

A Comparative study on the awareness towards facilities provided by Public Sector Banks and ICICI Bank in Coimbatore City



Commerce

KEYWORDS :

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INTRODUCTION

India has a well developed banking system. Most of the banks in India were founded by Indian entrepreneurs and visionaries in the pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. Indian banks have played a significant role in the development of Indian economy by inculcating the habit of saving in Indians and thereby lending finance to Indian industry. With the growth in the Indian economy, demand for banking services-especially retail banking, mortgages and investment services are expected to be strong.

Public Sector Banks

Banking dates back to 1786, when the first bank established in India. Banking has grown after the nationalisation of banks in 1969 and the liberalisation in 1991. Before the steps of nationalisation of Indian banks, only State Bank of India (SBI) was nationalised in July 1955 under the SBI Act of 1955. Nationalisation of Seven State Banks of India took place on 19th July, 1960. The second phase of nationalisation of Indian banks took place in the year 1980. Seven more banks were nationalised with deposits over 200 crores. There was a rapid growth in the public sector banks only after nationalisation.

Private Banks in India

All the banks in India were earlier private banks. They were founded in the pre-independence era to cater to the banking needs of the people. But after nationalization of banks in 1969 public sector banks came to occupy dominant role in the banking structure.

ICICI Bank

ICICI Bank is India's second-largest bank with total assets of Rs. 4,062.34 billion (US\$ 91 billion) at March 31, 2011 and profit after tax Rs. 51.51 billion (US\$ 1,155 million) for the year ended March 31, 2011. The Bank has a network of 2,774 branches and about 10,021 ATMs in India, and has a presence in 19 countries, including India. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers in the areas of investment banking, life and non-life insurance, venture capital and asset management.

Statement of the problem

The Indian bank management today is facing a two-faced challenge to improve their profitability on the one hand and to serve the public in new ways with greater efficiency and effectiveness on the other. In the noble task of fulfilling the socio economic responsibilities, commercial volubility of the bank should not be ignored.

Objectives of the study

1. To study the basic awareness regarding the products offered by banks.
2. To study the problems faced by the customers towards the Public Sector Banks and ICICI Bank.
3. To offer suggestions for the improvement of the services.

METHODOLOGY OF THE STUDY

Coimbatore being the Manchester of south India is taken for the study. The study has used primary data which is collected from 300 respondents. A questionnaire has been prepared in such a way that the respondents were able to give their opinion regarding the study. 300 respondents are taken for the study and

convenient random sampling is used to collect the data.

Tools for analysis

Following tools were used to analyse the data collected from the respondents.

1. Percentage Analysis
2. Mc.Nemar Analysis

Limitations of the study

1. The study is restricted to Coimbatore city only.
2. Sample size is restricted to 300.

Analysis and interpretation

The data collected from the respondents were systematically applied and presented as tables in such a way that the detailed analysis can be made so as to present a suitable interpretations for the study.

Table No.1 Demographic characteristics of samples

Variables		No.of respondents	%
Gender	Male	184	61.3
	Female	116	38.7
	Total	300	100
Age	Below 25 years	54	18
	25-35 years	72	24
	35-45 years	78	26
	45-55 years	66	22
	Above 55 years	30	10
	Total	300	100
No.of members in the family	Upto 2 members	32	10.7
	3 members	106	35.3
	4 members	95	31.7
	Above 4 members	67	22.3
	Total	300	100
Educational level	No formal education	27	9
	School level	45	15
	Diploma	41	13.7
	Undergraduate	93	31
	Post graduate	49	16.3
	Professionals	45	15
	Total	300	100
Marital status	Married	190	63.3
	Unmarried	110	36.7
	Total	300	100
Occupational status	Agriculture	24	8
	Business	78	26
	Employed	102	34
	Housewives	36	12
	Student	29	9.7
	Retired	31	10.3
	Total	300	100
Family monthly income	Below Rs.10,000	84	28
	Rs.10,001-Rs. 20,000	130	43.3

	Rs.20,001- Rs.30,000	51	17
	Above Rs.30,000	35	11.7
	Total	300	100
No.of savings Account	2	210	70
	3	63	21
	4	18	6
	Above 4	9	3
	Total	300	100

Mc.Nemar Test

The Mc.Nemar test is a nonparametric test for two related dichotomous variables. It tests for changes in responses using the chi-square distribution. It is useful for detecting changes in responses due to experimental intervention in "before and after" designs.

TABLE No.2

Table showing the respondents awareness about loan facilities in Public Sector Banks and in ICICI Bank

Null hypothesis: There is no significant difference between the awareness about the loan facilities in public sector banks and in ICICI Bank

S. No	Loan Facilities	Number of Respondents	Chi-Square Value	Least significant Value	S/NS
1	Car Loan	300	18.278	0.000	**
2	Commercial Vehicle Loan	300	18.678	0.000	**
3	Construction Equipment Loan	300	0.000	1.000	NS
4	Educational loan	300	52.189	0.000	**
5	Gold Loan	300	0.141	0.708	NS
6	Home Loan	300	2.017	0.156	NS
7	Housing Loan	300	27.539	0.000	**
8	Loan against Property	300	6.298	0.012	*
9	Professional Loan	300	4.379	0.036	*
10	Personal Loan	300	15.340	0.000	**
11	Self Help Group Loan	300	20.417	0.000	**
12	Two Wheeler Loan	300	32.500	0.000	**

NS – Not Significant ** - Highly Significant * - Least Significant

There is no significant difference between the awareness about the loan facilities in public sector banks and in ICICI bank with regard to construction equipment loan, gold loan and home loan.

TABLE No.3

Table showing the respondents awareness about cards in Public Sector Banks and in ICICI Bank

Null hypothesis: There is no significant difference between the awareness about cards in public sector banks and in ICICI Bank

S. No	Cards	Number of Respondents	Chi-Square Value	Least significant Value	S/NS
1	Co-Branded Cards	300	7.066	0.008	**
2	Credit Card	300	56.162	0.000	**
3	Debit Card	300	13.341	0.000	**
4	Debit cum ATM Card	300	9.521	0.002	**
5	Gold credit Card	300	0.278	0.598	NS
6	International Debit Card	300	4.379	0.036	*
7	Master Card	300	0.736	0.391	NS
8	Prepaid Card	300	2.791	0.095	NS

9	Silver Credit Card	300	1.205	0.272	NS
10	Special Benefit Card	300	53.802	0.000	**
11	Travel Card	300	15.210	0.000	**
12	Visa Card	300	10.471	0.001	**

NS – Not Significant ** - Highly Significant * - Least Significant

There is no significant difference between awareness about card facilities in both public sector banks and in ICICI bank with regard to gold credit card, master card, prepaid card and in silver credit card.

TABLE No.4

Table showing the problems of the respondents regarding loan facilities in Public Sector Banks and in ICICI Bank

Null hypothesis: There is no significant difference between the problems regarding loan facilities in public sector banks and in ICICI Bank.

S. No	Problems	Number of Respondents	Chi-Square Value	Least significant Value	S/NS
1	Complicated procedure	300	12.181	0.000	**
2	High interest rate	300	3.892	0.049	*
3	Higher installment amount	300	2.294	0.130	NS
4	Repayment period is limited	300	4.898	0.027	*
5	Security for getting loan is high	300	0.917	0.338	NS

NS – Not Significant ** - Highly Significant * - Least Significant

There is no significant difference between the problems regarding loan facilities in public sector banks and in ICICI bank with regard to higher installment amount and security for getting loan

TABLE No.5

Table showing the problems of the respondents regarding cards in Public Sector Banks and in ICICI Bank

Null hypothesis: There is no significant difference between the problems regarding cards in public sector banks and in ICICI Bank.

S. No	Problems	Number of Respondents	Chi-Square Value	Least significant Value	S/NS
1	Adequate find is not available in the ATM	300	26.204	0.000	**
2	Misuse of cards by others	300	1.315	0.251	NS
3	Number of ATM centre is inadequate	300	1.497	0.221	NS
4	Technical fault in the machine	300	0.158	0.691	NS
5	Too much crowd at the ATM centre	300	1.174	0.279	NS
6	Withdrawal limit is lower	300	0.008	0.928	NS

NS – Not Significant ** - Highly Significant * - Least Significant

There is no significant difference between the problems regarding cards in public sector banks and in ICICI bank with regard to misuse of cards by others, number of ATM centre is inadequate, technical fault in the machine, too much crowd at the ATM centre and the withdrawal limit is lower.

Findings

- Majority of the respondents are male. Majority of the respondents belong to the age group of 35-45 years. Majority of the respondents belong to the category of 3 members in the family. Majority of the respondents are undergraduate.

Majority of the respondents are married. Majority of the respondents come under the occupational status of business. Majority of the respondents family monthly income is in between Rs.10,001 to Rs.20,000. Majority of the respondents have 2 savings account in bank.

- There is no significant difference between the awareness about the loan facilities in public sector banks and in ICICI bank with regard to construction equipment loan, gold loan and home loan.
- There is no significant difference between awareness about card facilities in both public sector banks and in ICICI bank with regard to gold credit card, master card, prepaid card and in silver credit card.
- There is no significant difference between the problems regarding loan facilities in public sector banks and in ICICI bank with regard to higher installment amount and security for getting loan
- There is no significant difference between the problems regarding cards in public sector banks and in ICICI bank with regard to misuse of cards by others, number of ATM centre is inadequate, technical fault in the machine, too much crowd at the ATM centre and the withdrawal limit is lower.

Suggestions

- The banks should create awareness among the customers regarding the various new facilities offered by them, so that the customers can effectively make use of the improvised facilities.

- With increased number of banks, products and services customers are easily switching from one bank to another whenever they find better services and products. Banks should provide quality service to retain the customers. More facilities should be offered by both public sector banks and ICICI bank in order to attract the customers.

Conclusion

The banking industry in India has undergone volatile changes during the last decade and one of the major areas of change is customer service. Indian banks have not yet seen big results from CRM solutions, probably because of improper implementation. Being short sighted, they have adopted new technology without a clear understanding of how to integrate it with the existing systems and processes. Indian banking industry should aim to formulate strategies incorporating people, processes and technology issues. In accordance with the strategies, current and future IT initiatives can be formulated, prioritizing the related activities and their feasibility. If implementation is done in a phased manner it will definitely lead to organization's success in achieving the Customer Relationship Management.

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