PREFACE

Banking and financial system occupies a prominent place in a country’s economy. It is a significant factor for the economic development of any country. Banks are hearts and soul of trade, commerce and Industry. The much talked about globalization and liberalization motivated many changes in Indian economy including banking sector.

During 90s, the Government of India realized the magnitude of improved quality and productivity in banks. To give its due importance the Government of India appointed a committee under the chairmanship of Mr. M.Narsimham, the former governor of RBI. The committee under his guidance and chairmanship studied the structure and functioning of the existing financial system. Based on the findings of the committee, it suggested recommendations to the Government of India. Based on these recommendations, the Government of India gave consent to individuals, corporates, foreigners and non-resident Indians to start a private sector bank in India. Thus, the ball of setting up banks in private sector in India started rolling.
Till the end of February 1994, the RBI received 140 applications for setting up of new private sector bank in India. However only 19 applicants had fulfilled the requisite conditions & formalities. RBI in principle gave permission only to 10 applicants after processing their applications. These banks came into existence after 1st March, 1995. These banks are popularly known as New Generation Private Sector Banks (NPSBs). Presently, we have 9 private sector banks. The banks which started as new generation private sector banks are:

1. IndusInd Bank Ltd
2. ICICI Bank Ltd.
3. Global Trust Bank Ltd.
4. HDFC Bank Ltd.
5. Centurion Bank Ltd.
6. UTI Bank Ltd.
7. IDBI Bank
8. Bank of Punjab
These new generation private sector banks went on to become important players in the Indian financial system. They launched with a bang, outfitted with latest technology, better and faster service quality and customer centric policies. Currently they give keen competition to public sector banks and they have already started eating the market share of public sector banks. The most important feature of these New Generation Private Sector Bank is their marketing approach which is very aggressive along with innovative product range and efficiency with profitability.

The innovative marketing strategies adopted by new generation private sector banks have helped considerably in development and growth of their business. As far as marketing of services of (NPSBs) is concerned they are very forceful and effective. Out of these 9 new generation private sector banks, the study focuses on the 2 most successful private sector banks, namely ICICI Bank and HDFC Bank.

The present study is based on the primary data collected from both customers as well as marketing staff of ICICI Bank and HDFC Bank. The marketing staff, being the most important link between the customers and the bank, plays an important role in finding out the required information from the source.
The present study is an attempt to find out the customer satisfaction of the services provided by the two most successful private sector banks, ICICI Bank and HDFC Bank. The study investigates the customer responses of ICICI Bank and HDFC Bank. The satisfaction is measured on parameters such as, satisfaction with banking services, satisfaction with communication from banks, satisfaction with marketing of services. The various reasons for which the customers are not satisfied with the banks are also evaluated by the researcher in this study. The study is divided into 9 chapters;

Chapter one is an introduction to the research topic, the researcher had attempted to find out the historical perspective of Indian banks and banking system. The chapter evaluates the Indian financial systems and its players. The Indian financial system is divided into two parts 1) organized 2) unorganized, which the researcher had studied in this chapter. The Chapter also covers detailed methodology of the study, objectives framed by the researcher, hypotheses of the study; future scope of the study.

Chapter two gives the review of available literature on the present study. For convenience sake it has been divided into parts such as review of literature on banking, review of literature of marketing of banking services,
review of literature on ICICI Bank and review of literature of HDFC Bank. The study reviewed the available literature on the subject of banking. Due to the availability of vast number of books on the banking subject in general, the researcher attempted to cover the relevant topic and reviewed the selected books available on the study. Along with banking, the literature related to marketing of banking services, literature on private banking, literature on public sector banks, literature on ICICI Bank and literature on HDFC Bank have also been reviewed by the researcher.

Chapter three is totally based on secondary information collected from various books, journals and RBI Reports. The chapter includes topics such as banking sector in India, emergence of private banks in banking sector and banking industry in post liberalized period. This chapter is an overview of Indian banking system in the post liberalized period.

Chapter four deals with profile of ICICI Bank and its services. This chapter studies ICICI Bank in detailed. The researcher has attempted to study all the aspects of ICICI Bank in this chapter. The various factors that made ICICI Bank a universal bank have also been studied. The level of customer satisfaction with banking services of ICICI Bank, communication
from ICICI Bank with customers, the way it markets its products. The reasons for satisfaction of services as well as dissatisfaction of the customers are also evaluated in this chapter.

Chapter five is profile of HDFC Bank and its services. This chapter focuses on HDFC Bank and its services in detail. The factors such as customer satisfaction of services, satisfaction on communication from ICICI Bank, satisfaction with marketing of banking services are studied in this chapter.

After, studying both the banks in detail, the researcher attempted to compare both the banks on various customer satisfaction parameters. Chapter six is comparison between these two banks. The study attempted to analyze all the factors while comparing both the banks. On comparison it was found that more or less both the banks are neck to neck as far as retail services are concerned. The satisfaction level with both the bank’s customers is almost similar.

Chapter seven focuses on application of marketing principles to banking services. This chapter deals with marketing concepts and how these concepts are applied to marketing of banking services. Marketing problems faced by private sector banks and marketing problems faced by ICICI Bank and HDFC Bank.
In the beginning of the study the researcher had framed hypotheses, Chapter eight deals with testing of hypotheses by applying the statistical test.

After evaluation and analysis of all the chapters, the researcher has made some recommendations with respect to services charges, time taken for transaction, banking staff appointed by ICICI Bank and HDFC Bank, communication from bank to customers’ satisfaction with banking services offered by these two banks. All these conclusions, suggestion and recommendation emerged out of study are listed in chapter nine.

Select bibliography and appendices are put at the end of all the chapters.

SUMITA SHANKAR.