CHAPTER 1 INTRODUCTION

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CHAPTER 1  INTRODUCTION

1.1 GENESIS OF THE STATEMENT

The word “Bank” is derived from the word “Banque” which means bench. The Jews, who were considered to be the early bankers, transacted their business on benches in the market. In India Banking can be traced back to Vedic period. This can be confirmed by the fact that the great Jurist Manu has written about deposits advances and interest. During Moghul period, the indigenous bankers contributed significantly in the development of trade and commerce by lending money. Later during the days of East India Company the banking business was taken over by the agency houses. The history of Indian banking can be classified in the following three distinct phases;

1.1.1  First phase from the year 1786 to 1947

The pre independent period was traditional and conventional. The banking system started with the formation of a Joint stock bank in the year 1786. Later Bank of Hindustan and Bengal Bank were established, during the days of East India Company it formed three presidency banks, the bank of Bengal 1806, the Bank of Bombay in 1840 and the bank of Madras in 1846. Soon after in 1920 a new bank Imperial bank of India was established after amalgamation of all three – presidency banks; most of them were Europeans.

In the year 1865, the Allahabad Bank was formed; next Bank to be established was Punjab National Bank Ltd., in the year 1846. It had its headquarters at Lahore and this was the first bank to be entirely established by Indians. Most of the Indian commercial banks are established in 20th century. Between 1906 to 1913 Bank of India, Central bank of India, Bank of Baroda, The Canara Bank, The Indian Bank
and the Bank of Mysore were established. The epitome of development of commercial banking is the establishment of Reserve Bank of India, Central Bank of the country in the year 1935. The United commercial bank was the last major commercial bank to be set up in 1943. This stage of banking was characterized by very slow growth and failure of many banks threatening the public confidence in them.

1.1.2 Second Phase from 1947 to 1969, from independence to the nationalization of Banks:-

The post independence period was essentially a period of consolidation. The banking sector, in India at the time of Independence of the country in 1947, was small and particularly weak. The banks were limited to urban areas, lending to trading community dealing with agricultural commodities. The lending was not available to the small industries, professional, entrepreneur’s traders, artisans, etc. there were 584 Joint Stock banks, 531 co-operative banks and there was Imperial Bank of India, which was formed by amalgamation of three presidency banks. Most of these banks were operationally weak and financially non–viable. A large number of these banks were involved in indiscriminate branch expansion, speculation, mismanagement, frauds and malpractices. The immediate need was to ensure a systematic and orderly growth of banking in India. In the year 1935 Reserve Bank of India, was formed as shareholders bank. It was formed as privately owned bank. At the time of constitution it had share capital of Rs. 5 crore divided into shares of 100 each. Even though started as privately owned bank the RBI was nationalized in 1948 in accordance with the RBI (Transfer to public ownership Act, 1948). The RBI is at the helm of financial affairs. It is the leader of money market and it is the central bank of India. It supervises, regulates and controls the activities of all commercial banks and other financial institutions. With conventional functions it also performs promotional and developmental functions. It occupies a central position in the monetary and banking structure of India. The important functions performed by reserve Bank of India includes:
The most important task before the Reserve Bank and the government of India was to develop a sound banking and monetary structure, which could protect the interest of the depositors and restore the confidence of the people. The nationalization of Reserve Bank of India was followed by another significant event, the enactment of ‘Banking Companies Act’ in February 1949 providing a framework for regulation and supervision of commercial banking activity. (Renamed as Banking regulation Act in 1966). The provided wide ranging regulatory and supervising powers to Reserve Bank of India. The main provision of the act defined ‘banking’ and separated banking form trading and interalia include, classification of the companies into banking and non banking Companies; minimum paid up capitals and reserves; maintenance of minimum cash reserves; minimum liquid asset ratio; licensing of banking companies; restriction and control over loans and advances; control over branch expansions; maintenance of minimum asset in India; accounts and Balance sheet; inspection of banking companies; suspension of business and winding up and also arrangement and amalgamation of banking companies.

1.1.3 Third phase of Indian banking, is from nationalization (1969) till the beginning of financial & banking sector reforms in 1990:-

Owing to the growing dissatisfaction and imposing criticism over the functioning of private sector banks the government of India took a bold step to nationalize a major segment of the banking system. Accordingly, the banking company’s acquisition and transfer of undertaking was promulgated on July 1969
and the government acquired the undertakings of the 14 major schedule commercial banks having deposit of over 50 crores each. In 1980 six more banks were taken over by the government and the number of public sector bank account for 28, excluding regional and rural banks. In the post liberalization era after 1990s banking shifted from “Class banking” to Mass banking. India’s banking system has several outstanding achievements to its credit, the most striking of which is its reach. An extensive banking network has been established in the last thirty years and India’s banking system is no longer confined to metropolitan cities and late towns; in fact Indian banks are now spread out into the remote corners of our country. In terms of the number of branches, India’s banking system is one of the largest, if not the largest in the world today. An even more significant achievement is the close association of India’s banking system with India’s development efforts. The diversification and development of our economy, and the acceleration of the growth process, are in no small measure due to the active role that banks have played in financing economic activities in different sectors. The Indian money market consists of both organized and unorganized sectors and in between these two sectors there exists a co-operative sector which has to work under strict control and supervision so it can be comfortably included in organized sector. Organized sector consists of RBI oat the helm of affair, public sector banks, private sector banks other financial institutions and DHFI Ltd (The Discount and Finance House of India was set up jointly with public sector banks and financial institutions by RBI. It was incorporated under the Indian companies Act 1956. It started its operations in April 1988) the unorganized sector consists of indigenous banker, moneylenders. The unorganized sector even today remains out of RBI’s control and supervision.

Roughly a decade ago Indian government initiated the economic reforms, which has changes the face of many sectors of economy including Indian banking sector. It was seen that the banking sector is going through major shake-up in the areas of ownership patterns, availability of funds, range of services and most of all it has also generated powerful customers. The changes brought with it new mix of players in the form of public sector banks, private sector banks and foreign banks. The competition among these players has increased the expectations of customers
who new want new products with faster delivery at cheaper and affordable cost. These expectations are more with the private sector and foreign banks because they are the new entrants on the banking scene with better technology, faster delivery, and customer centric polices. The private sector banks have advantage over public sector units in terms of technology, innovation of services. But these banks also need to prove in terms of service charges and understanding of customers’ needs.

The banking system in India has played an important role in Indian economy. It was instrumental in social and economic charges since nationalization of major banks in 1969. Network of branches increased from 8,262 in 1969 to 67,118 in June 2004, reducing the population covered per branch of commercial bank from 66,000 to 16,000. At present 290 banks are operating in the country, consisting of 27 public sector banks, 30 private sector banks and 32 foreign banks, 196 regional banks and 5 non-scheduled local area banks. Private sector banks have share of 8.5 percent in branch network with 5,737 branches of which 50 percent are in urban and metro cities. Over 90 percent branches operating in the country are owned by Public sector banks, of which 70 percent are located in rural and semi-rural areas. Asset base of scheduled commercial banks was Rs.19,75,020 crores as on 31st March 2004. Their aggregate deposit was Rs.15,75,143 crores and aggregate advances were Rs.8,64,000 crores.

1.2 PROFILE OF SBI

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesigned as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the Bank of Bengal. These three
banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27 January 1921.

An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of independent India, in 1951. The Plan aimed at serving the Indian economy in general and the rural sector of the country, in particular. Until the Plan, the commercial banks of the country, including the Imperial Bank of India, confined their services to the urban sector. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee recommended the formation of a state-partnered and state-sponsored bank.

The All India Rural Credit Survey Committee proposed the takeover of the Imperial Bank of India, and integrating with it, the former state-owned 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 former State-associated banks 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 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.

**Branches**

The corporate center of SBI is located in Mumbai. In order to cater to different
functions, there are several other establishments in and outside Mumbai, apart from the corporate center. The bank boasts of having as many as 14 local head offices and 57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has about 10000 branches, well networked to cater to its customers throughout India.

ATM Services

SBI provides easy access to money to its customers through more than 8500 ATMs in India. The Bank also facilitates the free transaction of money at the ATMs of State Bank Group, which includes the ATMs of State Bank of India as well as the Associate Banks – State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, etc. You may also transact money through SBI Commercial and International Bank Ltd by using the State Bank ATM-cum-Debit (Cash Plus) card.

Subsidiaries

The State Bank Group includes a network of eight banking groups and several non-banking subsidiaries. Through the establishments, it offers various services including merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The eight banking groups are:

- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Hyderabad (SBH)
- State Bank of India (SBI)
- State Bank of Indore (SBIR)
- State Bank of Mysore (SBM)
- State Bank of Patiala (SBP)
- State Bank of Saurashtra (SBS)
- State Bank of Travancore (SBT)

**Products and Services**

**Personal Banking**

- SBI Term Deposits SBI Loan For Pensioners
- SBI Recurring Deposits Loan Against Mortgage Of Property
- SBI Housing Loan Loan Against Shares & Debentures
- SBI Car Loan Rent Plus Scheme
- SBI Educational Loan Medi-Plus Scheme

**Other Services**

- Agriculture/Rural Banking
- NRI Services
- ATM Services
- Demat Services
- Corporate Banking
- Internet Banking
- Mobile Banking
- International Banking
- Safe Deposit Locker
- RBIEFT
- E-Pay
- E-Rail
- SBI Vishwa Yatra Foreign Travel Card
- Broking Services
- Gift Cheques
1.3 PROFILE OF ICICI

ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%. In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock Exchange (NYSE), thereby becoming the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. In the next year, it acquired the Bank of Madura Limited in an all-stock amalgamation. Later in the year and the next fiscal year, the bank made secondary market sales to institutional investors.

With a change in the corporate structure and the budding competition in the Indian Banking industry, the management of both ICICI and ICICI Bank were of the opinion that a merger between the two entities would prove to be an essential step. It was in 2001 that the Boards of Directors of ICICI and ICICI Bank sanctioned the amalgamation of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmedabad as well as the High Court of Judicature at Mumbai and the Reserve Bank of India.

Present Scenario

ICICI Bank has its equity shares listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited. Overseas, its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). As of December 31, 2008, ICICI is India's second-largest bank, boasting an asset value of Rs. 3,744.10 billion and profit after tax Rs. 30.14 billion, for the nine months, that ended on December 31, 2008.
**Branches & ATMs**

ICICI Bank has a wide network both in Indian and abroad. In India alone, the bank has 1,420 branches and about 4,644 ATMs. Talking about foreign countries, ICICI Bank has made its presence felt in 18 countries - United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank proudly holds its subsidiaries in the United Kingdom, Russia and Canada out of which, the UK subsidiary has established branches in Belgium and Germany.

**Products & Services**

**Table 1.1 Personal Banking**

- Deposits
- Loans
- Cards
- Investments
- Insurance
- Demat Services
- Wealth Management

**Table 1.2 NRI Banking**

- Money Transfer
- Bank Accounts
- Investment
- Property Solution
- Insurance
- Loans
Table 1.3 Business Banking

- Corporate Net Banking
- Cash Management
- Trade services
- FX Online
- SME Services
- Online Taxes
- Custodial Services

In order to find out the gaps in the studies it is pertinent to review the available literature on the related aspects of the present study. The study is on the marketing of banking services in India – Private v/s Public sector is a wide area, each and every sector can be studied in brief. Thus, there is a pressing need to study the significance of this Sector with a view to finding out Customer satisfaction in both sectors and problems faced by both private as well as public sector banks in marketing their services.

1.4 OBJECTIVES OF THE STUDY

- To make a Critical analysis of marketing of banking services in India particularly in the period of economic liberalization.
- To evaluate innovative, dynamic and competitive nature of banking services, particularly the difference between Private sector v/s Public sector banks.
- To assess customer satisfaction with banking services.
- To highlight the problems involved in marketing of banking services.
- To offer suggestions and measures to solve the problems faced by banks in marketing their services.
1.5 SIGNIFICANCE OF THE STUDY

The proposed study provides the much needed information about the customer satisfaction, which is collected by the researcher by way of primary data from the source itself i.e. the customers. The study will highlight the application of marketing principles to the marketing of banking services. The study can be useful to private sector banks as well as to public sector banks. Due to time constraint it is not possible to cover over all public and private sector so it is prudent that one example based on convenience will be taken for e.g. from Private sector-ICICI bank will be taken and from Public sector-SBI may be taken as these two banks are most dominant banks in their respective sector. The study will be useful more specifically to ICICI Bank and SBI to understand the reasons for the dissatisfaction among the customers and thus to take corrective steps in improving their services further. This study will become a source of information for future researchers to collect the data and information on the marketing of banks services, and customer satisfaction. The study also gives clear-cut idea of the methodology required to collect and analyze the data.

1.6 RATIONALE OF THE STUDY

Banks play important role in the development of trade, commerce and it has vital role in the economic development of nation’s economy. We can’t think modern society without banking system.

The banking services marketing is not very old concept, it is in the growth phase of its life cycle. ICICI Bank and SBI are the two most dominant banks in private sector and public sector respectively. Each one tries to eat away each others shares through their technological up gradation and customer centric
policies. The banking services provided by ICICI Bank and SBI are innovative. These two banks have shown remarkable performance within a short period of time with their innovative range of products, customer centric policies and use of technology. Therefore, an attempt will be made in this study to analyze the various marketing techniques adopted by these two banks and how these techniques has helped these banks to have such a large customer base. The competition among the players in banking sector has increased the expectations of customers who now want new products with faster delivery at cheaper and affordable cost. These expectations are more with the new generation private sector banks because they are the new entrants on the banking scene with better technology, faster delivery, and customer centric policies.

1.7 SCOPE OF THE STUDY

The topic of the current research relates to the critical analysis of marketing of banking services in India after post liberalized period with special reference to Private sector v/s Public sector Banks.

- The geographical scope of the study will be restricted to the operations of the banks in Mumbai. The geographical area of study is Mumbai city- Mumbai city is divided into 2 parts; Mumbai City district (The area from Colaba to Mahim and Sion is called City area.) and Mumbai City Suburban (The area from Mahim to Dahisar and from Sion to Mulund comprises of suburbs of Mumbai)

The topical Scope focuses on the identification of the problems regarding marketing of bank services and problems of customer’s satisfaction and critical analysis of bank services provided by public v/s private sector banks. The functional scope is restrained to offering a set of meaningful suggestions aimed at
improving the customer satisfaction and effective marketing of bank services, finding out the reasons for dissatisfaction of customers and provide them with the solution.

The specific period for study selected by the researcher is from year 1999 to 2012 for Private sector and Public sector banks, as this is the most important period for both the banks since both the private & public sector banks had successful mergers to their credit in the year 2000 and year 2001 respectively. This period has importance for both the banks because of merger and amalgamation as well most important Sub-prime crisis has added the significant value to bank in terms of increased branch network, expanded geographic reach, enhanced customer base, skilled manpower.

The period of the study in general is post liberalized period as this was the time when India has been growing through a process of economic reform and liberalization. During post liberalized period economy was opened up, more liberalized financial policies were adopted. After 1990 we have seen a change in the approach of the policy makers. This change in the outlook of the policy makers have made it necessary for almost all the organization, whether manufacturing or service oriented to change their policy decisions to make it dynamic and innovative. In the first phase of reforms extending over 5 years from 1991 to 1996 bank’s operational efficiency is sought to be toned up through a series of reforms involving adoption of various norms aimed at making the banks more transparent, realistic and internationally competitive. As a part of the reform process greater competition has been introduced in the banking system by permitting entry of private sector banks, and liberal licensing of more branches by foreign banks. Non – bank intermediation has also increased over the same period. But most important change that has overtaken the nation’s banking industry relates to the fact that the competitive forces are sought to be introduced consciously in the financial services sector in general and banking industry in particular through the policies of interest rate deregulation and more particularly through a new liberal policy move to open doors wider to facilitate the entry of foreign banks and new private sector banks.
The specific period for study selected by the researcher is from year 1998 to year 2006 for ICICI Bank and SBI as this is the most important period for both the banks since both the private & public sector banks had successful mergers to their credit in the year 2000 and year 2001 respectively. This period has importance for both the banks because merger and amalgamation added the significant value to bank in terms of increased branch network, expanded geographic reach, enhanced customer base, skilled manpower. The scope of the study covers the following three important components, which are necessary for the success of any banking sector.

- Customers (customers of ICICI bank and SBI)
- Marketing staff of banks (Marketing executives, Direct Sales Associates, Sales Executives)
- Officials of both banks (the policy makers)

The opinion of the customers, marketing personnel and bank officials are incorporated in the thesis at appropriate places.

1.8 HYPOTHESIS OF THE STUDY

In the light of the above cited objective the researcher has set up the following hypothesis, for the present study.

“ICICI Bank and SBI are provides innovative, dynamic and competitive services in terms of customer satisfaction in comparison to each other. However these banks are facing problems while marketing their services.”

Based on the views and factual opinion emerging from the questionnaires, this is tested by application of test of significance (Z - test) in the thesis.
1.9 METHODOLOGY OF THE STUDY

Honest efforts are made to focus on the objectives under taken through collection of both primary and secondary data. Primary data is collected mainly to get factual response from the policy makers as well as marketing personnel of the banks under study, which has helped to have in depth analysis of the problem. Secondary data is collected from ICICI bank and SBI’s offices, libraries, magazines, newspapers, earlier related studies, etc. Various reports published by RBI related to banking have been considered for understanding the problems of marketing of services by the bank. For understanding the customer’s satisfaction in the above two banks, along with structured questionnaire their personal interviews have been conducted.

The designing of the conceptual framework for study of marketing of banking services and the customer satisfaction of ICICI Bank and SBI is done by adopting the methodology in the following order:

(a) Scanning the literature on the subject.
(b) Interviewing marketing executives.
(c) Interviewing the customer’s of respective banks.
(d) Discussing the issue with the customers.
(e) Having discussion with managerial staff
(f) Observation of facts and figures.
(g) Analyzing the data collected from the relevant sources.

With a view to supplement and support the findings emerged during the analysis of secondary data, field studies were conducted at two levels, discussion with 500 customers, about the banks under study and their services. (250 for ICICI bank and 250 for SBI) data is collected through structured and pre – tested schedules to collect information about reasons for dissatisfaction, innovative nature of services satisfaction, etc. Before the commencement of the survey of the
customers a pilot study was conducted with sample of 20 customers each bank to find any missing gaps in the questionnaire and after considering the responses of the pilot study changes, modification were made to reduce any complexity and ambiguities of the questionnaires.

Since the study focuses on the marketing by ICICI Bank and SBI it was felt necessary to have the opinion of the marketing persons who market the banking services to customers and who are in direct contact with customers. Around 150 (each bank) marketing executive, Marketing Managers, Direct Sales associates were contacted for discussion on the marketing of banking services, problems faced by them in marketing, customers responses towards their banks etc. 250 questionnaires was given for their customers responses, out of which 200 each filled in questionnaire was collected with complete responses and opinions. Before conducting the survey, the schedules were pre tested with 15 marketing personnel of ICICI bank and 20 marketing personnel of SBI. Accordingly the changes were incorporated in the final schedule. The data collected from the marketing staff relates to the various marketing strategies adopted by banks innovative nature of bank product etc.

- **Research design:** The design of the present research is explorative research.

Selection of Banks: Out of 30 Private sector banks, two banks were selected for the purpose of the study. They are ICICI bank and SBI. ICICI bank is selected for the study purpose because it is India’s Universal bank and it is India’s second largest private sector bank providing nationwide network of branches and 1650 plus ATM’s. it has large customer base. It has also created history by being the first Indian bank to be listed on the New York Stock Exchange. It also offers widest range of products and services.
SBI is selected for the study because it is India premier nationalized bank. It is largest bank operating in India. It has its own subsidiaries & Joint ventures. SBI administrative structure is well equipped to oversee the large network of branches in India & abroad. The SBI 14 local Head Offices & 57 Zonal offices are located at important cities spread throughout the country. SBI has 52 foreign offices in 34 countries across the globe. The corporate accounts group is a strategic business unit of the bank set up exclusively to fulfill the specialized banking needs of top corporate in the country.

- **Quota sampling:**

  (a) Quota sampling technique is chosen for selecting 250 banks customers as respondents for ICICI bank.
  
  (b) Quota sampling technique is chosen for selecting 250 customers as respondents for from SBI

For investigation, the following three criteria’s were developed;

Sample size was selected as 250 respondents for SBI, who have educational qualification 12\textsuperscript{th} plus.

Sample size of 200 respondents for marketing staff of ICICI bank (200 structured scheduled were given to marketing staff of ICICI bank but could manage to get 100 schedule completed.)

Sample size of 200 respondents for marketing staff of SBI (200 structured scheduled were given to marketing staff of ICICI bank but could manage to get 100 scheduled completed.)

- **Geographical area:**

  The geographical area of study is Mumbai city – Mumbai city is divided into two parts:
• Mumbai City District – the area from Colaba to Mahim and Sion is called City area.
• Mumbai City Suburban – The area from Mahim to Dahisar and from Sion to Mulund comprises the suburbs of Mumbai.

• Personnel Chosen:

While selecting customers it was kept in mind to select the customers from each category of banking services. The respondents were selected on the basis of their educational qualification. The basic criterion for selecting customers is their educational background. It was kept in mind to select a person who has minimum 12th plus education. This criterion was developed so as to find out the customers who are familiar with customer satisfaction and services of private sector bank.

While analyzing the data, statistical test of significance has been used wherever needed. The data tabulated are systematically edited, summarized and graphically presented.

1.10 EXPECTED CONTRIBUTION OF THE STUDY

The study is expected to be valuable to ICICI bank and SBI as it is based on the opinion of customers and bank employees (marketing staff). It will be useful for other private sector and public sector banks also in formulating their policies regarding launch of new banking product, in order to reach the level of success achieved by these two banks. It also aims to find out reasons for dissatisfaction among bank customers and provide meaningful solution to their problems. The study conducted by the researcher will help the private sector banks and public sector banks in addressing the marketing problems and difficulties faced by these banks while marketing their services to customers. This study can be helpful in solving the problems faced by the customers and the effective implementation of marketing strategies of private sector banks and public sector banks.
1.11 CHAPTER SCHEME

The Chapter are arranged to follow a logical sequence in covering the specific objectives of the study supported by the findings of the survey conducted and conclusions drawn from the analysis. The following is the chapter schemes incorporated in the thesis:

Chapter 1 : Introduction.

This chapter highlights the detailed design of the study comprising of a brief introduction on banking development in Indian, Indian money market, nationalization of banks etc. The rationale of the study, the objectives of the study, the hypothesis of the study, the methodology of the study and the limitations of the study have also been highlighted in this chapter.

Chapter 2 : Review of Literature.

In this chapter attempt has been made to screen through the available literature on the topic study and grasp the in-depth knowledge about the subject. The review of literature is divided into two parts for the convenience of understanding.

- Review of the literature related to banking in India
- Review of Literature related to marketing of banking services.
  For the purpose of review of literature books, magazines, newspaper etc referred to by the researcher.
Chapter 3: An overview of Indian Banking Sector.

In this chapter attempt is made to have bird’s eye view of the Indian banking sector after the liberalization of Indian economy. Chapter 3 is divided into the following sub chapters:

a) Banking sector in India
b) Banking sector in Liberalized period
c) Emergence of Public and private sector banks in banking sector

Chapter 4: Profile of ICICI Bank & its Customer Satisfaction.

This chapter explains the profile of ICICI Bank – its formation, expansion, and merger with Bank of Madura. This chapter also gives us detail account of the all banking services offered by ICICI Bank. The result of questionnaire survey conducted by the researcher about customer satisfaction from the customers ICICI Bank has been analyzed in this chapter.

ICICI Bank is the largest private sector banks of India and the second largest bank in India has asset base of Rupees. 167,700 Crores as on March 31, 2005. It has a network of 560 branches and extension counters and over 1,900 ATMs. It has created history by being the first bank to be listed on the New York Stock Exchange. ICICI Bank initiated the electronic revolution in banking sector in India when they introduced Internet banking. It has a customer base of 5 million. ICICI Bank offers widest range of financial products and services. ICICI Bank offers 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. ICICI Bank’s equity
shares are listed in Indian stock exchanges at Chennai, Delhi, Kolkata, and Vadodara, Mumbai and the National Stock Exchange of India Limited and its American Depository Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). The product range of ICICI Bank is also remarkable which includes home loans, car loans, consumer finance, credit cards, debit cards, E-cheques, private banking, Demat services, NRI Services. It also has an impressive corporate banking consisting of project finance, structured products, capital markets services, international banking, government enterprises, corporate solution etc. and recently started concentrating on agribusiness.

Chapter 5: Profile of SBI & its Customer Satisfaction:

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesigned as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the Bank of Bengal. These three banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27 January 1921.

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Committee recommended the formation of a state-partnered and state-sponsored bank.

The All India Rural Credit Survey Committee proposed the takeover of the Imperial Bank of India, and integrating with it, the former state-owned 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 former State-associated banks 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 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.

**Chapter 6: Comparison between ICICI Bank and SBI:**

This chapter compares both the banks i.e. ICICI bank SBI on the basis of customer satisfaction. The result of survey conducted to find out the comparison of customer satisfaction of both the banks have been analyzed in this chapter. The result of survey conducted to find out the comparison in terms of marketing of banking services by both the banks also gave been analyzed in the chapter. The chapter also explains how both the private sector banks are successfully marketing
their services to customers with innovative marketing. The difficulties faced by these banks in customer satisfaction have also been discussed.

Chapter 7: Marketing of Banking Services:

This chapter deals with concept of banking services, marketing of banking services, application of principles of marketing to market banking services. The seven P’s of bank services marketing in India, its development and benefits to banks. The marketing strategy of SBI and ICICI bank has also being discussed in this chapter. The result of survey regarding various problems faced by marketing staff of ICICI bank and SBI while marketing banking services have also been listed in this chapter.

Chapter 8: Findings, Suggestions and Conclusions:

This chapter summarizes the findings and conclusions of the study. It is categorized into two groups viz. Specific findings, Suggestions and conclusions. The scope for future research is also stated.