

**A STUDY OF RURAL CUSTOMER SATISFACTION IN STATE
BANK OF INDIA
(WITH SPECIAL REFERENCE TO INDORE DISTRICT)**

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Abstract:

At present, the branch of state bank of India is established in every area of Indore district. Every person investing in Indore and must have an account in bank. Today there are many banks in Indore city in which people have opened their accounts. There are many types of accounts which can be opened in State bank of India such as savings account, business account, Loan account, salary account and many other types of account.

The ATM of state bank of India are easily available everywhere so that people do not have to face problems. The facility of depositing money through machine is also available, hardly any other bank is giving these facilities to the customers as state bank is giving to its customer. Apart from this, today every ATM has the arrangement for entry of bank passbook also near the machine, so that the customer does not have to worry about go to the bank.

Additionally, State Bank of India is also providing loans to its customers at low interest rates. Today, this bank is also providing other types of finance facilities to its customers. It is the aim of every employee working in State Bank of India that every customer coming to their bank should be satisfied by their work. For this, services are provided by the bank from time to time by providing guidelines to every customer including, urban, rural, educated, uneducated, male, female etc. This paper is based on the customer satisfaction of rural customers of State Bank of India.

Keywords: - Customer Satisfaction, Rural Customer.

Introduction:

The All India Rural credit survey committee proposed the takeover of the imperial Bank of India, and integrating with it, the former state-owner or state associate banks. Subsequently, an act was passed in the parliament of India in May 1955. As a result, the state bank of India (SBI) was established on 1 July 1955. This resulted in making the state bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the state. Later on, the state bank of India (subsidiary Banks) Act was passed in 1959. The act enabled the state Bank of India to make the eight-format state-associated bank as its subsidiaries. The State bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three local Head offices, inherited from the imperial branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to creditworthy parties, the State Bank of India catered to the needs of the customers, by banking purposefully. The bank served the heterogeneous financial needs of the planned economic development.

As customers are the significant importance, it is essential for the banking companies to satisfy their needs and requirements by providing wide variety of products and services through the increasing power and precision of information technology. Now a day's banks are providing a variety of products and services and adopting new techniques to satisfy their customers. Customer service and their satisfaction is an integral part of any organization. it is necessary to identify the key success factors in terms of customer satisfaction. Customer satisfaction is crucial in the age of globalization and cut-throat competition. As technology is developing at high pace, customers' expectations are rising. Now banks have realized that cost of attracting a new customer is much more than retaining the existing customers. It calls great attention from banks towards the customer satisfaction.

A satisfaction is an emotional state. The link between satisfaction and loyalty has received a great deal of attention from theorists. The measurement of customer satisfactions level is commonly used to monitor relationship quality. Satisfactions is a relatively short- lived and subjective state, and customer often find it difficult to judge about their own satisfactions levels, particularly in retrospect. In a competitive marketplace where businesses compete for customers,

customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

Customer is king in the market. Renowned economist Adam Smith opined that the customer holds power to choose the best having maximum opportunity with extensive range of product with the variety of services and different schemes. In the present competitive phase of service industry. Now a day's customer satisfaction is a measure of how the products and service quality by organizations satisfy the expectations of a customer. It varies from person to person and service to service. A customer can be defined carrying out casual business transactions with a bank. The efficiency of banking sector depends upon how best it can deliver services to its target customer. In this competitive environment, the banking service providers are required to improve the quality of service on continuous basis, insuring continual customer satisfaction and having far reaching impact on banking industry.

The State Bank of Indore, commonly known as Indore Bank, had only 1 branch at the time of its establishment (1920). From 1920 to 1959 it increased its business from 1 branch to 17 branches so on 1st January 1960, when the Indore Bank became the subsidiary of State Bank of India and converted in to State Bank of Indore had 17 branches. At present there are 38 branches of State Bank of India in Indore. These branches are serving their all type of customers including rural customers.

Review of Literature:

Abhay Jaiswal and Chanchala Jain (2018), A Comparative Study of Financial Performance of SBI and ICICI, the study is an attempt to analyze the financial performance of SBI and ICICI banks. The State Bank of India, popularly known as SBI is one of the leading bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices located at important cities throughout the country. ICICI bank is the second largest, leading bank of private sector in India The Bank has 2,533 branches and 6,800 ATMs in India. The study is descriptive and analytical in nature. The collected data was secondary in nature and collected from various reports issued by these banks through internet. The comparison of financial performance of these two banks was made on the basis of ratio analysis. The results indicated that the SBI is performing well and financially sound than ICICI Bank. Also, the market position of SBI is better than ICICI in terms

to earning per share, price ratio per share and dividend payout ratio, but on the other hand ICICI bank is performing well in terms of NPA and provision for NPA in comparison of SBI bank.

Dr. V. N. Sailaja and Dr. N. Bindu Madhavi (2019), emphasis study on **Comparison of Capital Structure of Public Sector Banks and Private Sector Banks and its Effect on Bank's Profitability** the capital structure and profitability were analyzed by too many researchers in academic level. However, most of them excluded banking industry due to different market structure and regulatory frameworks. The differential point of banking industry with other financial industries is minimum capital requirement that is 8% of equity capital. This requirement is for coverage of the bank's risk associated assets. Research is aiming to analyze the relationship between capital structure of the public and private sector banks and its profitability. The aim of the paper -To know the portion of debt and equity in capital structure of selected banks, to find out the Weighted Average Cost of Capital (WACC) of selected banks, to conduct comparative study regarding capital structure of selected banks, to examine the effect of capital structure on bank's profitability. Sample size is 3 private banks and 3 public banks based on the convenience sampling technique which is one of the methods in non-probability sampling methods. The paper concludes that sector banks is high as compared to the private sector banks which can be overburden to the banks to pay high amount of interest out of the profits.

Shikha Gupta (2020), **An Empirical Study of Financial Performance of ICICI Bank- A Comparative Analysis**, -The Bank works closely with ICICI Foundation across diverse sectors and programs. As of 2014 it is the second largest bank in India in terms of assets and market capitalization. ICICI bank emerged as a pioneer venture on the horizon of offering an expanded range of banking products and financial services for corporate and retail customers through its diverse delivery channels and specialized subsidiaries in the areas of investment banking, asset management, venture capital and insurance. In the light of its strategic importance in the nation interest, it is crucial to evaluate the financial performance of the ICICI Bank. And the present study focused on operational control, profitability and solvency etc. This research paper is aimed to analyze and compare the Financial Performance of ICICI Bank and offer suggestions for the improvement of efficiency in the bank.

S. Revathi and A. S. Saranya (2021) conducted the study on the, “Dimensions of Service Quality and Customer Satisfaction: Banking Sector” This research paper focuses on five dimensions of service quality (SERVQUAL) and customer satisfaction and reveals that there is positive correlation among dimensions of service quality and customer satisfaction.

Objectives of the Study:

Following are the specific objectives of the study.

1. To study the level of rural customer satisfaction of SBI banks.
2. To identify the difference in service quality provided by SBI and some selected private banks.
3. To study the difference in satisfaction level of rural customers by SBI and some selected private banks.
4. To study the gap in rural customers expectation and services provided by SBI and some selected private banks.

Hypotheses of the Study:

Hypothesis- I:

H₀: There is no difference in service quality provided by SBI and some selected private banks.

Hypothesis- II:

H₀: There is no difference in satisfaction level of rural customers in by SBI and some selected private banks.

Hypothesis- III:

H₀: There is no gap in rural customers expectation and services provided by SBI and some selected private banks.

Research Methodology:

The researcher conducted a comparative study of customer satisfaction SBI and some selected private bank services with reference and view point of rural customer satisfaction an attempt is made to give an overview of customers opinions, suggestions and opinions to understand rural Customer satisfaction of the banks. For comparative analysis various comparative bar charts are prepared after collecting customers opinions through questionnaires dully filled up by them.

Appropriate and suitable analysis is also made to justify the work. The research design helps to organize ideas in a unique format by which others can comment and make critical evaluation.

The banking Service users are selected using purposive sampling techniques from the respective banks. The selected banks are operating in Indore District in the study. The survey of 300 SBI bank and some selected private banks service users conducted from the selected banks branch and customers. The necessary data has been collected from respondents through the well-structured and pre-tested questionnaire.

Sampling:

The study covers the selected branches of SBI and some selected private banks from Indore District. 300 rural customers have been randomly selected from SBI and some other selected banks for compiling required primary data. Therefore, 300 rural customers are the sample for qualitative and quantitative investigation.

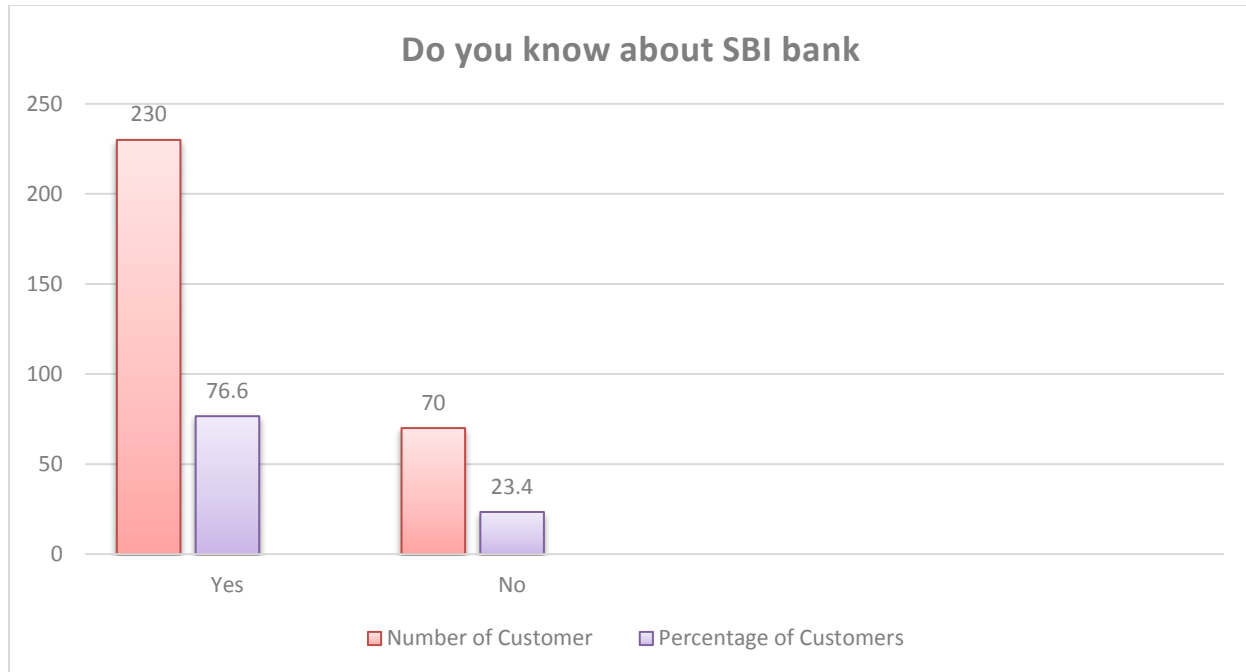
The time period of the present study is 2022.

Table No. 01: Do you know about SBI bank

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	230	76.6
2	No	70	23.4
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.01 it is clear that most of the people living in Indore District 76.6 percent of the respondents are known about the SBI Bank, while 23.4 percent of the respondents are not known about the SBI Bank.



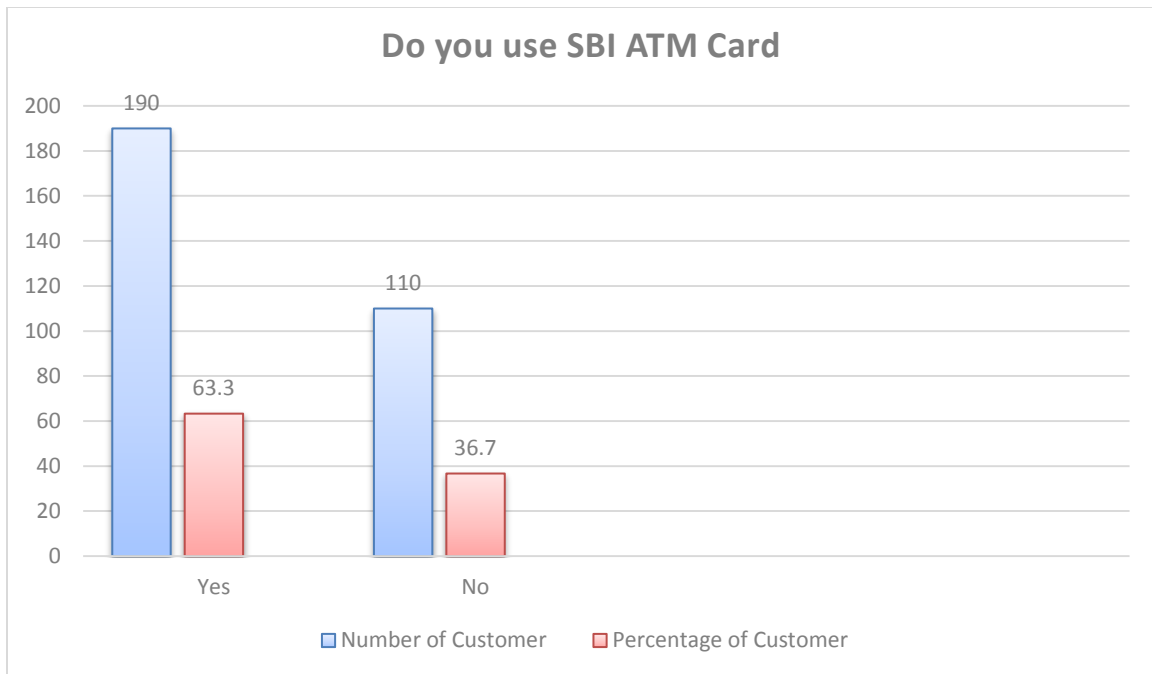
Conclusion: - It is known from the fact that most of the rural customer in the Indore District are known about the SBI bank.

Table No. 02: Do you use SBI ATM Card

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	190	63.3
2	No	110	36.7
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.02 it is clear that most of the rural customers living in Indore District 63.3 percent of the respondents are using the SBI ATM card, while 36.7 percent of the respondents are not using the SBI ATM Card.



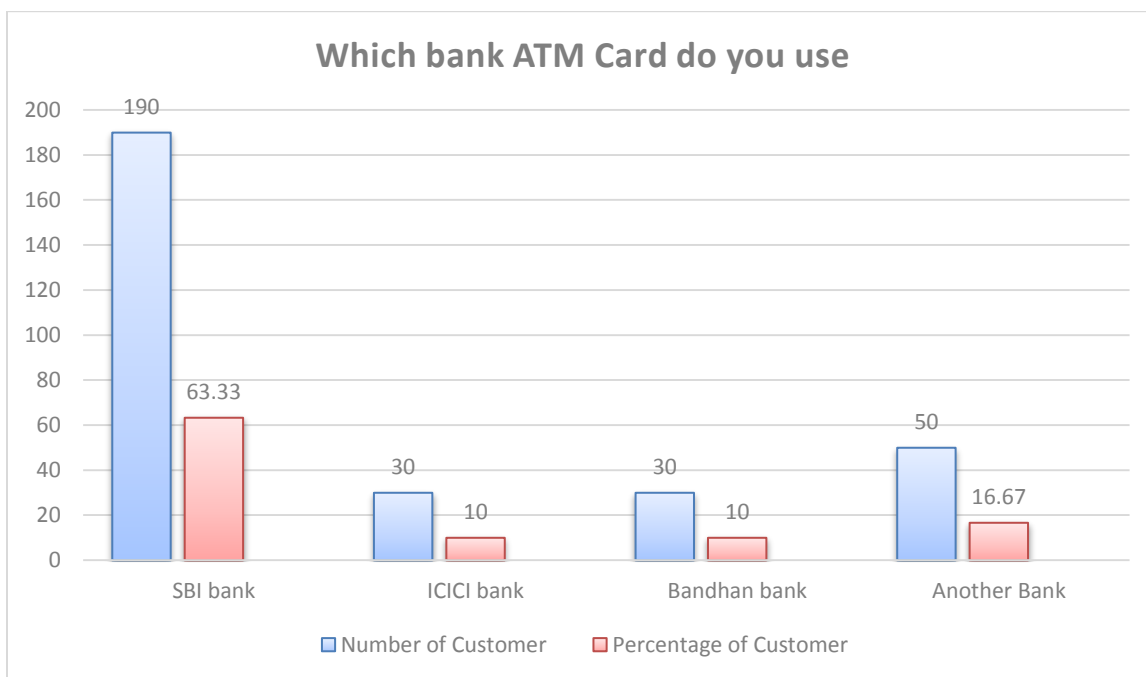
Conclusion: - It is known from the fact that most of the rural customer from Indore District are using the SBI ATM Card.

Table No. 03: Which bank ATM Card do you use

S. No.	Particular	Number of Customer	Percentage of Customer
1	SBI bank	190	63.33
2	ICICI bank	30	10
3	Bandhan bank	30	10
4	Another Bank	50	16.67
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no 03 it is clear that most of the rural customers living in Indore District 63.33 percent of the respondents are using the ATM card of SBI bank, while 10 percent of the respondents are using the ATM card of ICICI bank and also 10 percent of the respondents are using the ATM Card of Bandhan Bank, while 16.67 percent are using the ATM card of another banks:



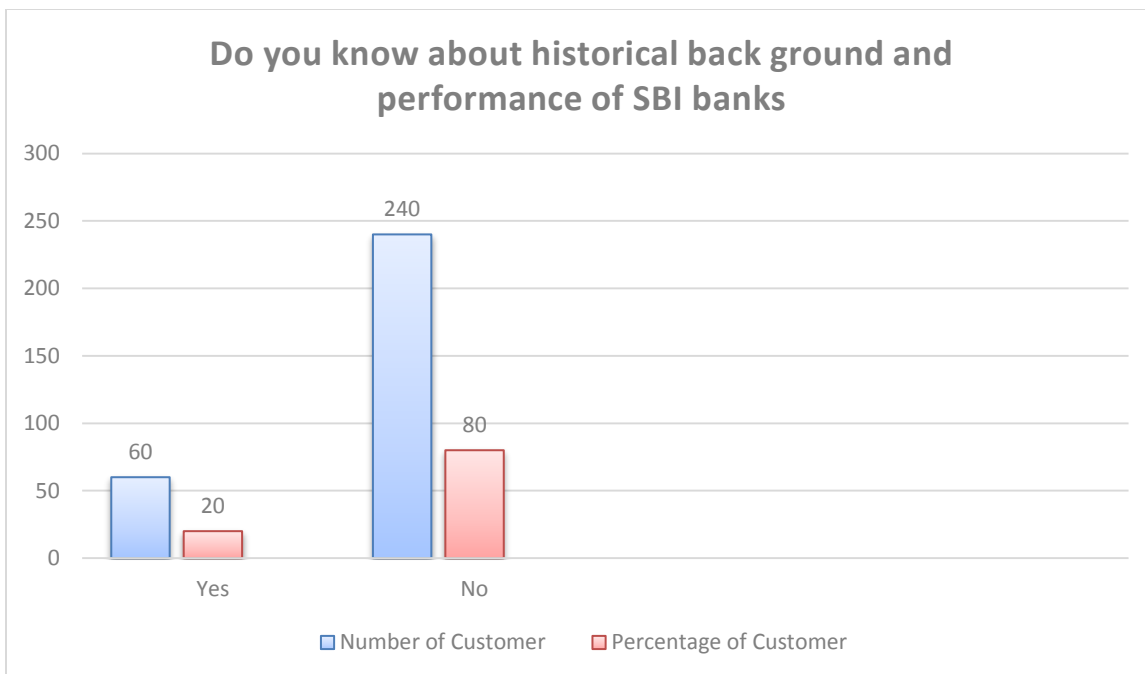
Conclusion: - It is known from the fact that most of the rural customers living in Indore District are using the ATM Card of SBI bank.

Table No. 04: Do you know about historical back ground and performance of SBI banks

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	60	20
2	No	240	80
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no. 04 it is clear that most of the rural customers living in Indore District 20 percent of the respondents are known about the historical back ground and performance of SBI banks, while 80 percent of the respondents are not known about the historical back ground and performance of SBI Bank.



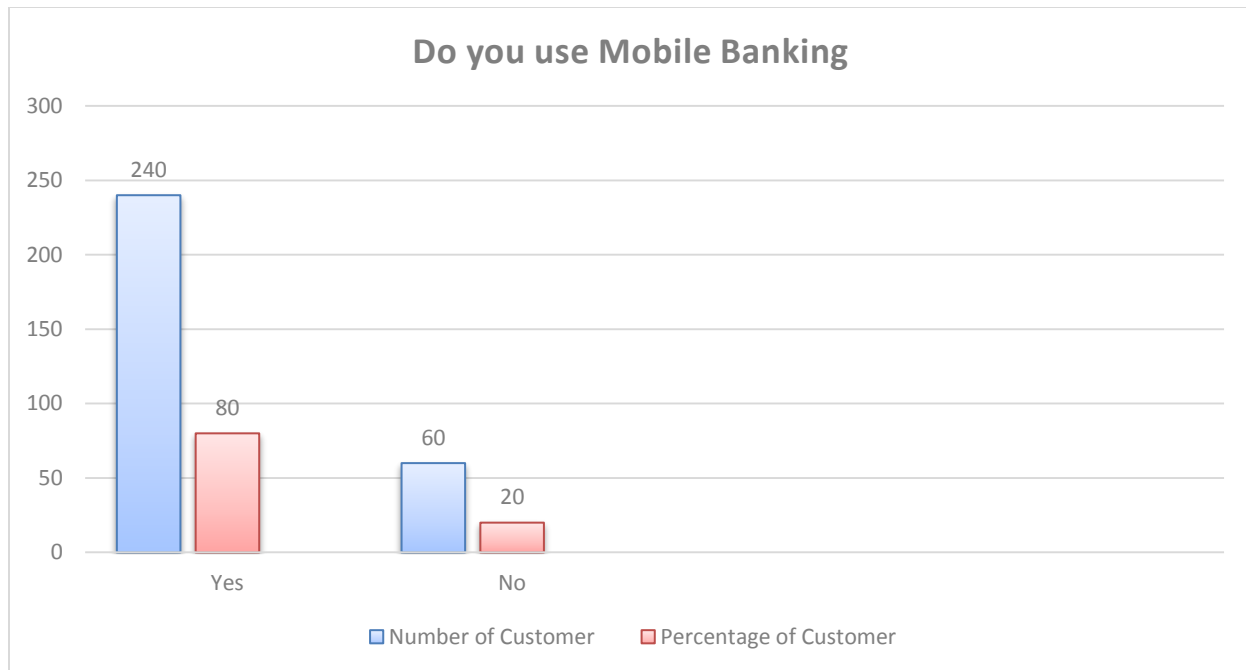
Conclusion: - It is known from the fact that most of the rural customers living in the Indore District are not known about the historical back ground and performance of SBI Bank.

Table No. 05: Do you use Mobile Banking

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	240	80
2	No	60	20
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.05 it is clear that most of the people living in Indore District 80 percent of the respondents are using the Mobile Banking, while 20 percent of the respondents are not using the Mobile Banking.



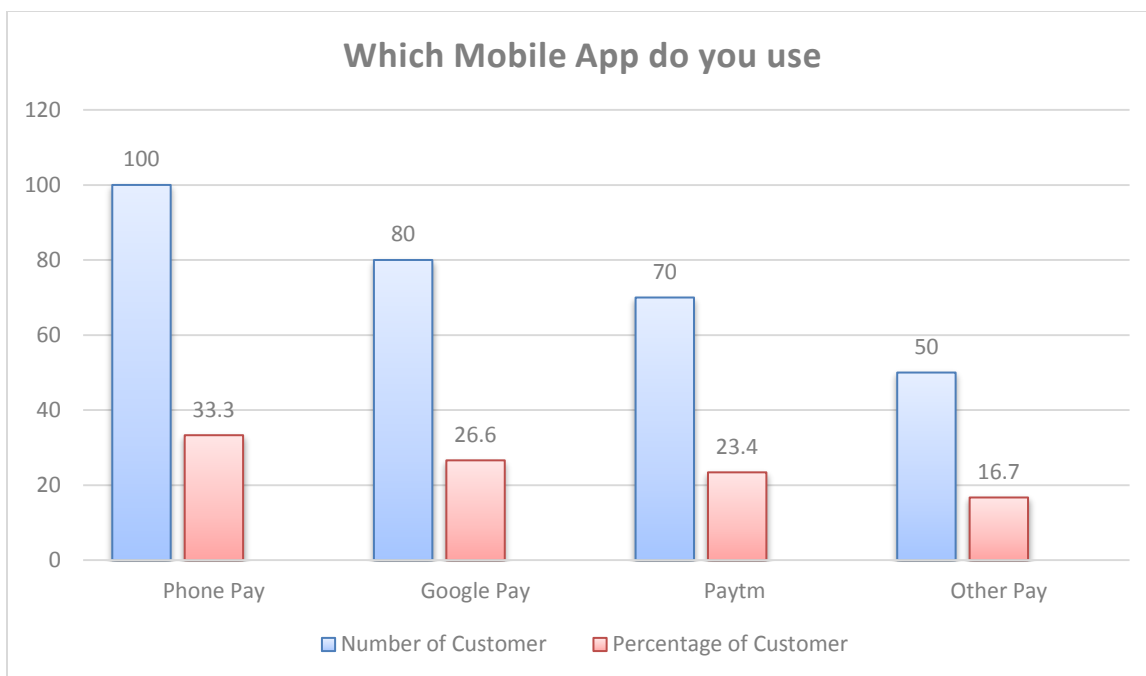
Conclusion: - It is known from the fact that most of the rural customers living in the Indore District are using the Mobile Banking.

Table No. 06: Which Mobile App do you use

S. No.	Particular	Number of Customer	Percentage of Customer
1	Phone Pay	100	33.3
2	Google Pay	80	26.6
3	Paytm	70	23.4
4	Other Pay	50	16.7
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no 06 it is clear that most of the people living in Indore District 33.3 percent of the respondents are using the Phone Pay and 26.6 percent of the respondents are using the Google Pay, while 23.4 percent of the respondents are using the Paytm and 16.7 percent are using the other Payment systems.



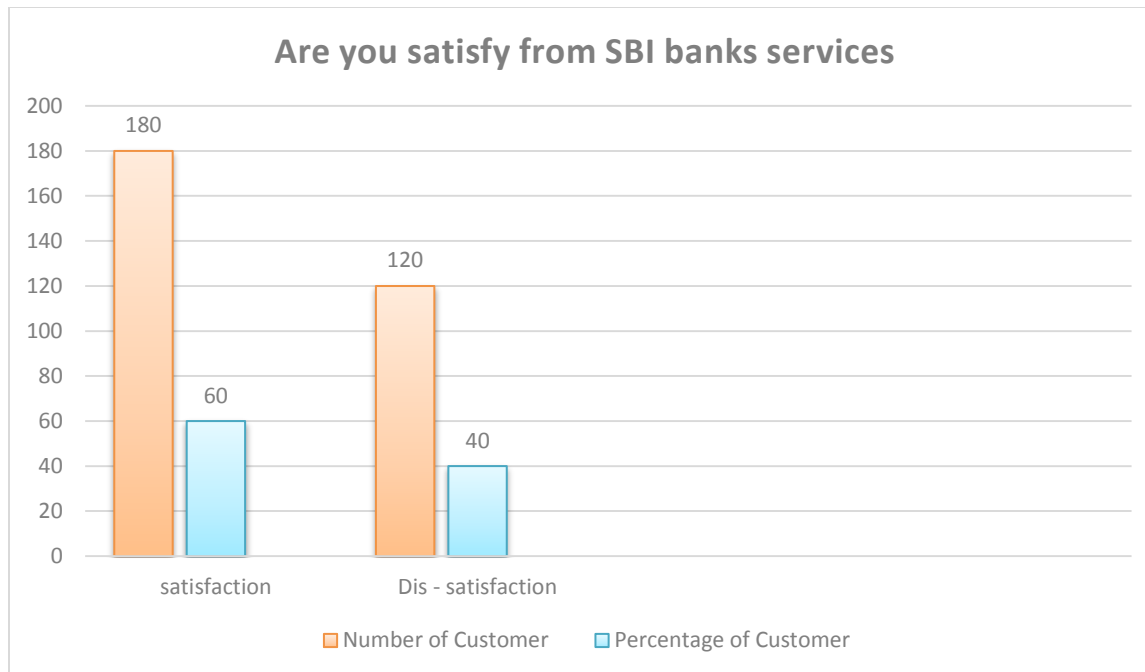
Conclusion: - It is known from the fact that most of the rural customers living in the Indore District using Phone pay and others are using Google pay, Paytm and other payment systems.

Table No. 07: Are you satisfy from SBI banks services

S. No.	Particular	Number of Customer	Percentage of Customer
1	satisfaction	180	60
2	Dis - satisfaction	120	40
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.07 it is clear that most of the people living in Indore District 60 percent of the respondents are satisfy from the SBI Bank services, while 40 percent of the respondents are not satisfied from the SBI Bank Services.



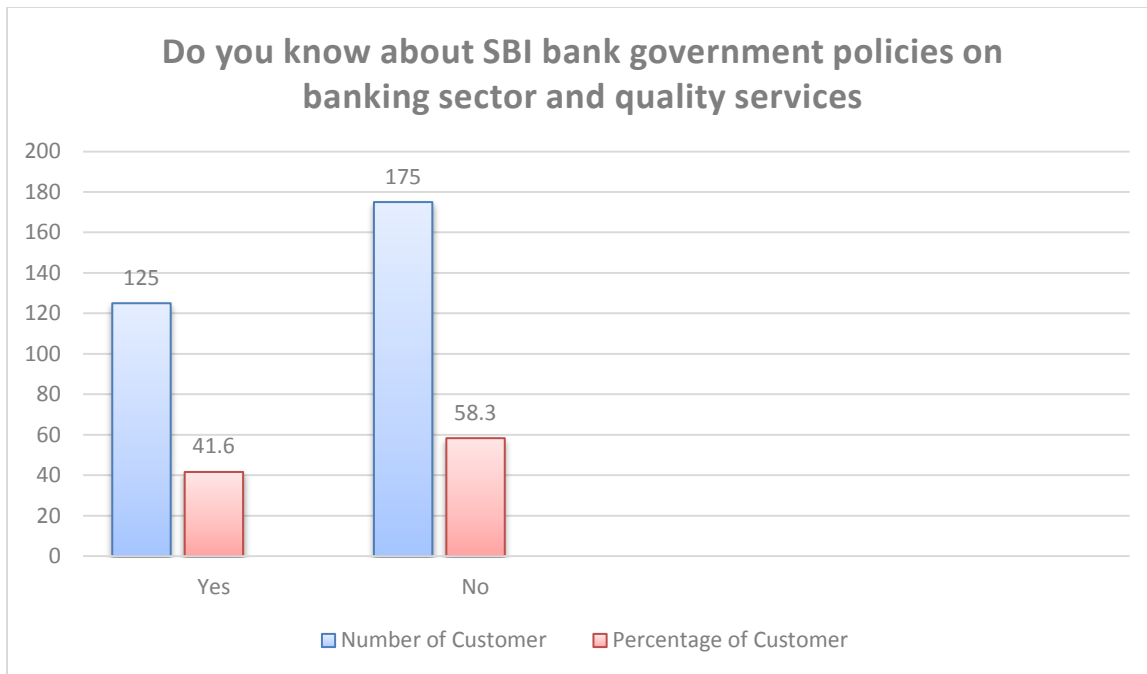
Conclusion: - It is known from the fact that most of the rural customers living in the Indore District are satisfy from the SBI Bank services.

Table 08: Do you know about SBI bank government policies on banking sector and quality services

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	125	41.6
2	No	175	58.3
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no. 08 it is clear that most of the people living in Indore District 41.6 percent of the respondents are known about the SBI Bank government policies on banking sector and quality services, while 58.3 percent of the respondents are not known about the SBI Bank government policies on banking sector and quality services.



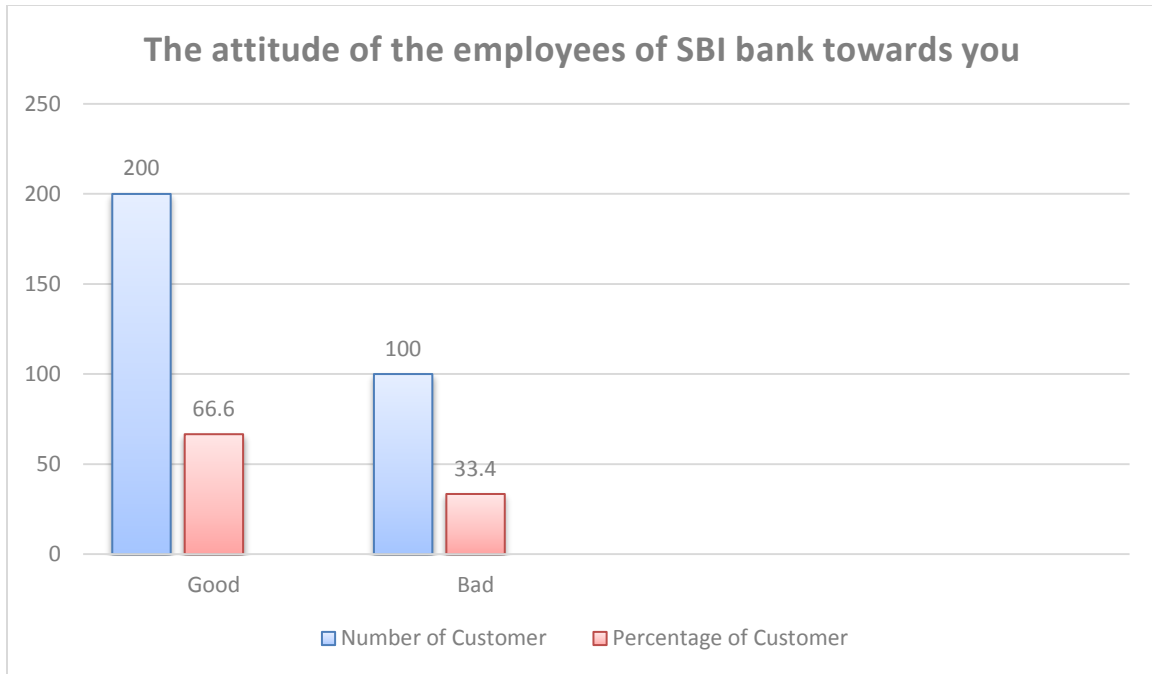
Conclusion: - It is known from the fact that most of the rural customers living in the Indore District are not know about the SBI Bank government policies on banking sector and quality services.

Table No. 09: The attitude of the employees of SBI bank towards you

S. No.	Particular	Number of Customer	Percentage of Customer
1	Good	200	66.6
2	Bad	100	33.4
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.09 it is clear that the attitude of 66.6 percent of the employees of SBI bank towards rural customers is good, while 33.4 percent employee’s attitude of SBI bank towards rural customers is not good.



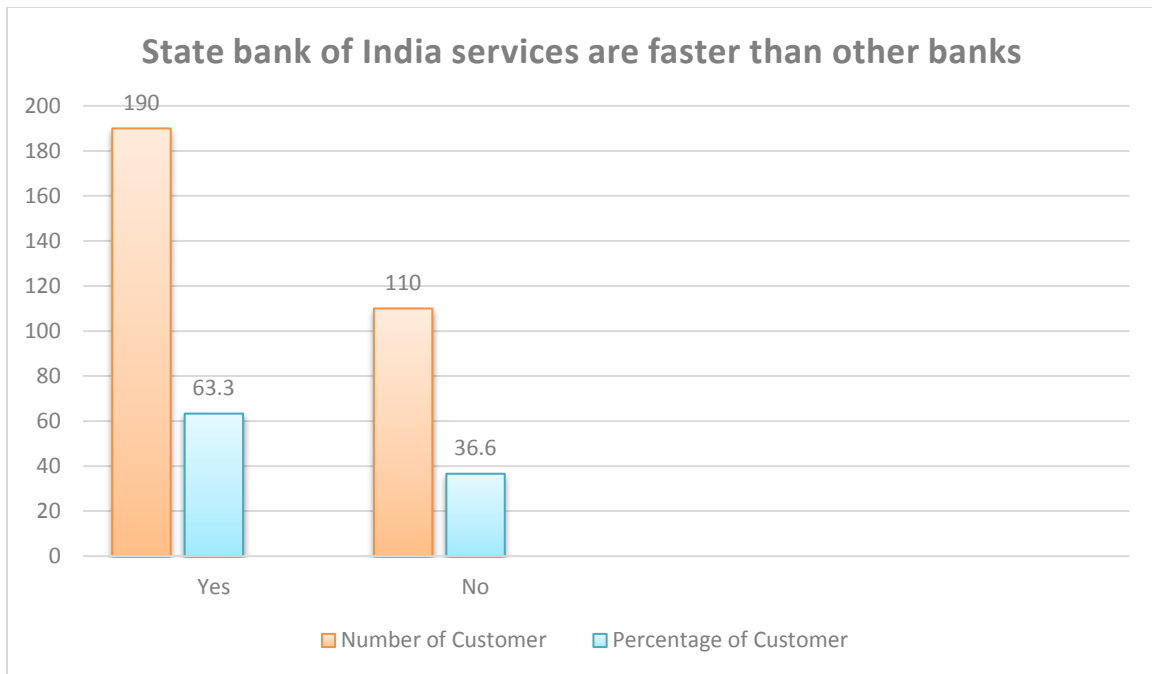
Conclusion: - It is known from the fact that the attitude of the employees of SBI bank towards rural customers is too good.

Table No. 10: State bank of India services are faster than other banks

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	190	63.3
2	No	110	36.6
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.10 it is clear that the State bank of India services are faster than other banks 63.3 percent of the respondents believe that, while 36.6 percent of the respondents believe that the State bank of India services are not fast.



Conclusion: - It is known from the fact State bank of India services are faster than other banks

Hypotheses of the Study

Hypothesis- I:

H0: There is no difference in service quality provided by SBI and some selected private banks.

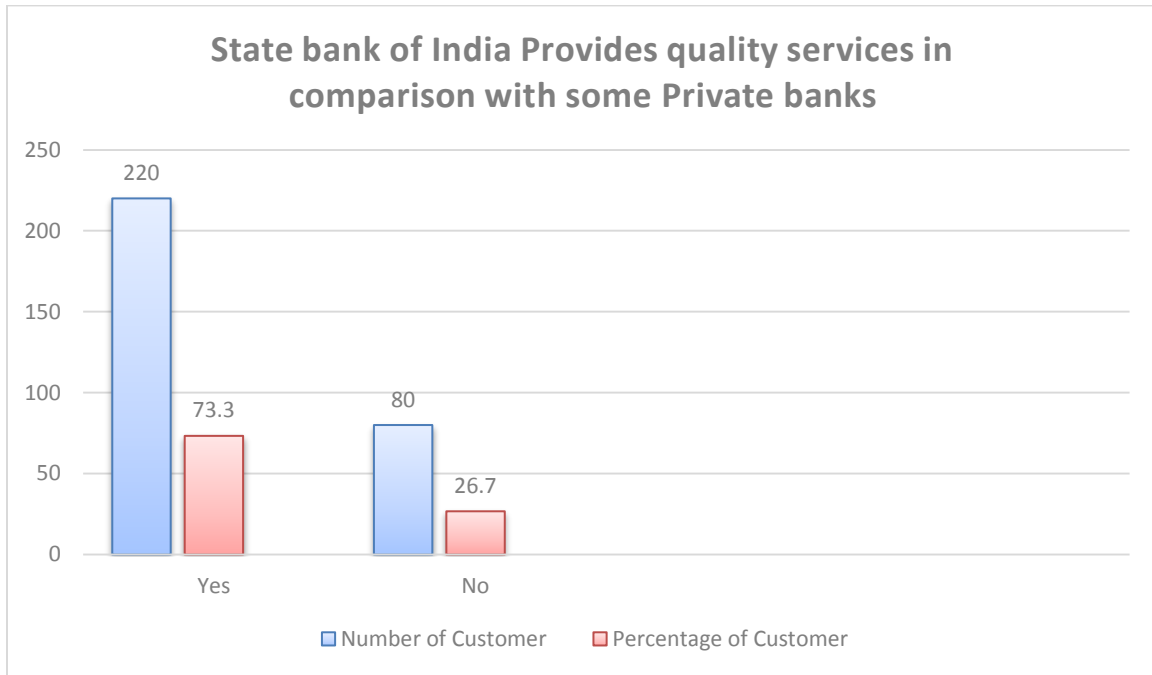
Table No. 11: State bank of India Provides quality services in comparison with some Private banks

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	220	73.3
2	No	80	26.7
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.11 it is clear that most of the people living in Indore District 73.3 percent of the respondents believe that State bank of India provides quality services in comparison with other Private banks, while 26.7 percent of the respondents believe that State bank of India not Provides quality services in comparison with some Private banks.

Hypothesis I State bank of India Provides services quality in comparison with some other Private banks.



Conclusion: - It is known from the fact that most of rural customer living in the Indore District believe that State bank of India Provides quality services in comparison with some other Private banks.

Hypothesis- II:

H0: There is no difference in satisfaction level of customers in SBI and some selected private banks.

Table No. 12: Are you satisfy with SBI banks services

S. No.	Particular	Number of Customer	Percentage of Customer
1	satisfaction	180	60
2	Dis- satisfaction	120	40
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no.12 it is clear that most of the people living in Indore District 60 percent of the respondents are satisfy from the SBI Bank services, while 40 percent of the respondents have no satisfaction with SBI Bank Services.

Hypothesis II State bank of India satisfaction level of Rural customer services quality in comparison with some other Private banks.

Conclusion: - It is known from the fact that most of the rural customers in the Indore District are satisfy with the SBI Bank services.

Hypothesis- III:

H0: There is no gap in customers expectation and services provided by SBI and some selected private banks.

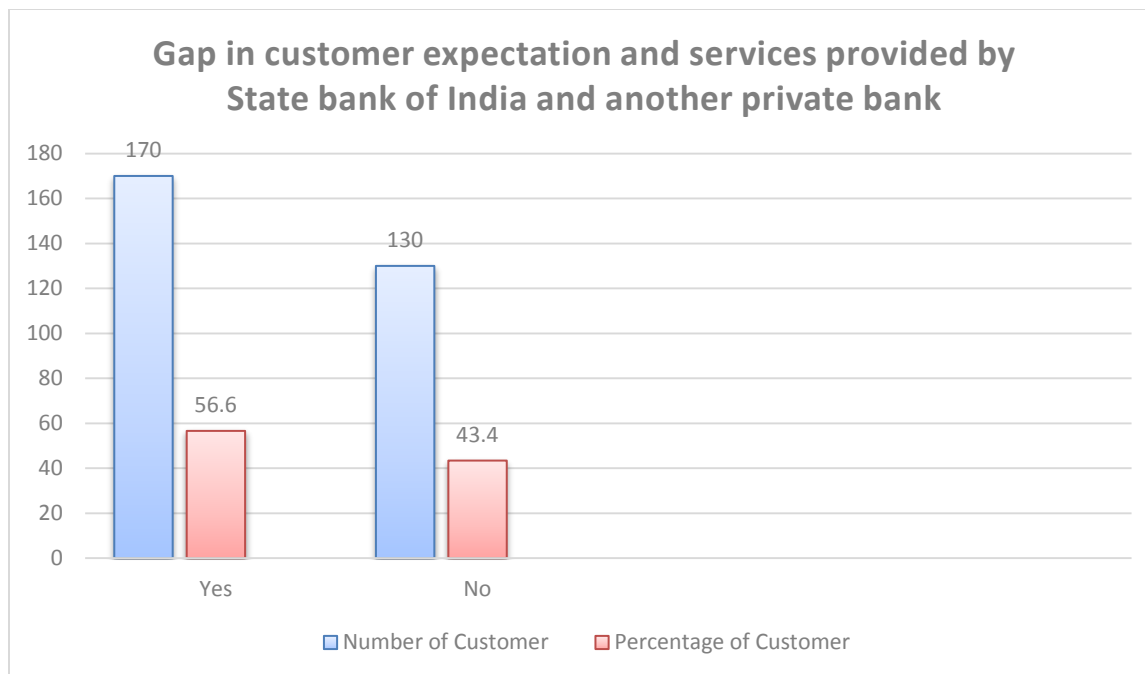
Table Picture No. 13: Gap in customer expectation and services provided by State bank of India and another private bank

S. No.	Particular	Number of Customer	Percentage of Customer
1	Yes	170	56.6
2	No	130	43.4
	Total	300	100

Primary Data: - Based on the facts obtained during the interview.

From the above table no. 13 it is clear 56.6 percent of the respondents believe that, there is a gap in customer expectation and services provided by State bank of India and another private bank while 43.4 percent of the respondents believe that there is no gap in customer expectation and services provided by State bank of India and another private bank.

Hypothesis III There is no gap in customers expectation and services provided by SBI and some selected private banks.



Conclusion: - It is known from the fact that most of the rural customer living in the Indore District believe that there is no gap in customer expectation and services provided by State bank of India and private bank.

Interpretation of Data:

For comparative analysis the statistical data from leading banks SBI and some selected private banks has been procured. To know the customers satisfaction the primary data is collected from respondent through structured questionnaire. Statistical tools like percentage, along with chart used in this study. Moreover, the variance (ANOVA One way) to test for significant differences in between means also adopted.

Results on Hypotheses:

Hypothesis I State bank of India Provides by services quality in comparison with some other Private banks.

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2176.213	1	2176.213	70.408	.000
Within Groups	9210.773	298	30.909		
Total	11386.987	299			

The table exhibits the difference of means between State bank of India and Other Private bank with reference to well-equipped bank facilities. From it is seen that the mean value of SBI bank services (2176.213) is higher than the mean value of other bank services (30.909), therefore, it is stated that the SBI bank have well equipped Services quality facilities. The p value is .000 which is less than 0.05 hence, the null hypothesis is not accepted and concluded that there is a difference between SBI bank and Other bank with regard to well-equipped difference services quality.

Hypothesis II State bank of India difference satisfaction level of customer services quality in comparison with some other Private banks.

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1256.653	1	1256.653	31.171	.000
Within Groups	12013.733	298	40.315		
Total	13270.387	299			

The table exhibits the difference of means between State bank of India and Other Private bank with reference to well-equipped bank satisfaction level of customer services quality. From it is seen that the mean value of SBI bank satisfaction level of customer services quality (1256.653) is higher than the mean value of other bank services (40.315), therefore, it is stated that the SBI bank have well equipped satisfaction level of customer services quality. The p value is .000 which is less than 0.05 hence, the null hypothesis is not accepted and concluded that there is a difference between SBI bank and Other bank with regard to well-equipped satisfaction level of customer services quality.

Hypothesis III There is no gap in customer expectation and services provided by State bank of India and private bank.

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	471.253	1	471.253	21.232	.000
Within Groups	6614.333	298	22.196		
Total	7085.587	299			

The table exhibits the difference of means between State bank of India and Other Private bank with reference to well-equipped that there is no gap in customer expectation and services provided by both types of banks. From the above table it is seen that the mean value of SBI bank (471.253) is higher than the mean value of other bank services (22.196), therefore, it is stated that the SBI bank have well equipped and there is no gap in customer expectation and services provided. The p value is .000 which is less than 0.05 hence, the null hypothesis is not accepted and concluded that there is a difference between SBI bank and Other bank with regard to well-equipped no gap in customer expectation and services provided.

Suggestions:

1. State bank of India should use more and more innovative technologies.
2. State bank of India should improve the service of the bank.
3. State bank of India should improve the working of the bank.
4. State bank of India should Provide the best service to every customer visiting the bank.
5. State bank of India bank should open a branch in rural area also.

Conclusion:

1. It is known from the fact that most of the rural customers in the Indore District are known about the SBI bank.
2. It is known from the fact that most of the rural customers in the Indore District use the ATM Card.
3. It is known from the fact that most of the rural customers in the Indore District use the ATM Card of the SBI bank.
4. It is known from the fact that most of the rural customers in the Indore District are not know about the historical back ground and performance of SBI Bank.
5. It is known from the fact that most of the rural customers in the Indore District use the Mobile Banking.
6. It is known from the fact that most of the rural customers in the Indore District use Phone pay, Google pay, Paytm and other payment systems.
7. It is known from the fact that most of the rural customers in the Indore District are satisfied from the SBI Bank services.

8. It is known from the fact that most of the rural customers in the Indore District are not known about the SBI Bank government policies on banking sector and quality services.
9. It is known from the fact that, the attitude of the employees of SBI bank towards rural customers in the Indore District is too good.

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