Chapter: 2 Review of Literature

1.1 Introduction
1.2 Review of Literature on Banking
1.3 Review of Literature on Marketing of Banking Services
1.4 Review of Literature on Private Sector & Public Sector Banks
1.5 Review of Literature on ICICI Bank
1.6 Conclusion
CHAPTER: 2

Review of Literature

2.1 Introduction

"Knowing what data are available often serves to narrow the problem itself as well as the technique what might be used".\(^{17}\)

After having selected the problem, it is vital for the researcher to survey the available literature in the specific area of study. The researcher needs to be well conversed with the available literature because it helps him to narrow down the problems and put them in its right perspective. The review of literature helps a researcher to know if there are any gaps in the existing studies or whether the existing studies are applicable to the problem under study.

The review of related literature gives insight in to the research already done in the field of present study. The present study is "study of marketing of banking services in post liberalization period with special reference to ICICI Bank and HDFC Bank"

The objective of literature review was to understand the following:

I) Literature on marketing of banking service.

II) Literature on banking and its various aspects.

The Indian banking industry is on a major technological upgradation drive. Variety of literature is available on Indian banking, covering areas like development banking, co-operative banking, rural banking, etc. However less literature is available on bank marketing and marketing problems faced by the banks in private sector.

1.2 Review of Literature On Banking

For the convenience, and better understanding of the subject the researcher has bifurcated the review of available literature in three categories,

i) Review of literature related to earlier studies on banking.

ii) Review of literature related to earlier studies on marketing of banking services.

iii) Review of literature on ICICI Bank and HDFC Bank.

During the course review of available literature, it was observed by the researcher that, vast literature is available on the subject of banking;
covering various aspect of banking. Some of the remarkable work on banking, reviewed by the researcher is as follows:

There are various books available on various topics related to banks, but very little or we can say negligible is available on bank management.

The book ‘Principles of Bank Management’ by Vasant Desai,\(^1\) examines the management aspects of the banks. It deals with the principles of banks management; covering planning, marketing and manpower management in banks. The book is divided into four sections. First section is devoted to the concepts, perceptions, etc of bank management. Second section covers the area of planning; performance budgeting in banks. It also studies implications of micro-level planning. The third section emphasizes the need of marketing in banks by examining the various aspects of marketing like principles of bank marketing, marketing of bank services, customer services in banks. It also explains in detail the need for marketing the bank services. This section gives detailed information about the potential customer of a bank and how to improvise on giving better services to him. The fourth and the last section focuses on the subjects such as manpower planning, organization of banks, management of industrial relations at

---

branch., etc. Much importance is given to quality circles in banks to improve upon the customer services.

The book ‘Financial Liberalization in India, by R.N. Agarwal, is more general and broad based as compared to available books on the same topic. The other available books are, either too elementary or, too advanced. This book examines the financial sector reforms, which was triggered by the economic reforms launched by the Narsimha Rao Government. The book has 5 chapters. Chapter 1 deals with development of Indian financial system, its reforms in India since 1985 have been studied. Chapter 2 deals with banks; Reserve bank, Public sector banks, co-operative banks, regional rural banks and foreign banks have been studied by highlighting their performance and their major issues. It also studies customer services in these banks. Various development banks have been studied in chapter 3. Development banks like IFCI, ICICI IDBI, etc have been studied along with the performance of NABARD. The Gilt-edged securities are those securities, which are issued by Central, State and local government. Gilt-edged securities are important because it constitutes 90 percent business on the stock market. Chapter 4 is devoted to Gilt-edged securities. Chapter 5

discusses the recent changes in stock market, SEBI NSC, OTC, etc. It also
deals with the principles governing stock exchange and their latest trends.

and Finance', is divided into four sections, each section having essays on
various topics relating to economic policies, monetary issues, technology in
banks, rural credit, etc. The first set of essays covers the issues of monetary
policy, dimensions of monetary policy, the changing context of monetary
policy. It also studies the development of money and securities market in
India. The second set of essays are more relevant to this study as they
focuses on the Indian financial system, banking sector reforms, role of non-
banking finance companies, the role of credit etc. The essay on technology
and financial sector examines the effect of technology on Indian financial
system and growth of IT sector and its impact on financial sector. The essay
on banking with poor, deals with the priority sector credit and it examines
various programs such as DRI Scheme (differential rate of interest) IRDP
(Integrated Rural development programs) for easy access to credit. The
essay on banking sector reform: rationale and relevance, examines the
financial sector reforms. Third set of essays deals with the issues related to
external policies, dimensions to India’s balance of payment, exchange rate

²⁰Rangarajan, C., Indian Economy – Essays on Money and Finance, USB Publishers’
management. The fourth and the last set of essays deals with various issues of new economic policy and the role of the state.

‘Lectures on economic and financial sector reforms in India’. It is another book on banking and other aspect of banking. The above book is a compilation of lectures by Y.V. Reddy. The lecture series deals with financial sector. It gives insight about rural banking scenario in future, issues and challenges in debt market, profile of debt market, etc. It also studies credit rating agencies, RBI and financial market and its impact on the Indian financial market. The lectures in the above book deals with different aspect of banking sector.

‘N. Vinayakam’ has compiled the research papers from academician and edited the book ‘Banking by 2000 A.D. The book is divided into Part I which is subdivided into A) future challenges in general and B) future challenges in improving profitability of banks. Part II of the book deals with Merchant banking as a new fee based banking service to improve upon the earning of banks in the current cut-throat competition. The book emphasizes on the improvement of customers services, adopting new technology and gearing up to face new challenged through proper service

---

Review Of Literature

approach and maintenance of Human resources. Some papers also study the various alternative strategies to improve banks profitability. Overall the book has emphasizes on the improvement of banks efficiency by adopting various new aged innovative techniques. This book has also given valuable suggestions for improvement of banks profitability. The book suggests that instead of relying of the conventional methods of banking and making profit by deposit and lending difference, banks can concentrate on new fee based services. One such service discussed in above book is merchant banking services.

N.A'Mujumdar's book ‘Financial Sector & India’s Economic Development’ contains 2 volumes. Volume I contains forty-nine articles and they relate to financial sector reforms, central banking, interest rate policy etc. Volume II contains forty-six articles covering the areas like monetary management, public debt management, commercial banking, industrial finance, rural credit, agricultural growth and food management. It is difficult to summarize all the points and opinion, which the author has made, in these two volumes. However an attempt is made to highlight the main views expressed by the author. According to him the financial sector

reforms, as introduced in India, are rootless. He is of the opinion that there has to be minimal government intervention in economic policy and all the subsidies should be wiped out. He is also of the view that Public sector banks of late have developed unhealthy appetite for investment in government securities.

**K.M. Bhattacharya's book** 24 'Contemporary Issues in Indian Banking,' in this book the author has selected a few areas, which according to him are fast changing aspects of banking operations in his essays. The first essay deals with Indian banking in the next decade. Author has also explained how Indian banks are adopting fast changing technology to serve customers with best quality and competitive product delivery. The last chapter of this book studies the advantages and disadvantages of mergers and acquisitions, as they are the new entrant in the financial sector. He has also written about inter bank agreement for sharing ATMs and cross selling of many of the financial products like insurance and mutual funds.

**S. Guruswamy** 25 'Banking in the new millennium' deals with issues, challenges and strategies in banks. His book is compilation of articles from the academicians and experts in the field. The article by

---


J. Janaki on the impact of liberalization on banking, deals with the various aspects of liberalization which has affected the banking sector in some or the other way. Chapter 16 and chapter 19 in this book, deals with a very recent topic of banks entry into insurance sector.

V. Selvraj has discussed challenges faced by public sector banks in chapter 22. Overall the book deals with the challenges and strategies of the banking sector in the new millennium. The various challenges that are facing the Indian banking system are discussed by the author. He has not stopped his attempt merely by discussing the challenges but he has also suggested some measures in the form of strategies, which will be applicable in the new millennium for the success, and survival of banking institutions.

Mithani Gordon,\textsuperscript{26} In his book 'Banking and Financial System' has detailed explanation about banking history. It has an interesting account of the status of banking sector in India. The author has systematically put all the chapters considering each and every aspect of finance and banking sector. The book covers historical perspective of banks, nationalization of banks, and introduction of innovative banking in India. Some of the banking functions are dealt in detail in this book. The chapter on types of banks covers all the aspects of banking in India – development

Review Of Literature

bank, central bank, co-operative banks, public sector banks, and private sector banks.

J. Dennis Rajkumar's paper deals with importance of financial system in the development of an economy. This paper finds out the importance of Scheduled Commercial Banks in the development of economy as, they have nearly three-fourth of the total financial assets of all financial institutions. The paper also tries to examine the improvement of their status after the banking sector reforms in 1991. It has examined the sector wise deployment of credit by commercial banks. It has observed some improvement in the intermediation process, which supports the view that removal of control would improve allocative efficiency of banks.

There are eight essays on the Development Banking in India collected by V.Lakshmana Rao in his book, 'Progress of Development Banking in India'. The essays cover both, all India and the Regional Development banks. With the formation of the Industrial Finance Corporation of India in 1948, India summoned in the period of speedy financial development of the country in the post -independence period. Now

---

in India we have set of development banks to cater to the medium and long-term needs of financial needs of business enterprises. India which started with an aggregate saving rate of around 5 percent, achieved much more today, part of this credit goes to the financial system which has developed many fold in the last decades. To appraise the performance of the development banks in the light of the socio-economic objectives, of the State policy and national economic planning, is the main purpose of the essays in this book.

‘Retail Banking- an overview’, the article by ‘Padmanabhan T.S’ focuses on the growth of retail banking in India. The term retail banking refers to a host of financial products such as retail deposit schemes, retail loans, credit cards, debit cards, insurance products, mutual funds, depository services including demat facilities offered by financial institutions or banks. Many factors are responsible for the growth in the area of retail banking services as far as India is concern. The article has given the following reasons for growth in retail banking in India:-

a) Lack of demand for traditional credit  
b) Economic liberalization  
c) Surplus funds  
d) Haunting NPAs

The author has correctly pointed out the

---

growth of retail banking after the liberalized period. **Ansari Ahmed Saghir**  
Dr. Ansari has discussed various reforms in financial sector and the progress of commercial banking after post reforms. The profitability of Indian banks have been studied in terms of ratios of operating profits to total assets as well as in terms of net profit to total assets of NPA with commercial banks. According to the author, the performances of commercial banks have surely improved in the post reform period. Relaxation of entry norms have encouraged new domestic private banks as well as foreign banks to enter in the Indian banking system reducing the monopoly of public sector banks and thereby increasing the competition. Entry of new private sector banks has forced the public sector banks to adopt modern banking practices and diversify their activities so as to successfully compete with them.

'Siras Manmeet Kumar’s' article on ‘development banking in India’, studies the progress in development banking in India. It also studies the necessity to establish the development banks in India. Development banking differs from commercial banking in several aspects. Development banks help the Industrial units in raising the funds through equity shares and

---

debentures by undertaking direct investment therein by underwriting such issues. Development banks also help borrowing units in raising funds from other sources by guaranteeing such loans. In this article an attempt is made to study the brief features, working and functions of Development banks in India; Industrial Financial Corporation, Industrial Development Bank of India, The Industrial Credit and Investment Corporation of India, Small Industrial Development Bank of India, Export Import bank of India.

The article by S.Vijayulu Reddy, B.Shakunthala, and B.Ramchandra Reddy 32studies the reforms in banking sector. The authors have listed down the reforms in two stages as first stage of banking reform and second stage of banking reform. In this paper an attempt has been made to analyze the responses of the banking sector to the changes brought in the country as a part of economic reform process in general and financial sector reforms in particular. The structural and systematic changes that are deliberately being brought out by RBI and the Government in terms of the Narsimham Committee’s recommendations, played significant role in smooth transition of banking sector.

Review Of Literature

Book by 'Kaptan, S.S.'\(^3^3\) gives detailed description of origin of banking since ancient times, its development into modern banking. The functions of the banks have been discussed in this book. The last decade has seen changes in economic and banking environment. Liberalization and globalizations had really changed the way banks carry out its business. How these changes had forced banks to adopt the mechanization of the banking has been discussed in this book. It has also studied the development of banks in India along with the various innovative products on Indian banking. One such product credit card has been studied in this chapter with its development in Indian context.

'Khan Ashfaq Ahmad',\(^3^4\) the author has explained the various challenges that Indian Banking sector will be facing in post GATT regime. The article also explains three types of measure a) prudential measures b) competition enhancing measures c) supervisory measures. He has also suggested the practices and methods to be followed by banks in order to meet the global challenges to Indian banking such as competition, electronic banking, higher expectations of customers etc.

\(^3^3\) Kaptan, S.S, New Concepts in Banking, Sarup & sons, New Delhi, 2002.
Review Of Literature

Rao Bhaskar V.K.\textsuperscript{35} in his paper discusses the concept of globalization. It deals with the influence of WTO regime on financial sector of India. The Government of India initiated a series of economic and financial reforms by adopting liberalization, with the objective of integrating the Indian economy with that of world economy. The paper finds out the prerequisites for globalization in financial services. The author gives positive signals about the working of financial sector services under WTO. According to him initially the financial system may have some setback, however integration with world financial system will bring more positive development for Indian financial markets.

'S.Murthy's \textsuperscript{36} book 'Economic Reforms and Growth- Some Dimensions', is divided into three parts. Part one is on privatization and liberalization. It deals with the changes brought by liberalization on the Indian economy. It views the challenges and their impact on economy. Part two deals with the issues related to direct tax reforms, debt, public finance etc. And in the end, part three has papers by academician on the various issues covering international monetary and fiscal system and India's growth


in such international stage. Indian financial system has undergone significant changes, since liberalization in 1991.

The book by Bhalla V.K, \(^{37}\) discusses the changes in the Indian financial system. He has listed the changes, which have taken place in Indian financial system in accordance with the capital market reforms. He has given his views on the globalization of Indian market, including Indian financial market, and to meet its requirement how restructuring of capital market is done. The author studied in detail, the various financial institutions which form a part of Indian financial system. The apex financial authority, The Reserve Bank of India is studied in detail. The author had also studied other financial institutions such as commercial banks in this book.

Ajay Kumar Mohanty's \(^{38}\) "Merger moves in Indian Banking, Impact on Stakeholders" is research paper, in which the author has expressed his views on the effects of merger on the stakeholders like customers, banking staff, etc. He has also studied in details the recent trend of mergers in banking sector and its positive and negative effects.


Review Of Literature

He has given his views about how the merger should be and how it will be more beneficial. According to him merger should be in such a manner that it should results in optimum synergy creation.

2.3. Review of Literature on Marketing of Banking Services.

'Trends and Challenges to Indian Banking' written by, S.S. Hugar, 39 the book accentuates the concept of strategic management for providing solution to the problems and challenges faced by the Indian banks. According to author, bank marketing not only means delivering the services to present and new customers, but also creating new services for the existing and potential customers. The article also highlights the different marketing strategies for marketing bank services, keeping in mind the customer groups and their needs being served and to be served. The chapter has stressed, on the importance of marketing strategies like market penetration strategy, market development strategy, product development strategy, and product diversification strategy etc while marketing bank services, to meet the challenges of keeping customers satisfied and attracting more customers.

Review Of Literature

The book has excellent literature on marketing of banking services. It studies the aspect of bank marketing in all respect.

**K.K. Saxena**'s book on 'Bank Marketing' has suggested the ways in which the marketing concepts can be used in practice while marketing of banking services. The book also deals with the various dimensions of customer behaviors in respect of banking services. It also highlights the importance of customer services in effective marketing of banking services. The author has studied in detailed the customer behaviour towards banking services and customer satisfaction.

**Shainesh G. and Sharma Tanuja** has studied the service quality and service climate in the banks in detail by surveying the customers of private sector as well as public sector banks. The paper “Linkages between service climate and service quality- a study of banks in India”, examines the differences in quality of services with changes in its ownership. The study stresses that, the private sector banks, public sector banks and foreign banks follow different policies and practices, is the reason for different service climate. Authors in the study have tried to establish a

---


link between ownership pattern and service quality. The study concludes that there is a linkage between internal organizational functioning and the quality of services delivered. In the end, the author concludes that if the internal organizations are working in harmony and without any obstacles the quality of service delivered is superior and vice a versa.

Jha, S.M. has made an attempt to study the multi dimensional problems related to the marketing of banking services in his book ‘Bank Marketing’. It deals with the topics like behavioral management, market segmentation, and marketing information, marketing planning and marketing strategies. It covers various new challenges that our banking sector is facing in the current liberalized era. This work also suggests effective means and ways to successfully face the challenges of banking industry.

'Suneja, H.R,' in his book on ‘Innovations in Banking Services’, he covers the topic of innovations in banking and financial services. The book also covers the credit and non-credit aspect of housing finance, leasing, hire purchase, merchant banking, mutual fund, consumer loans venture capital etc. He has discussed the new financial services, which are new age services. According to the author, all the financial services need

to be innovative from time to time in order to provide customer services as per changing needs of customers.

Ronald T.Rust, Anthony J.Zahorik, Timothy L Keiningham\textsuperscript{44} in this book ‘Service Marketing’ the text is divided into 7 parts which includes 19 chapters. The part I of the book deal with service marketing and it explains the difference between goods and services. It also throws light on the nature of demand for services. Part III of the book includes listening to customers. The authors have explained various ways through which information can be obtained from customers and how to use the same to serve them better. Chapter 7 deals with the important aspects of customer’s satisfaction. The book has also detailed chapter on complaints management. Part IV studies the measuring of customer’s satisfaction whereas Chapter 9 deals with psychology of customer’s satisfaction. Chapter 10 and 11 discusses how to design and analyze customer satisfaction survey. And finally Part VI deals with improvement of banking services.

'Reddy, P.N. Appannaiah, H.R, Nirmala, Anilkumar S.,\textsuperscript{45} the authors have meticulously presented the topic of services marketing. The authors have given an insight into the subject of services marketing. The

\textsuperscript{44} Ronald, T.Rust, Anthony J.Zahorik, Timothy L Keiningham, Service Marketing (dusin Vesley) printed & bound at Eastern press (Bangalore) Pvt.Ltd. 1999.

book is divided into 16 chapters covering all the aspects of services marketing. Starting with the chapter on introduction and then covering the definition part of the marketing of financial services. Chapter 3 deals with classification of services. This chapter classifies the various services offered by banks into fee based and non-fee based categories. Chapter 4 to 10 deals with the marketing mix of banking services which states that marketing plays an important part not only in product selling but is equally applicable to services marketing. Chapter 13 deals with important topic covering the marketing strategy in service business. The authors have also given the details as to how to manage the service competition and how to maintain service quality.

**Balachandran S.**, in his book, ‘Customer- driven Services Management’ examines the definition of services. A service is intangible yet it provides satisfaction to the customers. Good services makes the customers feel good. Therefore the author has suggested the ways to find out the factors which make them feel good. The book also divided service sector in to the following four categories: 1) Production services. 2) Business services. 3) Consumer services. 4.) Public Admin. And defense.

---

The book gives us insight into the marketing of services, the various principles that are applicable to the marketing of services and how the organization offering services can be categorized into the above four categories. As per these categories the marketing can be undertaken by these organizations in providing the services to customers in a satisfied manner.

'Biplab S. Bose,' 47 his book, 'Hand book of Marketing Management', covers each and every aspect of marketing. It starts with the role of marketing in the first chapter, covering topics such as marketing organizations, marketing strategies, retail marketing, advertising management, sales promotion, personal selling and salesmanship, marketing control, internal marketing, direct marketing and finally managing customer satisfaction. The author has divided all the above topics into 31 chapters giving details about each aspect of marketing. The chapter on managing customer satisfaction deals with the aspect of customer satisfaction. The author has used the customer service triangle developed by Albercht and Zemke to review the support activities. It also deals with the

topics such as measurement of customer satisfaction and managing service quality.

'Balaji, B', the author in his book ‘Services Marketing and Management’, has given the applicability of various principles of marketing to the marketing of services. He has defined customers and their satisfaction in this book. He has given much emphasis to internal management of organization for successfully marketing the services. According to this book, the employees who provide services to customers need to be satisfied and they should be treated as customers. This internal management of organization will surely show result on the employee’s behaviour and ultimately on the performance of the organization. He has suggested a strategy for internal marketing in this book.

2.4 Review of Literature on Private Sector & Public Sector Banks

An attempt is made to study the differences between public sector banks and private sector banks. The available literature on the topic was reviewed so as to understand the differences in detail. The literature on said topic covers the vast area such as profitability of private sector banks, comparison of private sector and public sector banks, improving the efficiency of public sector

banks, effect of NPA’s on working of public as well as private sector banks, etc. The article on ‘The performance of Public vs. Private Sector Banks’

The article on “The performance of public vs. Private sector banks”, by D.T Pai, has compared public sector banks, new generation private banks and foreign banks on the basis of its Non-performing Assets (NPA’s), income, network of branches, sectoral development, and financial performance. He has also put emphasis on the importance of technology in the development of private sector banks. He has also explained how private sector banks and foreign banks are eating out market share at the cost of public sector’s market share. The private sector banks have grown in assets size from 11.9 percent in 2000 to 18.6 percent in 2004 at the cost of public sector banks, which showed decline in share from 80.6 percent to 74.4 percent market share in the business, is one good indication in assessing the trends and growth rate of the banks. As per D.T. Pai, there is no significant variation in the financial positions and working result of the banks, except that, the profitability rates of foreign banks are better. New private sector banks and foreign banks are better. The foreign banks are successful because of their customer centric marketing strategy.

The impact of privatization on bank performance and its efficiency is studied by M. Sathye, in his paper "Privatization, Performances and Efficiency: A study of Indian Banks," In this paper, the author has collected and used the data of five years i.e. 1998-2002. It studies the performance and efficiency of the partially privatized banks. The author has used the returns on assets, to measure their performance. To measure efficiency he used three different ratios. The author concluded on the basis of data available for 1998-2002, that the efficiency and performance of partially privatized banks was significantly high as compared to public sector banks. He has also concluded that the services offered by private sector banks are much more acceptable to customers. Private sector banks, have observed the technological development in terms of delivery system, thus making it faster and cheaper.

The changes brought by 1990 reforms have made changes in almost all the sectors of the economy, and banking sector is not an exception to this change. These changes brought with them new prudential norms, identification of bad debt, provisional requirement, deregulation of interest.

Sathye, M., “Privatization, Performances and Efficiency: A study of Indian Banks”. This paper was Cited in the World Bank conference on Bank privatization held in Oct 2003, Vikalpa, Vol 30, No1, Jan-March 2005.
rates, etc. With these changes the private sector banks were allowed entry into the market.

The paper “Private Sector Banks in India- A SWOT analysis” by Chowdari Prasad and Rao Srinivasa, K.S 51 This paper examines the efficiency of private sector banks, mergers of various private sector banks and their motives for such mergers. The author has undertaken SWOT analysis of listing down the strengths such as professionalisation, efficiency, no NPAs, fully computerized. It also deals with weaknesses such as limited area of operation, limited number of branches, high employee turnover, etc. Along with these strengths and weaknesses, the author has encountered some opportunities, as well as threats. The private sector banks have opportunities in the form of, greater autonomy with quick decision, power to innovate new product to face competition, can offer cost effective facilities such as ATMs, etc. The threats are foreign banks, as they give stiff competition to private sector banks. The author is also of the opinion that frequent mergers/ takeovers etc may disturb the normal working of private sector bank.

Indian Banking Today- Impact of Reforms”, by Pawan Kumar

The book studies the Government of India’s initiative to form a committee under the chairmanship of Shri. M. Narsimham, for examining the structure and functioning of existing financial system in India. On the basis of recommendations given by Narsimham committee, the Government of India gave permission for opening a private sector bank in India. These banks came in to existence after 1st March 1995. These banks are called the new generation private sector banks. The book examines the working of these banks and satisfaction of customers with the services provided by these new generation private sector banks. This book also highlights parameters on the basis of which new private sector banks and public sector banks have been compared to find out the customer satisfaction, employees satisfaction and success of new generation private sector banks in comparison to public sector banks.

Alok Kumar Rai’s paper on “Strategic Marketing for Indian Public Sector Banks in Globalized Economy” has attempted to study how Indian public sector banks should change their marketing strategy to cope

---

with the changes brought by the environmental changes. The paper focuses on the redesigning of all the four P's of the marketing and adding more P's for successfully marketing their products. The impact of liberalization on Indian public sector banks, have also been highlighted in this paper. The 4 P's of marketing like product, price, promotion, place and additional P's like post sales service, and people have been discussed in paper. The entry of private sector banks and foreign banks has reduced the profitability of public sector banks as they have eaten the profits of public sector banks. If public sector banks have to survive with private and foreign banks they need to redesign their marketing to suit the requirements of the modern market challenges and have to be more updated with market requirements, being customer friendly with diversified product range.

Mujumdar, N.A.54 his book, Financial Sector Reforms' has been divided into various chapters, each chapter studies one aspect of private and public sector bank. Chapter 15 of this book titled “Private sector banks: growth prospects” deals with the private sector banks in Indian money market. The author in this chapter has discussed the economic environment, which is conducive for the growth of private sector banking. It also deals with the advantages of private sector banks and the prospects of

54 Mujumdar, N.A., Financial sector reforms, Academic Foundation, New Delhi, 2002
private sector banks in comparison with public sector banks. The author has studied the performances of public and private sector banks and concludes that, when compared with each other, private sector banks wins the race.

2.5 Review of Literature on ICICI Bank

The paper by Indu, P and Gupta Vivek' discusses some of the cases such as Bank-led and Partnership model. The case describes micro finance initiative of ICICI Bank, the largest private sector bank in India. ICICI Bank is quite successful in area of micro finance sector. The entry of ICICI Bank is the recent one in micro finance sector and also a successful because it has innovative business model.

'Banking in the New Millennium', book edited by 'Rajshekar, N' which deals with development of retail banking, credit cards launch and its development. It discusses new age banking, such as, Internet banking, online banking. It has also dealt with the issues of mergers. The merger of ICICI Bank has been explained in detail in this book. The final

section of the book deals with the new Basle accord credit derivatives, Banc assurance, Universal banking etc.

Annuncio Charubal's\textsuperscript{57} article 'The Big Bank Theory,' focuses on various strategies adopted by ICICI Bank to capture the marketing and how it had become India's largest private sector bank. Technology is the backbone of all the progress because various innovation, new products and new opportunities all are based on technology. K.V.Kamath, MD & CEO, ICICI Bank said "We took the risk of adopting global technology platform when both analyst and competitors strongly doubted whether the consumer would be willing to adopt". The article also lists down some of the complaints faced by the customers of ICICI Bank, and in response, the bank's clarification of the complaints. The ICICI Bank decided to adopt four point agenda to become successful; to have large distribution network, to use technology, to develop relevant products and back them with efficient services.

'S. Shajahan'\textsuperscript{58} A study was conducted by this author to find out the customer satisfaction of ICICI Bank of Chennai branch. He administered


\textsuperscript{58} Shajahan, S. "A Study on the Level of Customers' Satisfaction on Various Modes of Banking Services In India:" The ICFAI Journal of Bank Management, The ICFAI University press, Hyderabad, Feb 2005.
customer satisfaction of services of ICICI Bank. The study examines the level of satisfaction among respondents while availing the bank’s services through four different channels such as Internet, telephone, branch and ATM.

Katuri Nageshwara Rao\(^59\) The author has given account of how ICICI Bank has become universal bank. He has also given the innovative business model adopted by ICICI Bank on the basis of which, ICICI Bank launched itself in the retail business and has claimed leadership in many retail products. The article also updates about the merger of ICICI Bank with the Bank of Madura in 2001. This merger had brought with it a larger balance sheet, greater branch network, increased customer base and cross-selling opportunities. In the end, the article gives an account of ICICI bank’s increased presence in rural area by way of Franchisees, Kiosk, and tie-ups with Micro Finance Institute and Co-operative Banks.

Kasturi Anand,\(^60\) the author in this article has written about the relationship marketing for retention of customers. The article also gives details about service marketing triangle, to show the linkages between the key players (the company, the front line employees, and the customers),

---


who have to work together to develop, promote and deliver services. The author is of the opinion that, a wide ranges of internal processes such as, dealing with people, material and information, could influence the manner and intensity of relationship, that companies build and maintain with their customers.

2.6. Conclusion

Review of literature is an attempt by the researcher to find out the studies, already done on the present topic under study. The researcher has reviewed around 22 books on banking, which included books and articles published in reputed journals and magazines. The subject of banking is a vast subject, covering various aspect of banking. The reviewed books and articles covers the topics such as development banking, banking sector reforms, non-performing assets in the public sector banks, historical perspective of banking sector, growth of retail banking in India, importance of scheduled commercial banks, impact of WTO on banking sector, impact of globalization on banking sector, mergers in banking, etc.

The researcher has reviewed around 13 books in marketing of banking services. The areas covered by these books are, service quality and service climate, innovation of banking services, marketing strategies for
The researcher has reviewed around 13 books in marketing of banking services. The areas covered by these books are, service quality and service climate, innovation of banking services, marketing strategies for marketing of banking services, problems of marketing banking services, mutual fund marketing, application of marketing principles to marketing banking services, professional approach to marketing of banking services, etc.

The literature related to private sector banks and public sector banks consist of 6 books and many articles published in various reputed journals. It has covered the topics such as, comparison of private and public sector banks, performance of private sector banks, NPAs in private as well as public sector banks, customer satisfaction in public and private sector banks, efficiency of private sector banks, emergence of private sector banks, innovative services of private sector banks, etc.

Literature on ICICI Bank consists of paper published in various journals, which studies its various aspects. The ICICI Bank, as an institution, and as a bank has been studied on the various parameters such as performance, first universal bank of India, largest private sector bank, etc. Innovative services, launched by ICICI bank were also one of the important topics for studies.
There is vast literature available for the review relating to topic under study. However, the present study involves the study of customer satisfaction and opinion of marketing staff of ICICI Bank and HDFC Bank, which is either not readily available or the available data cannot be modified to suit the present study. Therefore, need is felt to collect primary data along with secondary data.