A COMPARATIVE STUDY ON CONSUMER BUYING BEHAVIOUR CONSIDERING SBI & HDFC BANK IN BATHINDA REGION

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Abstract

This comprehensive study scrutinizes and compares the consumer buying behavior in the context of two prominent banks, the State Bank of India (SBI) and HDFC Bank, specifically in the context of the district of Bathinda. The paper explicitly determines some significant determinants that play a significant role in consumer choice while selecting a bank, such as the significant determinants of service quality, the extent of usage of digital banking, waiting time perceived by customers, the effectiveness of customer care services, and the problem-solving process.

Introduction:

The Indian banking sector represents a remarkable journey from its colonial origins to its current position as a dynamic and technologically advanced system. This transformation unfolds across three distinct phases: the pre-independence period, the era of nationalization, and the modern phase of liberalization and digital revolution. In its early days, modern banking in India was shaped by institutions like the Bank of Hindustan (1770) and the Presidency Banks the Bank of Bengal (1809), the Bank of Bombay (1840), and the Bank of Madras (1843). These early foundations set the stage for a structured financial system that later received a major boost with the nationalization of banks post-independence. The modern banking landscape, however, is defined by rapid technological advancements, deregulation, and fierce competition. The liberalization reforms of the 1990s not only invited private sector participation but also sparked a wave of innovation in service delivery. Today, digital banking, mobile applications, and sophisticated customer relationship management systems have transformed how banks interact with their customers, ensuring more personalized, efficient, and accessible services. In this competitive environment, State Bank of India (SBI) and HDFC Bank emerge as two standout institutions, each catering distinctly to evolving consumer needs. SBI, with its legacy and extensive network, embodies reliability and trust, serving a broad customer base that values traditional banking relationships. In contrast, HDFC Bank has capitalized on digital innovation, offering streamlined, technology-driven services aimed at a modern, tech-savvy clientele.

Focusing on the Bathinda region, this study examines the contemporary relevance of these institutions by exploring:

- The evolving preferences of customers in a market increasingly driven by digital innovations.

- How service quality and digital banking initiatives influence consumer satisfaction and loyalty.

- The competitive dynamics that arise from the contrasting approaches of traditional public banking versus agile, technology-led private banking.

- The impact of modern market factors such as instant digital transactions, online customer service, and enhanced user experience on banking choices.

Through this research, we aim to provide actionable insights that highlight how traditional strengths and modern innovations can coexist and drive customer engagement in today's fast-paced banking environment. The findings are expected to help both SBI and HDFC Bank understand current consumer behavior and further refine their strategies to meet the changing landscape of financial services.

Review of Literature:

- **Saravanan & Alamelu, (2022)** They studied that Indian economy developed strongly in the early 1990s but encountered a recession on four fronts as banking payment systems turned more technology-oriented. The study identified the advantages of online payments, especially their speed. Digital modes such as Aadhaar-based payments, Bharat Bill Pay, and UPI gained more usage, even in rural India. Card-based payments were in vogue because they were easy to use. The study compared debit and credit card transactions between 2011 and 2021 from different banks. Findings indicated public sector banks had more debit transactions, but private and foreign banks had greater credit values. Foreign banks also had greater usage of credit cards at the Point-of-Sale terminals than public banks, providing clues to customer behavior.

- **PwC Report (2021)** Analyzed how the pandemic accelerated the adoption of digital banking, with HDFC witnessing an increase in online transactions and SBI embracing incremental digital upgrades to retain its customer base.

- **Deloitte (2021)** Believed that digital transformation has redefined customer expectations, with HDFC making heavy investments in fintech products, AI-powered customer support, and mobile banking, while SBI is slowly developing digital services.

- **Chawla and Joshi (2020)** Highlighted the increasing trend of adopting digital banking, and they titled some reasons for the upsurge as ease of use, improved security, and the convenience provided by mobile banking apps. Their large-scale study found that HDFC Bank customers were more inclined towards the use of digital banking services compared to SBI customers, who relied on traditional banking procedures for their transactions.

- **Bhandari & Sharma (2020)** Set out that private banks are anticipated by customers to be efficient, tech-savvy, and possess better customer services, while in public sector banks, they anticipate security, dependability, and affordability.

Objectives of the Study:

- To identify and compare the factors influencing consumer buying behavior towards State Bank of India (SBI) & HDFC Bank in the Bathinda region.

- To analyse the impact of service quality on consumer buying behavior towards SBI and HDFC Bank.

- To compare the customer satisfaction levels of SBI and HDFC Bank in the Bathinda region.

Research Methodology:

This study used descriptive and comparative research design, primarily using survey/instrument as a data collection method with supplementary secondary data sources. The survey sample includes SBI and HDFC Bank customers in the Bathinda region with a varied demographic mix of respondents across age, gender, income level, and profession to cover a wider perspective on consumer preferences.

Research Design:

- **Descriptive Research:** To summarize the demographic profiles and satisfaction levels.

- **Comparative Analysis:** A side-by-side evaluation of SBI and HDFC on key parameters, such as credit card, service quality, digital platform performance & customer service.

Data Collection:

- **Primary Data:** Surveys and structured questionnaires distributed to a targeted sample of consumers in Bathinda region. Questions that cover credit card services, offers, service quality, digital adoption, ease of access, customer satisfaction, and overall experience.

- **Secondary Data:** Sourced from published reports, customer feedback on digital platforms & industry analyses on consumer behavior in the banking sector.

Size of the Sample:

- Size of the sample is 150 Respondents which will be targeted to ensure the statistical significance & reliability of the results.

Sampling Techniques:

- Convenience Sampling, Snowball Sampling.

Sampling Area:

- Bathinda.

Data Analysis and Interpretation:

- Based on your observations and experiences with credit card services offered by SBI Bank and HDFC Bank, which bank provides more appealing credit card services? Consider factors such as rewards programs, interest rates, late fees, and overall ease of use in your evaluation.

| Opinion	No. of Respondents
SBI BANK	35
HDFC BANK	119

150 responses
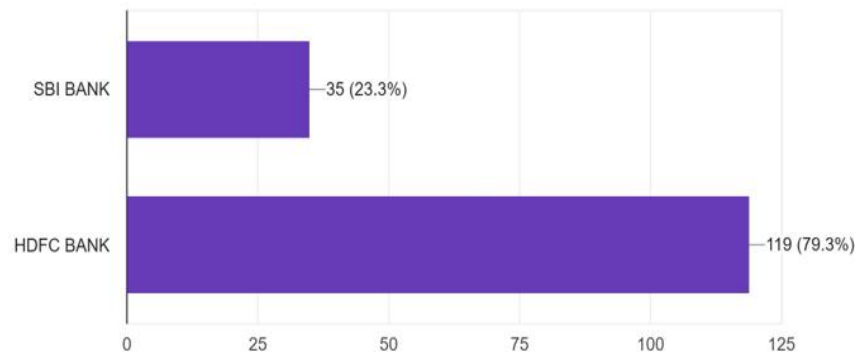
Interpertation: The data indicates that a significant majority of respondents prefer HDFC Bank's credit card services over SBI Bank's. Out of 150 participants, 119 (79.3%) believe HDFC offers more appealing credit card benefits, such as better rewards programs, lower interest rates, fewer late fees, and overall ease of use. In contrast, only 35 respondents (23.3%) favour SBI Bank's credit card services. This suggests that people find HDFC's credit cards more attractive, possibly due to better perks, customer service, or more user-friendly features. The strong preference highlights HDFC's competitive edge in the credit card market.

- What do you think that which bank provides better cutting-edge banking products and better trustworthiness and reliability and ease of access?

Opinion	No. of Respondents
SBI BANK	37
HDFC BANK	117

150 responses
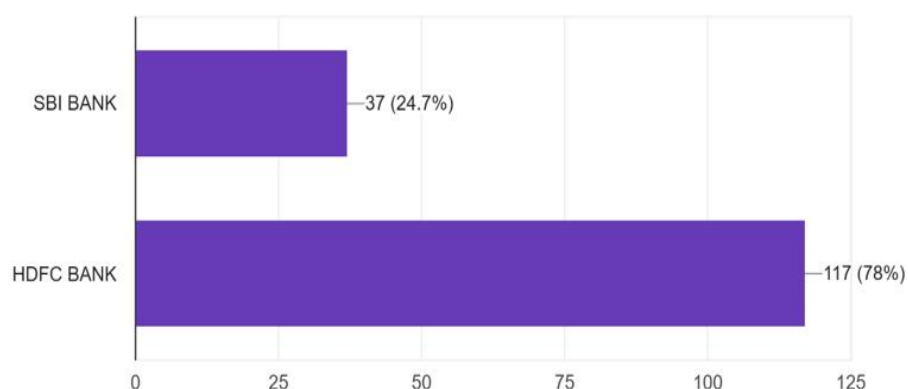
Interpertation: The data reveals that HDFC Bank is widely perceived as the leader in offering cutting-edge banking products, reliability, and ease of access. Out of 150 respondents, 117 (78%) Favor HDFC Bank, while only 37 (24.7%) believe SBI Bank is the better choice in these aspects. This suggests that customers see HDFC as more innovative, trustworthy, and accessible compared to SBI. The strong preference for HDFC may stem from its advanced digital services, seamless banking experience, or better customer support, making it the preferred choice for modern banking needs.

● How Satisfied Are You With The Following Aspects Of Sbi/Hdfc Bank'S Service? On The Scale Of 1-5 Please Rate The Questions Respectively.
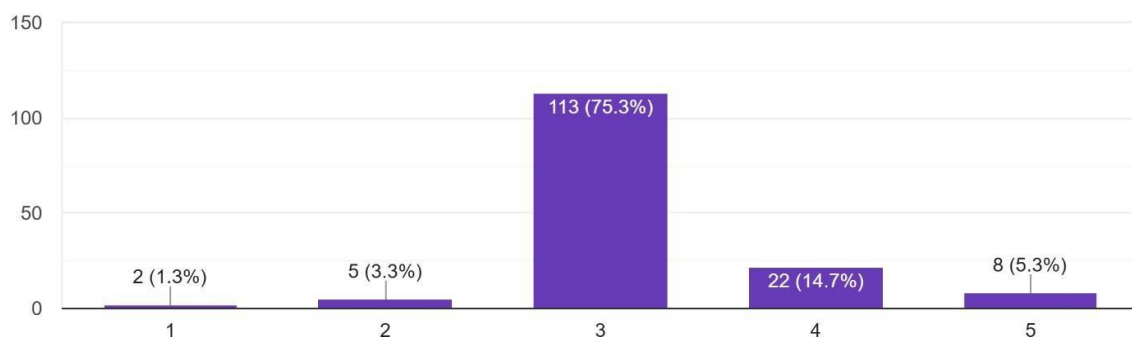
1)   a) How clean and well-maintained are the bank branches? (In Reference to SBI Bank)

1 (Very Dissatisfied) - 2 - 3 - 4 - 5 (Very Satisfied)

Opinion	No. of Respondents
1 VERY DISSATISFIED	2
2 DISSATISFIED	5
3 NEUTRAL	113
4 SATISFIED	22
5 VERY SATISFIED	8

1)a) How clean and well-maintained are the bank branches?(In Reference to SBI Bank)
150 responses

Interpertation: The survey results indicate that the majority of respondents (75.3%) have a neutral opinion about the cleanliness and maintenance of SBI bank branches. A smaller portion (14.7%) are satisfied, while only 5.3% are very satisfied. On the other hand, dissatisfaction levels are quite low, with just 3.3% expressing dissatisfaction and a mere 1.3% being very dissatisfied. This suggests that while most customers do not have major complaints, there is room for improvement to move more people from a neutral stance to a satisfied one. Enhancing cleanliness and maintenance could improve overall customer satisfaction.

b) How clean and well-maintained are the bank branches? (In Reference to HDFC Bank)

Opinion	No. of Respondents
1 VERY DISSATISFIED	2
2 DISSATISFIED	97
3 NEUTRAL	10
4 SATISFIED	21
5 VERY SATISFIED	20

b) How clean and well-maintained are the bank branches?(In Reference to HDFC Bank)
150 responses
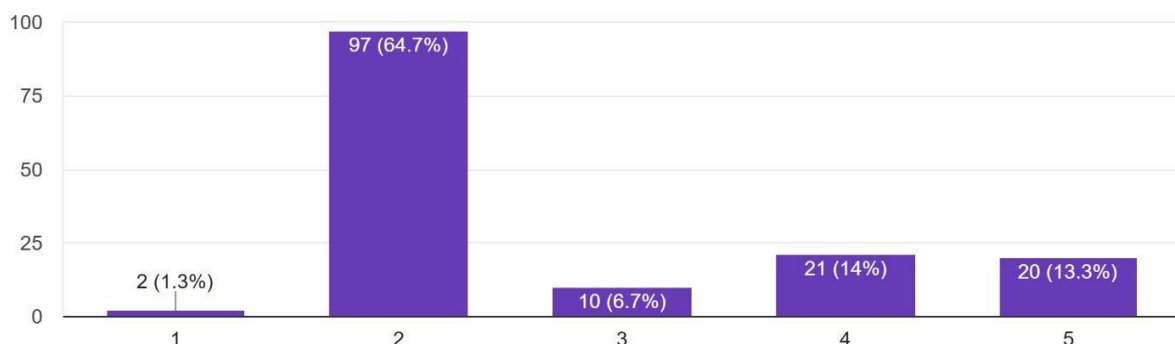
Interpertation: The survey results for HDFC Bank branches show that a significant majority of respondents (64.7%) are dissatisfied with the cleanliness and maintenance of the bank's branches. A small percentage (1.3%) are

very dissatisfied, reinforcing the negative sentiment. Only 6.7% of respondents remain neutral, while 14% are satisfied and 13.3% are very satisfied. This indicates that a large portion of customers have concerns about the cleanliness and upkeep of HDFC Bank branches, suggesting that improvements in maintenance and hygiene could greatly enhance customer satisfaction.
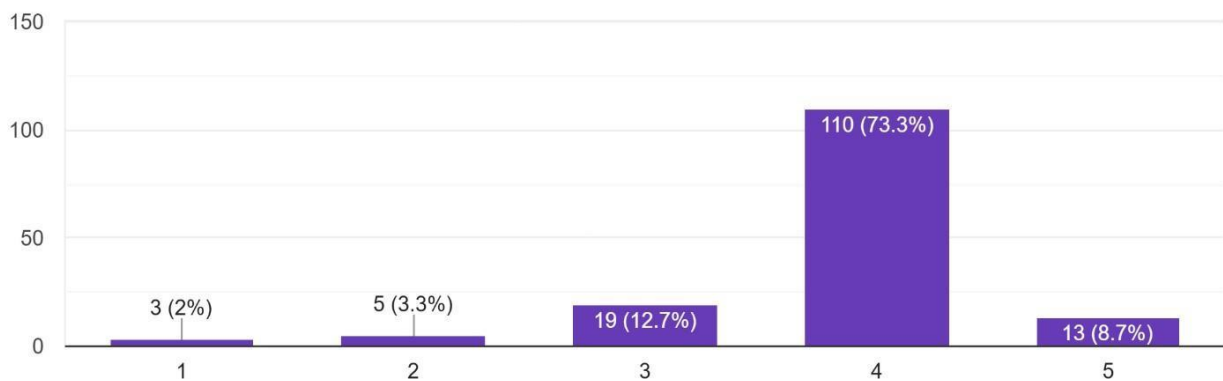
2)   a) How friendly and helpful are the bank employees? (In Reference to SBI Bank)

1 (Very Dissatisfied) - 2 - 3 - 4 - 5 (Very Satisfied)

Opinion	No. of Respondents
1 VERY DISSATISFIED	3
2 DISSATISFIED	5
3 NEUTRAL	19
4 SATISFIED	110
5 VERY SATISFIED	13

2)a) How friendly and helpful are the bank employees?(In Reference to SBI Bank)
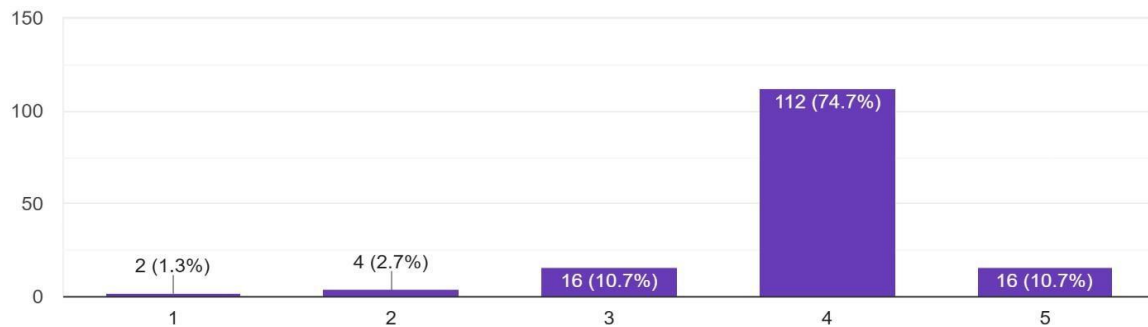150 responses

Interpertation: The survey results show that most customers have a positive experience with SBI bank employees in terms of friendliness and helpfulness. A significant majority (73.3%) of respondents are satisfied, and 8.7% are very satisfied. Meanwhile, 12.7% remain neutral, indicating that they neither had a great nor a poor experience. On the other hand, a very small percentage of respondents expressed dissatisfaction, with 3.3% dissatisfied and only 2% very dissatisfied. Overall, this suggests that SBI bank employees are generally perceived as helpful and friendly, but there may be some room for improvement to turn neutral customers into satisfied ones.

b) How friendly and helpful are the bank employees? (In Reference to HDFC Bank)

Opinion	No. of Respondents
1 VERY DISSATISFIED	2
2 DISSATISFIED	4
3 NEUTRAL	16
4 SATISFIED	112
5 VERY SATISFIED	16

b) How friendly and helpful are the bank employees?(In Reference to HDFC Bank)

150 responses

Interpertation: The survey results indicate that the majority of customers have a positive experience with HDFC bank employees in terms of friendliness and helpfulness. A significant 74.7% of respondents are satisfied, and 10.7% are very satisfied, showing that most interactions with employees are pleasant. Meanwhile, 10.7% of respondents remain neutral, suggesting that their experience was neither particularly good nor bad. Only a small fraction of customers expressed dissatisfaction, with 2.7% dissatisfied and 1.3% very dissatisfied. Overall, this suggests that HDFC bank employees are generally perceived as friendly and helpful, though there is still an opportunity to improve interactions and enhance customer satisfaction further.
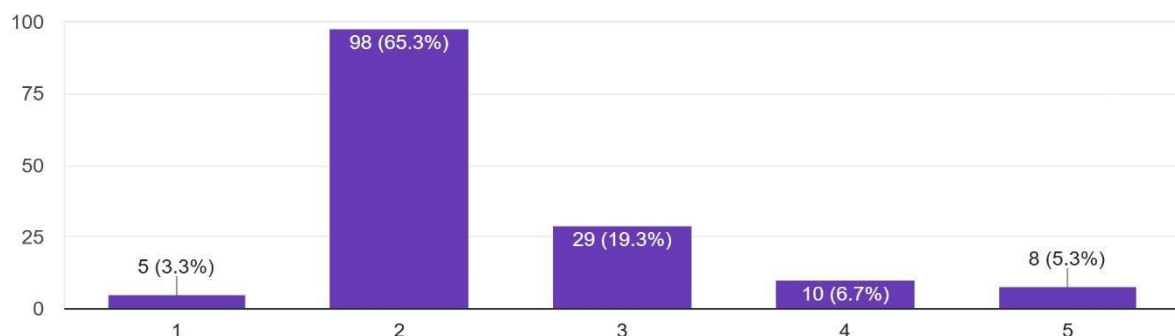
3)   a) How long do you typically have to wait at the bank branch? (In Reference to SBI Bank)

1 (Very Long, Unacceptable) - 2 - 3 - 4 - 5 (Very Short, Minimal Wait)

Opinion	No. of Respondents
1 VERY LONG	5
2 LONG	98
3 MODERATE	29
4 SHORT	10
5 VERY SHORT	8

3)a) How long do you typically have to wait at the bank branch?(In Reference to SBI Bank)

150 responses

Interpertation: The survey results suggest that long wait times are a common issue at SBI bank branches. A significant 65.3% of respondents reported experiencing long wait times, while 3.3% even described them as very long and unacceptable. About 19.3% of respondents felt their wait time was moderate, indicating some level of tolerance. Only a small percentage of customers (6.7% and 5.3%) reported short or very short wait times. These findings highlight a need for improvement in service efficiency, as reducing wait times could significantly enhance customer satisfaction and overall banking experience.

b) How long do you typically have to wait at the bank branch? (In Reference to HDFC Bank)

Opinion	No. of Respondents
1 VERY LONG	2
2 LONG	3
3 MODERATE	24
4 SHORT	109
5 VERY SHORT	12

b) How long do you typically have to wait at the bank branch?(In Reference to HDFC Bank)

150 responses
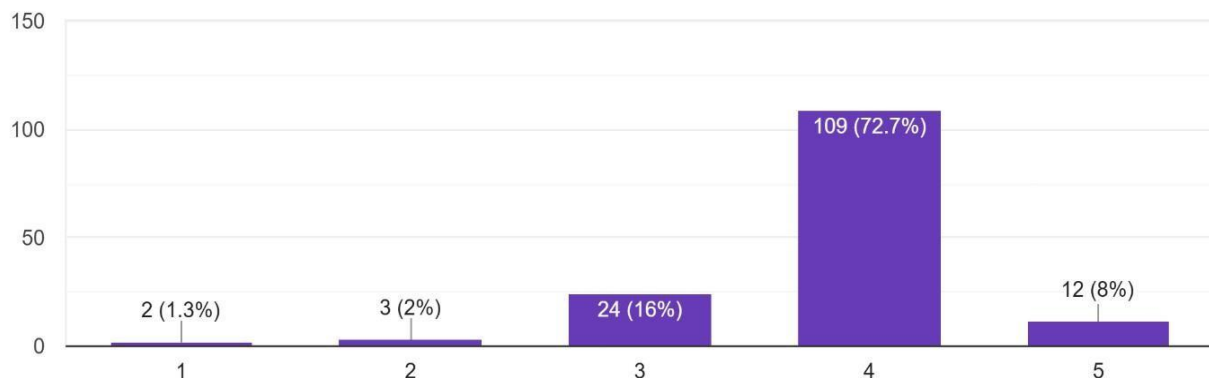
Interpretation: The survey results indicate that HDFC bank branches generally have short wait times, which is a positive sign for customer service efficiency. A significant majority (72.7%) of respondents reported experiencing short wait times, while another 8% said their wait was very short. Only 16% of respondents felt their wait time was moderate, and an even smaller percentage (2% and 1.3%) reported long or very long wait times, respectively. These findings suggest that HDFC Bank is managing its customer flow efficiently, leading to a smoother and faster banking experience for most customers.

4)   a) How effectively do bank employees resolve any problems or issues you may have? (In Reference to SBI Bank)

1 (Very Poor, Issues Rarely Resolved) - 2 - 3 - 4 - 5 (Excellent, Issues Resolved Quickly & Effectively)

Opinion	No. of Respondents
1 VERY POOR	4
2 POOR	101
3 AVERAGE	20
4 GOOD	14
5 EXCELLENT	11

4)a) How effectively do bank employees resolve any problems or issues you may have?(In Reference to SBI Bank)
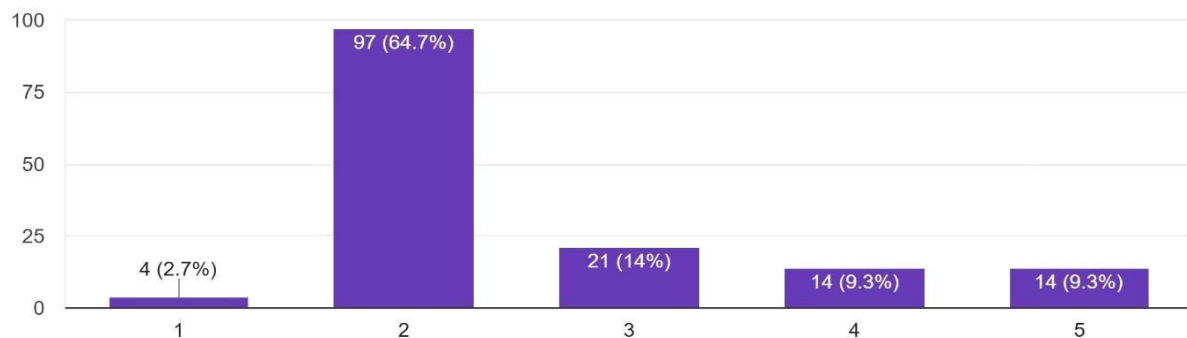
150 responses
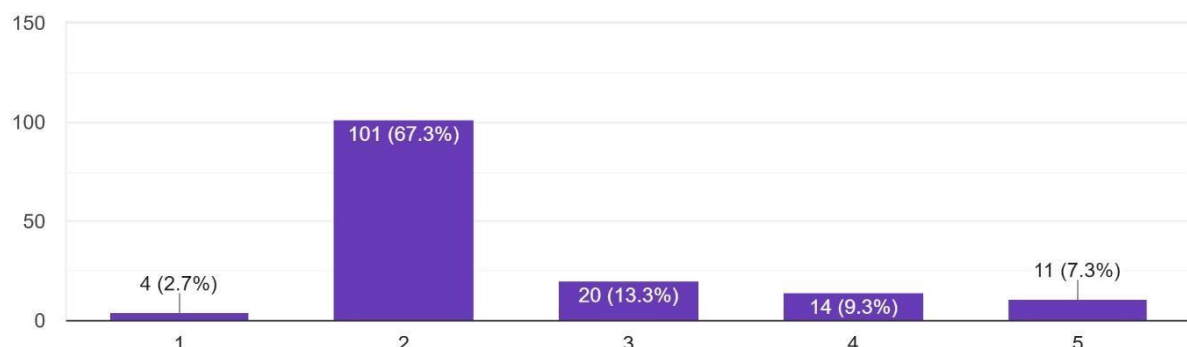
Interpretation: The survey results suggest that many customers are dissatisfied with how SBI bank employees resolve issues. A significant 67.3% of respondents rated the problem-resolution process as "poor," and an additional 2.7% rated it as "very poor." This indicates that a large portion of customers face difficulties in getting their concerns addressed effectively. While 13.3% of respondents found the service to be "average," only a small percentage—9.3% rated it as "good," and 7.3% considered it "excellent." These findings highlight a need for SBI to improve its customer service, particularly in handling and resolving customer issues more efficiently and effectively.b) How effectively do bank employees resolve any problems or issues you may have? (In Reference to HDFC Bank)

Opinion	No. of Respondents
1 VERY POOR	4
2 POOR	97
3 AVERAGE	21
4 GOOD	14
5 EXCELLENT	14

b) How effectively do bank employees resolve any problems or issues you may have?(In Reference to HDFC Bank)

150 responses

Interpretation: The survey results indicate that a majority of customers are not satisfied with how HDFC bank employees resolve issues. A striking 64.7% of respondents rated the problem-resolution process as "poor," while another 2.7% rated it as "very poor." This suggests that many customers face challenges in getting their concerns addressed effectively. While 14% of respondents considered the service "average," only 9.3% rated it as "good" or "excellent." These findings highlight a significant area for improvement, as HDFC Bank may need to enhance its customer service efforts to provide more efficient and satisfactory issue resolution.

Key Findings and Analysis:

The analysis of the survey responses and interviews revealed several key insights:

1. **Digital Banking Adoption:** HDFC Bank has a higher rate of digital banking usage among its customers, making it the preferred choice for tech-savvy individuals.

2. **Service Quality and Customer Satisfaction:** While both banks are recognized for employee friendliness, differences are noted in efficiency and responsiveness. SBI customers report issues with long wait times and slower problem resolution.

3. **Brand Image and Trust:** SBI maintains a robust brand image and high customer trust, particularly among traditional banking clients. However, HDFC Bank's modern approach appeals to a younger demographic.

4. **Branch Environment:** Cleanliness and ambiance of branches are a point of concern for HDFC Bank, whereas SBI branches are generally perceived as more traditional yet reliable.

Recommendations:

1. **For Sbi:**

- Improve digital banking services to match modern customer expectations.

- Streamline branch operations and reduce wait times through process optimizations and staff training.

- Enhance marketing communication to reinforce its brand image as both traditional and innovative.

2. For Hdfc:

- Invest in branch maintenance and cleanliness improvements.

- Continue to innovate in digital banking to strengthen its competitive edge.

- Develop personalized banking solutions aimed at building long-term customer relationships.

Conclusion of the Study:

In conclusion, the comparative study has illuminated notable differences in consumer buying behavior between SBI and HDFC Bank in Bathinda. HDFC Bank leads in digital innovation and rapid service responsiveness, while SBI retains a strong traditional brand value and customer trust. This detailed analysis not only highlights the areas of strength and weakness for each bank but also provides a clear roadmap for strategic improvements in service delivery and customer engagement.

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