systems improvements which have an impact on customer service, carrying out customer satisfaction studies, managing service quality audits etc.

ABBREVIATIONS:

SB A/c: Saving Bank Account

PPA: Power Pay Account

B@C A/c: Bank at Campus Account

BS: Branch Service

TB: Tele banking

IB: Internet Banking

ATM: Automated Teller Machine or Any Time Money

ANWB: Any Where Banking

ATMDC: ATM cum Debit Card

QO: Quantum Optima

AC Stmt: Account Statement

AP: Ambience Provided

LITERATURE REVIEW:

"If the product matches expectations, the customer is satisfied: if it exceeds them, the customer is highly satisfied; if it falls short, the customer is dissatisfied" this is called as customer satisfaction (Nigel Hill et al., 2007).

Abdullah and Rozario conducted a study at well known hotel in Kuala Lumpur, Malaysia in order to find out the influence of service and product quality towards customer satisfaction. The study revealed that there is a positive significant relationship between product and service quality with customer satisfaction (D.N.M.A. Abdullah and F. Rozario, 2009).

R.K. Uppal conducted a study among all e-channels and found that ATM is the most effective while mobile banking does not hold a strong position in public and old private sector but in new private sector banks and foreign banks m-banking is good enough with nearly 50 pc average branches providing m-banking services. M-banking customers are also the highest in banks which have positive impact on net profits and business per employee of these banks. Among all, banks are on the top position followed by new private sector banks in providing m-banking services and their efficiency is also much higher as compared to other groups (R.K. Uppal, 2010).

Another study to evaluate consumer perceptions on quality of e-services and Internet banking adoption in Malaysia was conducted among banking customers of the Klang Valley area. Results show that Internet banking users and non-users have different expectations towards e-service quality preferences. Not all of the dimensions are preferable by the respondents. (Murali Raman et al., 2008).

STATEMENT OF PROBLEM:

The ICICI bank is facing a tough competition from both Local and International Banks so it was necessary to make a study on efficiency of the retail banking products provided by the bank to their customers and know whether they are properly catering to the needs of the customers or not.

OBJECTIVES OF THE STUDY:

- To determine the level of satisfaction among the existing SB A/c holders

- To determine whether the customers are aware of the change in working hours of ICICI Bank.

- To determine general expectations of the customers and also determine the frequency of services exceeding the expectations.

- To determine the satisfaction level with respect to the services of ICICI Bank, viz. Branch Services, ATM Services, Phone Banking and Internet Banking

- To determine the opinion of customers about the features of ICICI Bank such as Any Where Banking, ATM cum Debit Card, Quantum Optima and A/c Statements

RESEARCH METHODOLOGY:

Sampling area: The study was carried out among the A/c holders of ICICI bank ltd. in Bangalore city.

Sample size: 50 customers were selected after considering time and cost.

Sampling method: Convenience method of sampling is used to collect the data from the respondents.

Data collection: The data was collected from both primary and secondary sources. Primary data was collected through structured questionnaire and the secondary data was collected from books, journals etc. Since the objectives were focused on primary data, the study relied more on the primary data.

Statistical tools used: The collected data has been analyzed by using Percentage analysis

LIMITATIONS OF THE STUDY:

Though most of the questions were close ended, some of the respondents were unable and unwilling to fill the questionnaire. Since the response largely depends on the mindset, it may be affected with the frame of mind at the time of filling the questionnaire. The analysis is done based on the response given by the customers and assuming that it is true. The findings of the survey cannot be generalized to the population, as the sample is small compared to the population.

DATA ANALYSIS AND INTERPRETATION:

Table1: Type of accounts holders

S.No.	Types of Accounts	No. of Respondents	% of Respondents
1.	SB A/c	33	66%
2.	PPA A/c	9	18%
3.	B@C A/c	8	16%
	Total	50	100%

Source: Primary Data

Interpretation: The sample surveyed contained highest number of SB A/c holders that is 66% of the sample size, while PPA A/c holders and B@C A/c holders accounted for 18% and 16% respectively.

Table 2: Occupation of the Respondents

S.No.	Occupation of respondents	No. of Respondents	% of Respondents
1.	Businessmen	8	16%
2.	Self Employed	5	10%
3.	Servicemen	23	46%
4.	House Wife	0	0%
5.	Student	13	26%%
6.	Retired	0	0%
7.	Others	1	2%
	Total	50	100%

Source: Primary Data

Interpretation: The occupation of the respondents varied from business to service to students. The highest numbers of respondents were businessmen, servicemen and students. 46% of respondents are people who are providing services at various levels in various organizations. 26% of the respondents were students from various colleges and institutions of the city.16% of the respondents were businessmen and 10% self-employed.

Table 3: Awareness of change in Timings of the Bank

S.No.	Response	No. of Respondents	% of Respondents
1.	Yes	36	72%
2.	No	14	28%
	Total	50	100%

Source: Primary Data

Interpretation: Out of the 50 respondents surveyed, 36 of them are aware of the change in timings of the bank, which means 72% of the respondents. The remaining 28% respondents are not aware of the change in timings. This may be due to their infrequent visit to the bank.

Table 4: Satisfaction Level of Customers

S.No.	Particulars	No. of Respondents	% of Respondents
1.	Highly Satisfied	5	10%
2.	Satisfied	30	60%
3.	Neutral	12	24%
4.	Highly Dissatisfied	0	0%
5.	Dissatisfied	3	65
	Total	50	100%

Source: Primary Data

Interpretation: 10% of the respondents have the opinion that they are highly satisfied with the services provided by the bank. 60% of the respondents say that they are satisfied with the bank's services. These figures show that the bank is putting considerable efforts in order to provide quality service to its customers.

Table 5: Frequency of Exceeding Customers' Expectations

S.No.	Frequency level	No. of Respondents	% of Respondents
1.	Very Frequent	0	0%
2.	Frequent	27	54%
3.	Not Sure	23	46%
4.	Infrequent	0	0%
5.	Very Infrequent	0	0%
	Total	50	100%

Source: Primary Data

Interpretation:

54% of the respondents say that the bank is able to meet their expectations frequently. This figure is sufficient to conclude that the bank is taking efforts to meet its customers' expectations as frequently as possible. 23% of the respondents say that they are not able to

judge whether the bank meets their expectations or not. No respondent has the opinion that the bank is not able to meet his expectations. This feedback shows that the bank leaves no room for any complaints or unpleasant experiences for its customers.

Table 6: Frequency of Services used by the Customers

S.No.	Services	No. of Respondents	% of Respondents
1.	BS	2	4%
2.	ATM	48	96%
3.	TB	0	0%
4.	IB	0	0%
	Total	50	100%

Source: Primary Data

Interpretation:

96% of the respondents say that they use the ATM Services more frequently than any other facility. Only 4% of the respondents say they use Branch Services more frequently. No respondent has ranked Phone Banking and Internet Banking as more frequently used facility. This shows that the customers are either not aware of these services or do not know how to make use of these facilities. With large number of customers using the ATM facility, it is important for the bank to maintain the existing network of ATM Counters.

Table 7: Level of Satisfaction with respect to the Services Provided

	Highly Satisfied	Satisfied	Neutral	Highly Dissatisfied	Dissatisfied
BS	6	33	8	3	0
ATM	25	22	3	0	0
TB	0	2	48	0	0
IB	1	3	46	0	0
AP	12	20	16	2	0

Source: Primary Data

Interpretation: A question was framed to know the satisfaction level of the customers with respect to the services offered, viz Branch Service, ATM Service, Phone Banking, Internet Banking and Ambience provided at the branch. To tap the satisfaction level, again a 5 Point Rating Scale is used.

Branch Service: 12% of the respondents say that they are highly satisfied with this service, while 66% of the respondents say that they are satisfied. 16% say that they are neither satisfied nor dissatisfied, while 6% of the respondents say that they are not satisfied. The above figures show that the bank has been able to provide quality service to its customers at the branch and keep them happy and also maintaining the service standards.

ATM Facility: 50% of the respondents say that they are highly satisfied with the ATM Service, while 44% of the respondents say that they are satisfied. None of the respondents say that they are not happy with this facility.

Phone Banking: It is surprising to see that only 4% of the respondents are satisfied with this facility. 96% of the respondents were unable to comment on this mainly because they have not used this facility. Out of the 48 respondents who were unable to answer this question, about 20 customers are not aware of this facility, while the remaining 28 respondents do not know how to use this facility. To avail this facility, the customers need to know their Phone Banking password.

Internet Banking: Only 8% of the respondents are satisfied with this facility. 92% of the respondents could not respond to this question, again because some of them are unaware and some of them do not know how to use the facility. While, to avail this facility, it calls for some pre-requisites that is a computer with an Internet connection. To avail this facility, the customers need to know their user Id and password. Since, all the customers may not have Internet connection; this facility is restricted only to Internet users.

Table 8: Customers Opinion about Savings Bank Account Features

	Excellent	Good	Average	Fair	Poor
ANWB	25	25	0	0	0
ATM D C	27	23	0	0	0
Q O	13	21	14	2	0
AC STMT	5	14	17	3	11

Source: Primary Data

Interpretation:

AnyWhere Banking System: 50% of the respondents have rated this as Excellent, while the other 50% respondents have rated as Good. None of the customer has rated this feature as average, fair or poor.This means that the customers are very much satisfied with this facility and have no complaints about this feature.

ATM cum Debit Card: 54% of the respondents have rated this feature as Excellent and 46% have rated as Good. Again, none of the respondent has rated this feature as average, fair or poor. This is one of the best features provided to Current A/c and SB A/c holders.

Quantum Optima: 26% of the respondents say that this feature is Excellent, while 42% of the respondents say that this feature is Good. 28% of the respondents have the opinion that this feature is of no significance to them. These figures show that the customers are not very familiar with this feature, and have only a fair idea how the Quantum Optima facility will work.

Quarterly Account Statement: 10% of the respondents say that this feature is Excellent, while 28% of the respondents say that this feature is Good, 34% say it is Average while 6% say it is fair. 22% of the respondents say that this feature is poor. Customers seem to be somewhat unhappy with this feature.

CONCLUSION:

- Majority of the customers are aware of the change in the timings of the bank.

- Almost all the customers are satisfied with the overall services provided by the bank. There are no major complaints of the customers or any shortcomings on the bank's service. The customers have very well accepted the services offered by the bank

- Expectations of the customers vary in accordance with their profile, the type of account they hold and the frequency of their banking

- Customers have the opinion that the bank has almost always exceeded their expectations and there are no major say from the customers with regard to the bank's services meeting their expectations

- Some of the customers are unhappy about the Quarterly Average Balance of SB A/c. This is mainly because they had opened their account initially with Rs.1000 QAB and later on it was increased to Rs.2000. Some of the customers are finding it difficult to maintain the average balance.

- Some of the customers are unhappy about the charges levied for non maintenance of average balance

- Customers expect better and timely response at the branch. Some of the customers complain about the way they are treated at the branch. Customers are unhappy about this and want the bank authorities to take a look at the matter and see to it they are not ill-treated and are given proper response by the people at the help desk

- Customers are satisfied with services at the Branch, ATM Counters and Ambience provided at the branch. But it is important to note that the customers are hardly aware of the Phone Banking and Internet Banking. Even those who are aware, do not how to make use of the facility. Therefore many of the respondents could not give accurate feedback in this regard.

- Customers are also pleased with the SB A/c features, especially with the Any Where Banking Facility and ATM Services. Customers have also given a good feedback about the Quantum Optima, but many of them are unhappy with the Quarterly Account Statement provided by the bank to its customers. The main problem with the customers is that the bank issues this once in a quarter, but the customers have not been receiving this statement periodically. Some of the customers also complained that they have not received any statement.

RECOMMENDATIONS:

• It is very good to know that most of the customers are aware of the change in timings of the bank. For those who are not aware of the new timings, the bank authorities must see to it that they make proper arrangements to educate the customers about the same. The bank authorities in this regard can take the following initiatives:

• Display boards at the entrance of the branch, at the tellers' desk and help desk. They can also place the display boards at the ATM Centers. This can be very useful since customers frequently go to the ATM Centers rather than walking in to the branch

• Customers are happy with the overall services provided by the bank, especially with the ATM Network and Any Where Banking Facility. The bank has also opened ATM Centers at key points where there is huge customer traffic. Therefore the bank should maintain the existing system and if possible, should evaluate the feasibility of opening new ATM Centers at market places, especially near Chickpet market area and Yeswanthpur yard area. They should also give a thought on opening ATM Center in the KSRTC and BMTC Bus Stand premises. Since the bank has one ATM Center at the Railway Station, which has been very helpful to the passengers and Railway Employees who have their account with ICICI Bank Ltd, one ATM Center at the Bus Stand will be of great help to the commuters.

• Some of the customers complained about the charges that are levied for non-maintenance of average balance. Customers complained that their account was debited with certain amount without any intimation. To overcome this problem, the bank authorities should see to it that the customers are well informed about the charges and also they should inform the customers that their account would be debited for any charges without any notification. The Sales Executives should see to it that whenever they approach customers for opening the account, they should provide all the details pertaining to the account. If this procedure is adopted, the chances of customers being unhappy would be reduced

• The bank authorities should take initiatives on educating the customers about Phone Banking and Internet Banking, since many customers are not aware about these services. This can be done by giving the customers, the details about these services at the time of opening the account. The Sales Executives, who get the Account Opening Forms filled from the customers, should give proper inputs such as how to use these facilities, what are the uses and how the customers are benefited by using these facilities. The Sales

Executives should also provide the customers with the Call Center number so that instead of calling the bank or walking in to the bank, the customers can directly enquire the required details from the Call Center. This also saves the customers' time as well as the bank employees' time and thus reduces customer traffic at the branch

- The Sales Executives should also provide details about the account features so that the customers have no problems or doubts in operating their respective accounts. This calls for educating the customers with features like Any Where Banking System and Quantum Optima. Most of the customers have only a fair idea about this concept introduced by ICICI Bank Ltd. Therefore it is the duty of the Sales Executives to provide detail and accurate information to the customers with regard to how the customers can earn interest on their SB A/c balances and also the rate of interest, how the funds are converted to Fixed Deposits without any change in their account balances and other related information

- The bank has earned good reputation and customers are also happy with the services offered. Therefore the bank should maintain the existing quality standards of service that it is providing to its customers

- The bank should also gear up its promotional activities as many competitors are entering the city with new and innovative products. Promotional activities involve advertisements in the form of brochures and banners displayed at appropriate places mentioning the unique features and facilities provided by the bank to the customers. It also includes participating in events where lots of people are present such as College festivals and Consumer Exhibitions.

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