



BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY & MANAGEMENT STUDIES (BIITM), BHUBANESWAR

Plot No. F/4, Chandaka Industrial Estate, Infocity, Patia, Bhubaneswar-24

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SUMMER INTERNSHIP PROJECT 2024

REPORT TITLE

**CUSTOMER SERVICE STRATEGY IN INDIAN
OVERSEAS BANK**

SUBMITTED BY

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MBA Batch: 2023-25

University Regn. No.: 2306258269

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CERTIFICATE OF FACULTY/INTERNAL GUIDE

This is to certify that **Mr. Nigam Prasad Mohapatra** bearing university registration no **2306258269** of 2023-25 batch, has completed his summer internship at **Indian Overseas Bank (IOB)**. From **1st June to 15th July** under the supervision of **Mrs Archana Ray** (corporate guide) and has submitted this project report under my guidance in partial fulfilment of the requirements for award of the degree of Master of Business Administration at Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Date:

Place: Bhubaneswar

Mrs. Tapaswini Nayak

Asst. Prof. (Economics)

EXTERNAL GUIDE CERTIFICATE

This is to certify that **Mr. Nigam Prasad Mohapatra** bearing University Registration No. **2306258269** of 2023-25 batch, has completed his summer internship at **Indian Overseas Bank (IOB)** from **01/06/2024 to 15/07/2024** under the supervision of **Mrs. Archana Ray** and has submitted this project report under my guidance in partial fulfillment of the requirements for award of the degree of Master of Business Administration at Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Date:

Place: Bhubaneswar

Mrs.Archana Ray
Branch Manager

DECLARATION

I, **Mr. Nigam Prasad Mohapatra** bearing university registration no. **23062580269** (2023-2025 batch), hereby declare that the project report titled **Customer Service Strategy in Indian Overseas Bank** is based on my internship at **Indian Overseas Bank**, during the period **01/06/2024** to **15/07/2024** and is an original work done by me under the supervision of **Mrs. Archana Ray** and **Mrs. Tapaswini Nayak**. This report is being submitted to Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar, affiliated to Biju Patnaik University of Technology, Odisha, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration. This project report has not been submitted to any other institute/university for the award of any degree or diploma.

Place: Bhubaneswar

Nigam Prasad Mohapatra
Signature

Date:

ABSTRACT

This study aims to comprehensively evaluate the efficacy of customer service practices at Indian Overseas Bank (IOB). By delving into customer perceptions of various service dimensions, including but not limited to wait times, staff expertise, problem resolution, and digital banking experiences, this research seeks to identify strengths, weaknesses, and opportunities for improvement. Employing a mixed-methods approach, the study will analyze both quantitative and qualitative data to gain a holistic understanding of customer satisfaction. The findings will be instrumental in developing targeted strategies to enhance customer service quality, foster loyalty, and ultimately contribute to IOB's overall business performance. The study's implications extend beyond IOB, providing valuable insights into the broader context of customer service within the Indian banking industry.

By understanding the factors influencing customer satisfaction, this research endeavors to contribute to the development of best practices in customer service management, thereby elevating the overall customer experience in the banking sector.

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CHAPTER-1

INTRODUCTION

1.1 Introduction

Indian Overseas Bank (IOB) operates within a dynamic banking landscape characterized by technological disruption and heightened customer expectations. As a seasoned industry player, IOB's ability to deliver exceptional customer service is pivotal to its sustained growth and market leadership. This study delves into IOB's existing customer service strategy, aiming to identify strengths, weaknesses, and opportunities for improvement. By benchmarking IOB's performance against industry standards and analyzing customer feedback, this research will provide actionable recommendations to enhance customer satisfaction, loyalty, and overall service quality. Ultimately, the goal is to position IOB as a customer-centric organization that thrives in the competitive banking environment.

The banking industry is undergoing a profound transformation, marked by technological advancements, shifting customer preferences, and heightened competition. To thrive in this dynamic environment, financial institutions must prioritize customer service as a strategic imperative. Indian Overseas Bank (IOB), a prominent player in India's banking landscape, stands at a critical juncture where a robust customer service strategy is essential for sustained growth and market leadership. This study delves into IOB's current customer service practices, aiming to assess their alignment with evolving customer expectations and industry best practices. By analyzing customer feedback, service delivery channels, employee capabilities, and performance metrics, the research seeks to identify strengths, weaknesses, opportunities, and threats (SWOT) in IOB's customer service ecosystem. Through a comprehensive evaluation and benchmarking process, this study will propose actionable recommendations to enhance customer satisfaction, loyalty, and overall service quality. Ultimately, the goal is to position IOB as a customer-centric organization capable of delivering exceptional experiences and driving long-term business success.

1.2 SCOPE OF THE STUDY

The scope of this study encompasses several key areas of customer service at Indian Overseas Bank:

- **Customer Feedback Analysis:** Examination of customer feedback through various channels, including surveys, social media, and customer complaint records, to gauge customer satisfaction levels and identify pain points.
- **Service Delivery Channels:** Evaluation of the effectiveness of different service delivery channels, such as branches, ATMs, internet banking, mobile banking, call centers, and social media, in meeting customer needs and preferences.
- **Employee Training and Development:** Assessment of the training and development programs for customer service employees to determine their impact on service quality and employee engagement.
- **Performance Measurement:** Analysis of key performance indicators (KPIs) related to customer service, such as customer satisfaction scores, resolution rates, and average handling time, to measure performance and identify areas for improvement.
- **Benchmarking:** Comparison of IOB's customer service performance with other leading banks in India to identify best practices and areas for improvement.

1.3 OBJECTIVE OF THE STUDY

This study aims to conduct a comprehensive evaluation of Indian Overseas Bank's customer service strategy. By analyzing various dimensions of customer service, including service delivery channels, employee training, customer feedback, and performance metrics, this research seeks to:

- Assess the current state of customer service at IOB.
- Identify strengths, weaknesses, opportunities, and threats (SWOT) related to customer service.
- Benchmark IOB's customer service performance against industry best practices.
- Develop actionable recommendations to enhance customer satisfaction and loyalty.

- Contribute to IOB's overall strategic objectives by aligning customer service with the bank's vision and mission.

1.4 METHODOLOGY

This study employed a quantitative research design to gather primary data through an online survey administered using Google Forms. The survey was the sole instrument for data collection. No secondary data was utilized in this research. While specific dates for the study period are not available, it is essential to note that the data collection timeframe coincides with the survey's active period.

- Research Design: Quantitative
- Data Source: Primary
- Data Collection Method: Online survey via Google Forms.

1.5 LITERATURE REVIEW

1. **Mishra (2005)** outlined the benefits of online banking as well as security issues. He asserts that the main forces behind internet banking are better consumer access, the provision of more services, higher levels of customer loyalty, and the attraction of new clients. However, member institutions ranked security as the top online banking concern in a poll done by the online banking group.
2. **Paramasivan's 2009** study found that while customers express a certain level of satisfaction with banking services, there's room for improvement. To enhance customer satisfaction without breaking the bank, bankers should leverage information technology to offer better services.
3. **Nyangosiet al. (2009)** collected customer's opinions regarding the importance of e-Banking and the adoption levels of different e-Banking technologies in India and Kenya. The study highlighted the trends of e-banking indicators in both countries. The overall result indicates that customers in both countries have developed a positive attitude and they give much importance to the emergence of e-banking.

4. **Khosla and Munjal (2013)** found that banks, particularly those in rural areas, have implemented positive steps to improve efficiency. To gain a competitive edge, banks should focus on offering innovative services to attract customers. The authors suggest targeting young and educated individuals as potential long-term e-banking customers through effective promotional efforts.
5. **Ramila and Gurusamy (2015)** examined how green banking practices can reduce a bank's carbon footprint. As carbon emissions rise, the banking industry has adopted green banking to minimize its environmental impact. A core goal of green banking is to encourage paperless transactions.
6. **Sharma (2014)** investigated consumer awareness of green banking in Mumbai. The study found that even frequent online banking users were largely unfamiliar with the term "green banking." Those aware of it primarily associated it with online payments and investments, with limited knowledge of other green banking products like green CDs or solar ATMs. The research also compared male and female awareness of green banking services such as e-statements, net banking, and green loans. Using a Chi-Square test, the study concluded that there was no significant gender difference in green banking awareness.
7. **Nithya Kala, Vidyakala, and Jamuna (2020)** explored the impact of green banking on environmental performance. While banking traditionally focused on profit, the introduction of ATMs marked the beginning of environmental considerations in the sector. Green banking aims to balance economic, environmental, and social goals. The study found that Coimbatore City has been a leader in adopting green banking practices and has achieved financial success while implementing environmentally friendly initiatives.
8. **Balasubramaniam (2014)** argues that a bank's non-performing assets (NPAs) are a key indicator of its overall health. He highlights that NPAs in the Indian banking sector have become a significant challenge for the country's economy.

9. **Gupta (2013)** identified non-performing assets (NPAs) as a significant factor impacting bank performance. High levels of NPAs indicate a substantial number of loan defaults, which negatively affects bank profitability.
10. **Chakraborty (2012)** identified six factors influencing perceptions of private and public sector banks. Five of these factors—proclivities, endorsement, inept, intrusion, and deliberately—showed significant differences between the two types of banks
11. **Srivastava and Bansal (2013)** concluded that effective credit assessment and risk management are crucial for addressing the issue of non-performing assets (NPAs). They emphasized the need for robust prudential norms within the banking system to significantly reduce, if not eliminate, the problem of NPAs.
12. **Jain (2007)** found that banks and financial institutions should implement proactive, well-structured strategies to manage non-performing assets (NPAs). The primary focus of these strategies should be preventing loans from becoming non-performing in the first place.
13. **Reddy (2002)** found that protecting weak financial institutions while loosening regulations has hindered the implementation of necessary reforms. Resolving the NPA issue requires a comprehensive approach involving the judiciary, government, and bureaucracy.

CHAPTER –II

COMPANY PROFILE



2.1 COMPANY PROFILE

Indian Overseas Bank (IOB) was founded on 10th February 1937 by Shri. M.Ct.M. Chidambaram Chettyar, a pioneer in many fields. The Bank was founded by him with the main objective of specializing in foreign exchange business in banking to take the Bank across the globe. IOB started business simultaneously - at Karaikudi, Chennai and Rangoon in Burma (presently Myanmar) followed by a branch in Penang, Malaysia. At the dawn of Independence IOB had 38 branches in India and 7 branches abroad - and Deposits stood at Rs.6.64 Crores and Advances at Rs.3.23 Crores at that time. IOB was one of the 14 major banks that were nationalized in 1969. On the eve of Nationalization in 1969, IOB had 195 branches in India with aggregate deposits of Rs.67.70 Cr. and Advances of Rs.44.90 Cr. Bank Presently has its Overseas Presence in 4 Countries Singapore, Hongkong, Thailand and Srilanka.

Indian Overseas Bank (IOB) is a public sector bank headquartered in Chennai, India. Established in 1937, it has a vast network of branches across the country. IOB offers a wide range of banking products and services to individuals and businesses.

2.2 Mission –Indian Overseas Bank

IOB's mission is to deliver the best of competitive products with regard to quality, range, utility, and cost-effectiveness. Indian Overseas Bank (IOB) is dedicated to

providing its customers with exceptional banking solutions. The bank's mission is to offer a comprehensive range of products that not only meet the highest quality standards but also effectively address customer needs and preferences. By prioritizing product excellence, diversity, utility, and affordability, IOB strives to create value for its customers while maintaining a competitive position in the market. This customer-centric approach is fundamental to the bank's operations and guides its efforts to deliver innovative and accessible financial services.

This means that the bank strives to:

- Offer a wide range of high-quality banking products and services
- Ensure these products are useful and meet the needs of customers
- Provide competitive pricing for its products and services

In essence, IOB aims to be a customer-centric bank that provides value to its customers.

2.3 Market Mix of Indian Overseas Bank

Indian Overseas Bank (IOB) employs a strategic market mix to position itself effectively. The bank offers a robust product portfolio encompassing core banking services like savings and current accounts, loans, and cards, complemented by value-added services such as digital banking and wealth management. IOB adopts a competitive pricing strategy, coupled with a widespread distribution network of branches and digital platforms. To enhance brand visibility and customer engagement, the bank utilizes a mix of advertising, public relations, and digital marketing. By carefully considering customer segmentation, competitive analysis, and the ongoing digital transformation, IOB aims to deliver exceptional banking experiences and strengthen its market position.

2.4 Product Strategy of Indian Overseas Bank Product

Indian Overseas Bank (IOB) primarily focuses on providing a comprehensive range of banking services as its core product offering. However, it also offers additional products like credit cards and debit cards. The bank has strategically segmented its products into the following categories:

Core Banking Products

- **Savings and Current Accounts:** IOB offers various types of savings and current accounts tailored to different customer segments, such as salaried individuals, students, and senior citizens.
- **Retail Products:** This category includes a range of loans such as home loans, vehicle loans, and education loans.
- **Term Deposits:** IOB provides various fixed deposit schemes with varying interest rates and tenure options.

Value-Added Products

- **IOB Card Products:** The bank offers a variety of credit and debit cards with different features and benefits.
- **Third-Party Insurance:** IOB collaborates with insurance providers to offer life, health, and liability insurance products.
- **Digital Banking:** IOB has invested in digital platforms, offering internet banking, mobile banking, and other digital payment solutions.

Product Differentiation

- **Customer Segmentation:** IOB focuses on tailoring its products to specific customer segments, such as salaried individuals, students, and senior citizens.
- **Digital Innovation:** The bank emphasizes digital products and services to cater to the evolving customer preferences.
- **Competitive Pricing:** IOB strives to offer competitive interest rates and fees on its products.

The above mentioned are a few of the bank's major product and service offerings, among many other services that help them serve their customer better.

2.5 Price Strategy of Indian Overseas Bank product

Indian Overseas Bank (IOB) primarily employs a competitive pricing strategy, aligning its product and service costs with those offered by other banks in the market. This approach involves setting interest rates for savings accounts, fixed deposits, and loans that are comparable to competitors while adjusting them based on Reserve

Bank of India guidelines. Additionally, IOB offers various discounts, incentives, and bundled products to attract customers and maintain a competitive edge. However, the bank also considers factors like operational costs, desired profit margins, and customer segmentation to balance affordability with profitability.

2.6 Place Strategy of Indian Overseas Bank products

Indian Overseas Bank (IOB) employs a robust distribution strategy to reach a wide customer base across India. Its place strategy involves a combination of physical and digital channels.

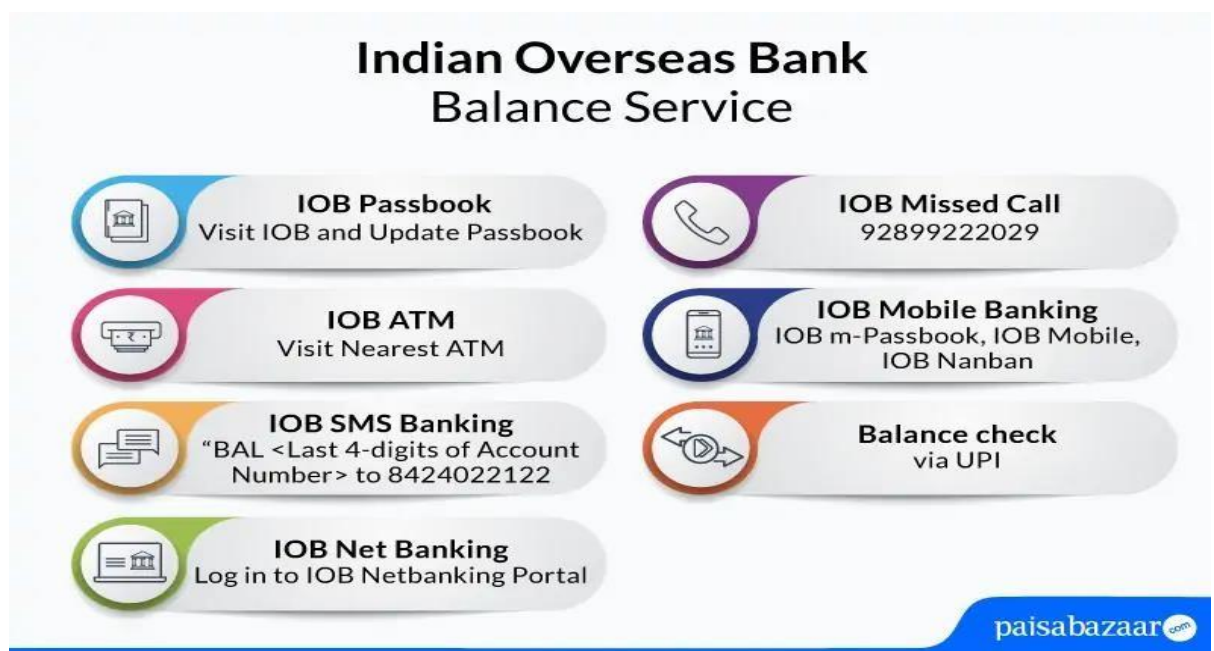


Physical Distribution

- **Extensive Branch Network:** IOB has a vast network of branches spread across rural, semi-urban, urban, and metropolitan areas. This extensive presence ensures accessibility for customers in various regions.
- **ATM Network:** The bank maintains a substantial ATM network to facilitate convenient cash withdrawals and deposits.
- **Agent Banking:** To expand reach, especially in rural areas, IOB has adopted agent banking, utilizing local business correspondents for basic banking services.

Digital Distribution

- **Internet Banking:** IOB offers comprehensive internet banking services, allowing customers to perform various transactions online.
- **Mobile Banking:** The bank provides mobile banking applications for convenient banking on the go.
- **Other Digital Channels:** IOB leverages digital channels like SMS banking, IVR, and online portals for customer interactions.



Key Aspects of IOB's Place Strategy

- **Focus on Rural Areas:** The bank prioritizes expanding its presence in rural areas to promote financial inclusion.
- **Digital Transformation:** IOB is investing in digital channels to enhance customer convenience and reach a wider audience.
- **Strategic Location:** The bank strategically places its branches and ATMs to cater to customer needs and preferences.

By combining a strong physical presence with advanced digital channels, IOB aims to provide seamless banking experiences to its customers across diverse locations.

2.7 PRODUCT & SERVICES OFFERED BY INDIAN OVERSEAS BANK PRODUCTS:

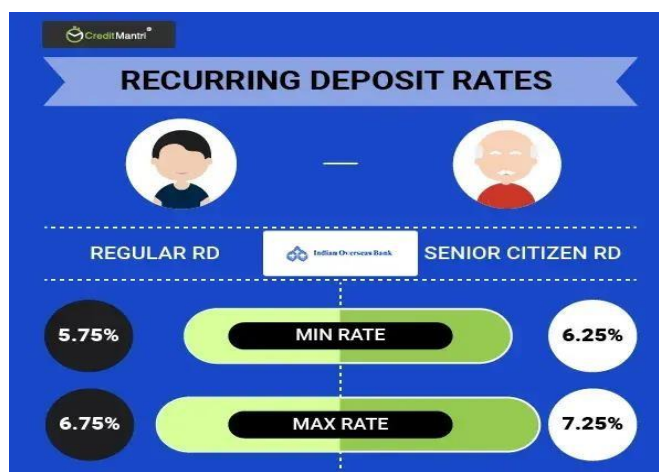
Personal Banking

1. Deposits offered by Indian Overseas Bank products:

a) Fixed Deposits

Indian Overseas Bank offers FD interest rates of 4.00-7.30% p.a. to the general public and 4.50-7.80% p.a. to senior citizens on tenures ranging from 7 days to 3 years and above. The interest rate on Indian Overseas Bank Tax Saving FDs is 6.50% p.a. for the general public and 7.00% p.a. for senior citizen depositors for tenures of 5 to 10 years. The bank also offers various fixed deposit products for NRIs, such as NRO, NRE, RFC and FCNR fixed deposits. Indian Overseas Bank accepts FCNR fixed deposits in US Dollars (USD), British Pound Sterling (GBP), Euro (EUR), Japanese Yen (JPY), Canadian Dollar (CAD), Australian Dollar (AUD), Swiss Franc (CHF), New Zealand Dollar (NZD) and Singapore Dollar (SGD). The bank accepts RFC fixed deposits in USD, GBP, EUR, JPY, CAD and AUD.

- As Recurring Deposits



b) Current Deposits

Current Deposits product is ideal for firm , companies , institutions ,HUF, individuals etc, who need banking facility more frequently and provides flexibility through overdraft facility . This is one of the most basic and flexible deposits options, allowing transactions without limit the .Indian overseas Bank products current deposits are the back bone of all trading activities . following current account options are available .

- IOB CD-public
- IOB CD Classic
- IOB CD Super
- IOB CD Supreme
- IOB CD Platinum

c) Saving Deposits

Depending on the nature of the account and the governing terms and conditions, Indian Overseas Bank product offers following Saving Accounts :

- Regular Saving Bank account
- IOB Saving Bank Silver I
- IOB Corp Salary Account
- IOB Saving Bank Arogiyamahila
- IOB SB Little Star

2. Loans Services Provided by Indian Overseas Bank Products



3. Indian Overseas Bank Products offered by Indian Overseas Bank

Products :

Product & Services

- ☐ Credit Cards
- ☐ Debit Cards
- ☐ Insurance and Mutual Fund
- ☐ Locker Faultily
- ☐ Merchant Banking
- ☐ Mobile Banking
- ☐ Internet Banking



CHAPTER – III

COMPETITORS ANALYSIS

1.1Product Features Matrix

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Savings Account				
Interest Rate	3.50% - 4.00%	2.70% - 2.75%	3.00% - 3.50%	3.00% - 3.50%
Minimum Balance Requirement	INR 500 - INR 1,000	INR 500 - INR 1,000	INR 500 - INR 10,000	INR 2,500 - INR 10,000
Debit Card	Visa, MasterCard, RuPay	Visa, MasterCard, RuPay	Visa, MasterCard, RuPay	Visa, MasterCard, RuPay
Internet Banking	Yes	Yes	Yes	Yes
Mobile Banking	Yes	Yes	Yes	Yes

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Fixed Deposits				
Interest Rate	5.00% - 6.50%	5.00% - 6.75%	4.90% - 6.60%	5.00% - 7.00%
Tenure	7 days to 10 years	7 days to 10 years	7 days to 10 years	7 days to 10 years
Premature Withdrawal	Allowed with penalty	Allowed with penalty	Allowed with penalty	Allowed with penalty

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Home Loans				
Interest Rate	8.50% - 9.00%	8.40% - 9.05%	8.50% - 9.00%	8.50% - 9.00%
Processing Fee	0.50% - 1.00% of loan amount	0.35% - 1.00% of loan amount	0.25% - 1.00% of loan amount	0.50% - 1.00% of loan amount
Maximum Tenure	Up to 30 years	Up to 30 years	Up to 30 years	Up to 30 years

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Personal Loans				
Interest Rate	10.00% - 14.00%	9.60% - 15.65%	10.50% - 19.00%	10.75% - 20.00%
Processing Fee	1% - 2% of loan amount	1% - 2% of loan amount	1% - 2.25% of loan amount	1% - 2.50% of loan amount
Maximum Tenure	Up to 5 years	Up to 5 years	Up to 5 years	Up to 5 years

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Credit Cards				
Annual Fee	INR 250 - INR 1,500	INR 500 - INR 5,000	INR 500 - INR 10,000	INR 500 - INR 10,000
Reward Programs	Yes	Yes	Yes	Yes
Types	Basic, Gold, Platinum	Basic, Gold, Platinum	Basic, Gold, Platinum	Basic, Gold, Platinum

Product / Feature	Indian Overseas Bank (IOB)	State Bank of India (SBI)	ICICI Bank	HDFC Bank
Insurance Products				
Life Insurance	Yes	Yes	Yes	Yes
Health Insurance	Yes	Yes	Yes	Yes
General Insurance	Yes	Yes	Yes	Yes

Saving Account

Indian Overseas Bank (IOB) distinguishes itself from its competitors, SBI, ICICI, and HDFC, by offering a competitive interest rate structure coupled with a lower minimum balance requirement. This combination makes IOB a potentially more attractive option for customers seeking to maximize returns on their savings while maintaining lower account balances. While all banks under consideration provide comparable facilities in terms of debit cards, internet banking, and mobile banking, IOB's edge lies in its interest rate and minimum balance terms.

Fixed Deposits

While IOB offers competitive interest rates on fixed deposits, they are marginally lower than those provided by HDFC Bank. Both IOB and its competitors offer a similar range of fixed deposit tenures and the common feature of allowing premature withdrawals, albeit with associated penalties. This suggests that while interest rates might be a key differentiator between IOB and HDFC Bank in the fixed deposit segment, other factors such as customer service, additional benefits, and branch network might also influence customer choices.

Home Loans

IOB's home loan offerings are largely aligned with those of its competitors, SBI, ICICI, and HDFC. The interest rates charged by these banks are comparable, and there is little differentiation in terms of processing fees and maximum loan tenures. Consequently, customers seeking a home loan might primarily base their decisions on factors such as customer service, additional loan features, repayment flexibility, and the strength of the bank's branch network.

Personal Loans

IOB demonstrates a competitive edge in the personal loan market by offering both competitive interest rates and processing fees compared to its counterparts, SBI, ICICI, and HDFC. While the maximum loan tenure is consistent across all these banks, IOB's combination of lower interest rates and fees presents a potentially more attractive proposition for borrowers. This could be a significant factor influencing customer decisions when selecting a personal loan provider.

Credit Cards

The comprehensive insurance product offerings of Indian Overseas Bank (IOB), State Bank of India (SBI), ICICI Bank, and HDFC Bank position these institutions as full-service financial providers. By offering life, health, and general insurance, these banks effectively meet the diverse insurance needs of their customers. This holistic approach to financial services can enhance customer loyalty and satisfaction by providing a one-stop shop for banking and insurance requirements. To gain a deeper understanding of the competitive landscape, a comparative analysis of product features, premiums, and customer benefits offered by these banks would be necessary.

1. State Bank of India (SBI)

SBI has invested heavily in digital banking platforms like YONO, which integrates banking services with lifestyle offerings.

- **Strengths:** Largest bank in India by assets and branch network, offering comprehensive financial services. Strong brand presence and government backing.
- **Weaknesses:** Bureaucratic processes leading to slower decision-making. Customer service concerns due to size and scale.

2. ICICI Bank

ICICI has a strong emphasis on digital innovation, with services like video banking, automated loan approvals, and extensive mobile app functionalities.

- **Strengths:** Private sector bank known for innovation and customer-centric approach. Strong digital banking platforms.

- Weaknesses: Higher operational costs compared to public sector banks. Vulnerable to economic fluctuations due to exposure to riskier assets.

3. HDFC Bank

Known for its robust digital infrastructure, HDFC offers a seamless online banking experience and mobile banking features.

- Strengths: Largest private sector bank by assets in India. Excellent customer service and strong financial performance.
- Weaknesses: Recent regulatory issues impacting growth. Relatively higher interest rates on loans affecting competitiveness

Technological Advancements:

- Fintech Collaborations: Many banks are partnering with fintech companies to offer innovative solutions, something IOB can explore further.
 - Blockchain and AI: Adoption of emerging technologies for secure transactions and efficient operations is common among leading banks.

Regulatory Compliance and Security:

- Competitors focus on maintaining high-security standards and complying with regulations, enhancing trust in their digital platforms.

User Experience:

- A seamless and user-friendly interface is crucial. Competitors invest in UX/UI design to ensure their digital platforms are accessible and easy to navigate.

Market Positioning:

- Competitors like HDFC and ICICI are often viewed as leaders in digital banking, which can affect IOB's market positioning. A strong digital strategy is essential for IOB to enhance its competitive edge.

Customer Feedback and Adaptability:

- Regular updates and adaptability based on customer feedback are crucial. Competitors often conduct surveys and focus groups to understand user needs.

Key Challenges and Opportunities for Indian Overseas Bank

Challenges:

- **Asset Quality Concerns:** Like many public sector banks, IOB faces challenges related to NPAs and loan recovery.
- **Technological Upgradation:** Need for investment in digital infrastructure to enhance customer experience and operational efficiency.
- **Competitive Pressure:** Intense competition from both public and private sector banks requires IOB to innovate constantly.

Opportunities:

- **Expansion:** Leveraging its international presence to tap into global banking opportunities.
- **Financial Inclusion:** Enhancing outreach in rural and semi-urban areas through government schemes like PMJDY (Pradhan Mantri Jan Dhan Yojana).
- **Digitization:** Embracing digital banking to attract tech-savvy customers and streamline operations.

Conclusion:

In conclusion, Indian Overseas Bank, while facing challenges typical of public sector banks in India, has significant opportunities to grow through strategic expansion, technological upgrades, and improved customer service initiatives. To remain competitive in the digitalization sector, Indian Overseas Bank should focus on enhancing its digital offerings, improving user experience, leveraging advanced technologies, and fostering partnerships in the fintech space. Emphasizing security and compliance will also be key to building customer trust and loyalty.

Chapter - IV

Customer Analysis

4.1 Introduction:

Indian Overseas Bank (IOB) is a prominent public sector bank in India, founded in 1937 by Thiru. M. Ct. M. Chidambaram Chettyar. Headquartered in Chennai, Tamil Nadu, IOB has established itself as a key player in the Indian banking sector with a wide network of branches both domestically and internationally. The bank's mission is to provide comprehensive financial services to its diverse customer base, catering to the financial needs of individuals, businesses, and institutions across various sectors.

IOB's services encompass a range of banking products including deposits, loans, investment options, and digital banking solutions. The bank is known for its commitment to customer satisfaction, operational transparency, and adherence to regulatory standards. With a legacy of over eight decades, IOB continues to evolve and adapt to the dynamic economic landscape, striving to maintain its position as a trusted financial partner for millions of customers.

4.2 Customer Analysis:

Customer analysis in the digitalization sector of Indian Overseas Bank (IOB) involves understanding customer behaviours, preferences, and needs regarding digital banking services. This includes evaluating how customers interact with digital platforms like mobile banking apps, internet banking, and other online services.

IOB serves a diverse customer base spanning individuals, small and medium enterprises (SMEs), large corporations, government entities, and institutions across various sectors. The bank's customer analysis focuses on understanding the unique needs, preferences, and behaviours of these segments to tailor its products and services effectively. Here's a breakdown of IOB's customer segments:

1. Individual Customers:

A. Demographic Analysis

- **Age Groups:** Identifying the age distribution of customers using digital banking to tailor services. For instance, younger customers may prefer mobile apps, while older generations might use internet banking more.
- **Income Levels:** Understanding how different income groups utilize digital services, helping in creating personalized product offerings.
- **Geographic Segmentation:** Analysing urban versus rural usage to adapt services according to regional needs and internet access levels.

B. Behavioural Analysis

- **Transaction Trends:** Studying data on transaction types (like fund transfers, bill payments, and loan applications) to identify popular services and seasonal trends.
- **Frequency of Use:** Monitoring how often customers log in to their digital accounts and engage with various services, which can indicate satisfaction and reliance on digital banking.
- **Time Spent on Platforms:** Analyzing the time customers spend on the mobile app or website to assess engagement levels and identify areas needing improvement.

C. Customer Segmentation

- **Tech-Savvy vs. Traditional Users:** Categorizing customers based on their comfort and familiarity with technology. This helps in targeting marketing efforts and educational initiatives.
- **Product Usage Segmentation:** Dividing customers based on their usage of specific products, such as savings accounts, loans, or investment services, to tailor communication and offers.

D. Feedback Mechanisms

- **Surveys and Feedback Forms:** Regularly collecting customer feedback through surveys on their digital banking experience to identify pain points and areas for enhancement.

- **Social Media and Online Reviews:** Monitoring customer sentiment and feedback on social media platforms and review sites to gauge public perception and areas for improvement.

E. Customer Journey Mapping

- **Touchpoints Identification:** Analysing all customer interactions with the bank, from awareness to onboarding and ongoing usage, to improve overall experience.
- **Pain Points Identification:** Identifying friction points in the customer journey, such as complex navigation or slow transaction processing times, to streamline processes and enhance satisfaction.

F. Competitor Analysis

- **Benchmarking Against Competitors:** Comparing IOB's digital services against those of competitors to identify strengths, weaknesses, and best practices that could be adopted.
- **Market Positioning:** Understanding how IOB's digital offerings position it in the market, which can inform strategic decisions regarding product development and marketing.

G. Emerging Trends and Technologies

- **Adoption of Fintech Solutions:** Analysing the growing interest in fintech applications among customers and potential partnerships that could enhance IOB's digital offerings.
- **Data Analytics and AI:** Leveraging advanced analytics and artificial intelligence to predict customer behaviour and personalize offerings.

H. Regulatory and Compliance Factors

- **Understanding Regulations:** Keeping abreast of regulatory changes affecting digital banking to ensure compliance while meeting customer needs.

2. Small and Medium Enterprises (SMEs):

- **Business Banking:** Provides customized financial solutions including working capital loans, trade finance, cash management services, and credit facilities.

- Support Services: Helps SMEs with financial advisory, investment opportunities, and technological solutions to enhance operational efficiency.

3. Corporate and Institutional Clients:

- Corporate Banking: Offers a suite of services tailored to the specific needs of large corporations and institutional clients, including treasury services, project finance, and corporate advisory.
- Government and Public Sector: Provides banking services to government bodies, public sector undertakings (PSUs), and other institutional clients.

4. International Customers:

- NRI Services: Specialized products and services for Non-Resident Indians (NRIs) including NRI savings accounts, remittance services, and investment opportunities in India.

Key Aspects of Customer Analysis in IOB's Digitalization Sector:

- 1. Demographic Insights:** Analysing customer demographics to understand who uses digital services, including age, income levels, and geographic distribution.
- 2. Usage Patterns:** Monitoring transaction volumes, frequency of digital service usage, and popular services (like fund transfers, bill payments) to identify trends.
- 3. Customer Segmentation:** Identifying distinct groups of customers based on their digital banking behavior and needs to tailor services and marketing strategies.
- 4. Customer Feedback:** Gathering feedback through surveys and reviews to assess satisfaction levels, usability issues, and desired features in digital banking services.
- 5. Behavioural Segmentation:** Segmenting customers based on their digital banking habits (e.g., tech-savvy users vs. traditional users) to tailor services and marketing strategies.

6. **Competitive Analysis:** Evaluating competitors' digital offerings to identify gaps in IOB's services and potential areas for improvement.
7. **Customer Journey Mapping:** Analysing the customer journey to identify pain points and enhance the user experience in digital banking.

4.3 Conclusion:

By leveraging this analysis, IOB can enhance its digital offerings, improve customer satisfaction, and drive engagement in a competitive banking landscape. IOB's customer analysis involves continuous market research, feedback mechanisms, and data analytics to understand evolving customer preferences and market trends. By focusing on customer-centric strategies, IOB aims to enhance customer satisfaction, foster long-term relationships, and maintain its competitive edge in the banking industry. Customer analysis in IOB's digitalization sector is a comprehensive process that integrates various analytical approaches to enhance understanding of customer needs and behaviours. By effectively analysing this data, IOB can improve its digital services, enhance customer satisfaction, and build stronger relationships with its client base, ultimately driving growth and competitiveness in the banking sector.

Chapter- V

Actual Work Done , Analysis and Findings

Introduction

Indian Overseas Bank (IOB) has been actively implementing strategies to enhance its customer service delivery. This paper focuses on the specific actions undertaken by the bank to improve customer experience. By analyzing these initiatives, we aim to evaluate their effectiveness, identify best practices, and explore opportunities for further enhancement. This research will provide a comprehensive understanding of IOB's customer service journey and its impact on customer satisfaction and loyalty.

5.1 Actual Work Done

1st week

This week primarily focused on documentation and customer interaction. A significant portion of time was spent filling out numerous unfilled documents, ensuring data accuracy and completeness. Additionally, field visits were conducted to search for new account holders, expanding the customer base. Efforts were also directed towards loan recovery through outbound calls.

2nd week

This week's focus was primarily on backend operations and customer service. Specific tasks included document management, such as signature and KYC scanning. Routine office work was also undertaken. To enhance customer service, efforts were directed towards loan recovery through outbound calls. Additionally, I successfully initiated the process of online account opening for a new customer using the tablet.

3rd Week

This week focused on general office administration, including form completion and learning about new banking products. Customer service efforts included loan recovery and document verification. Key accomplishments were onboarding seven new customers (four in-branch, three online) and recovering two overdue loan

payments. Successfully resolving a customer's banking issue demonstrated strong customer service.

4th Week

This week focused on general office tasks, including document processing. Loan recovery calls were made, and new customer accounts were opened under various schemes. Key achievements include onboarding six new customers (three offline, three online) and creating fourteen Pradhan Mantri Jan Dhan Yojana accounts. Successfully resolving a customer's banking issue further highlights the week's accomplishments.

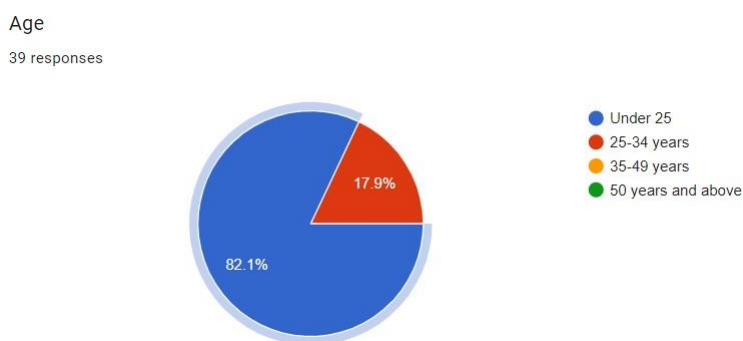
5th Week

This week focused on general office tasks, including document processing. Loan recovery calls were made, and new customer accounts were opened under the Atal Pension Yojana and Pradhan Mantri Jan Dhan Yojana schemes. Key achievements include opening three Atal Pension Yojana accounts and six accounts across BSBD, Savings, and Current account types. Successfully resolving a customer's banking issue further highlights the week's accomplishments.

5.2 Analysis

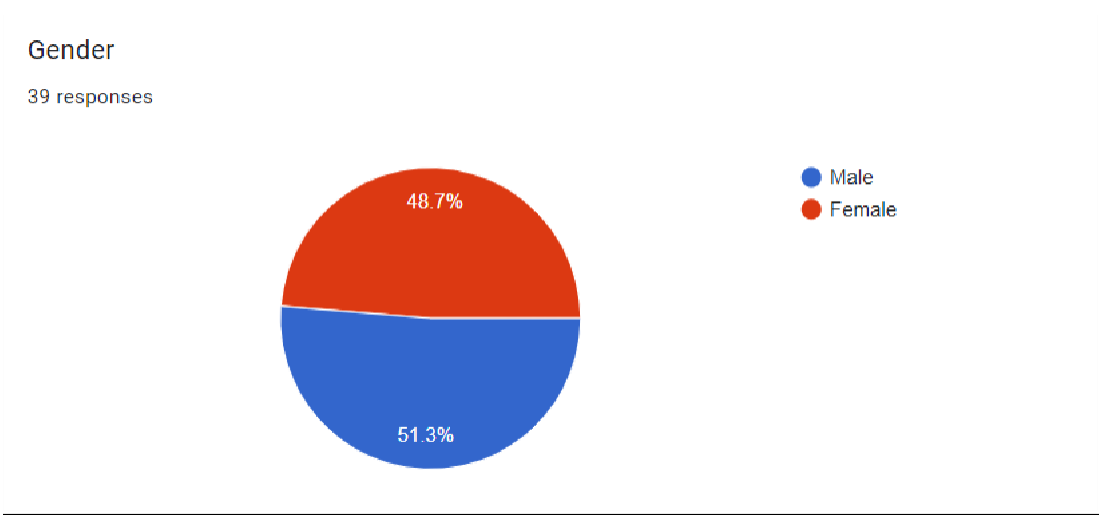
The data analysis section focuses on systematically examining the collected data to uncover meaningful patterns, relationship and trends pertinent to the research objectives.

Figure 5.1 : Age of the respondents



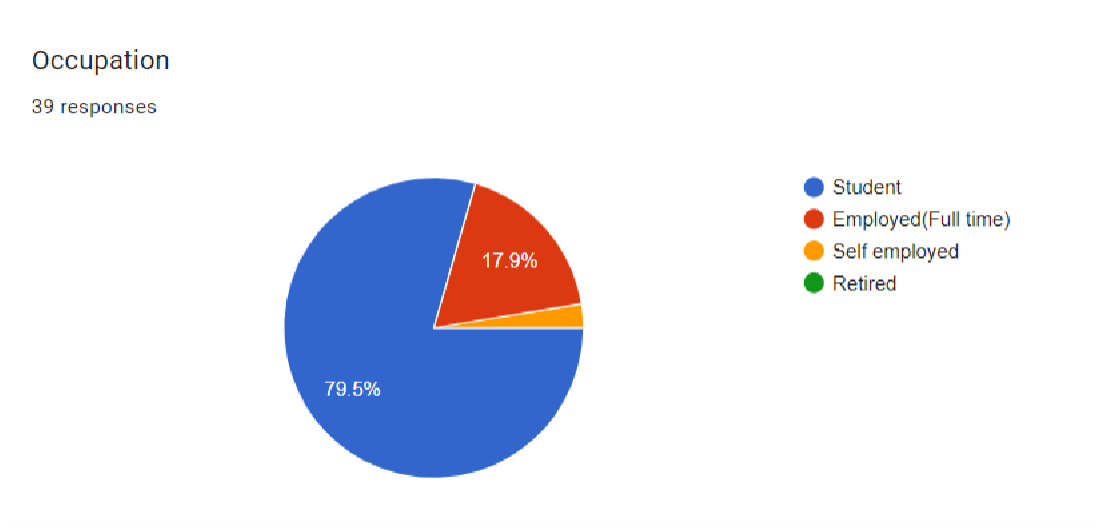
The age distribution for the Indian Overseas Bank illustrates the age demographics of a sample of 39 individuals. A substantial majority, constituting 82.1% of the group, are under the age of 25. The remaining 17.9% of respondents are divided across three older age brackets: 25-34 years, 35-49 years, and 50 years and above. This data suggests a predominantly young population within the surveyed group.

Figure 5.2 : Gender of Respondents



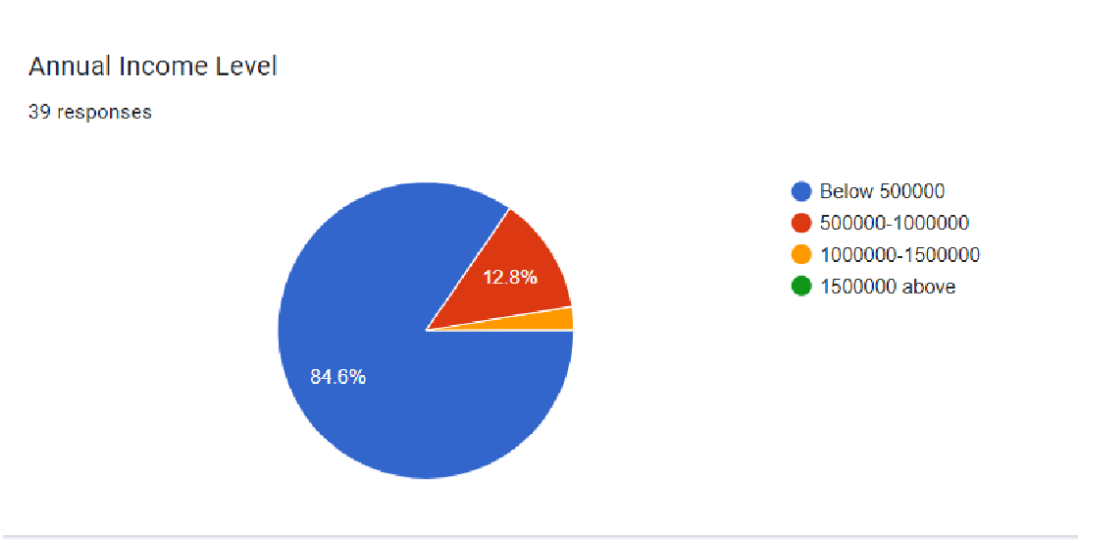
Indian Overseas Bank presents a relatively balanced gender distribution among its customers, with males accounting for 48.7% and females for 51.3% of the customer base. While this data suggests a fairly equal representation of both genders, it's crucial to note that the sample size of 39 responses is relatively small. To obtain a more accurate and comprehensive understanding of the bank's customer demographics, a larger dataset is essential. Expanding the sample size would allow for a more precise analysis of gender distribution and its implications for the bank's marketing strategies, product offerings, and overall customer experience.

Figure 5.3 : Employment Status of Respondent



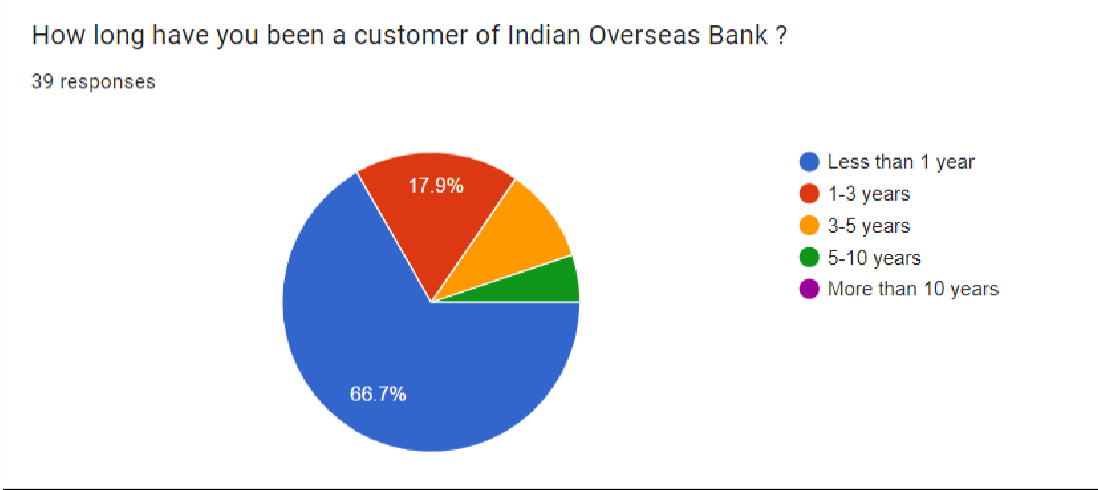
Indian Overseas Bank's customer base exhibits a strong youth orientation, with students constituting a substantial 79.5% of the surveyed respondents. This demographic insight underscores the bank's potential to capitalize on the student market through tailored financial products and services. While the remaining 17.9% of the sample comprises employed, self-employed, and retired individuals, the predominance of students presents a unique opportunity for the bank to cultivate long-term customer relationships. By offering student-centric banking solutions such as affordable savings accounts, accessible loans, and financial literacy programs, the bank can foster customer loyalty and attract a larger student clientele.

Figure 5.4 : Annual Income of Respondents



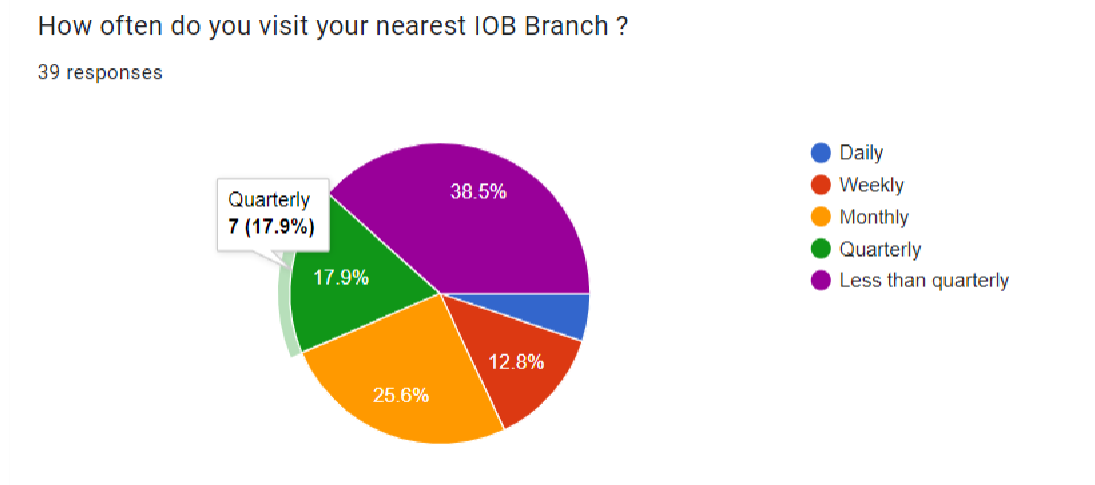
Indian Overseas Bank's customer base predominantly comprises a young demographic, with students constituting a significant 79.5% of the surveyed respondents. This data underscores a substantial student population among the bank's clientele. The remaining 17.9% of the sample includes employed, self-employed, and retired individuals. While the sample size of 39 respondents limits the scope of conclusions, this initial analysis provides valuable insights for tailoring the bank's offerings to the specific needs of its student customer base.

Figure 5.5 : Customer of IOB



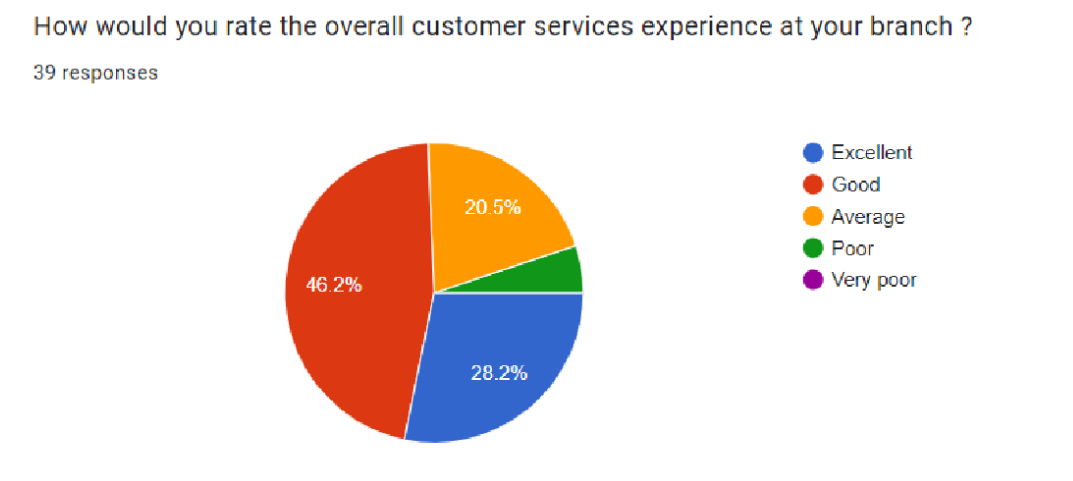
Indian Overseas Bank boasts a relatively young customer base in terms of banking relationships, with 66.7% of respondents having opened accounts within the past year. This indicates a recent surge in new customers, likely driven by effective marketing initiatives, competitive product offerings, or expanded market reach. The remaining 33.3% of customers have maintained relationships with the bank for between one and ten years, demonstrating a steady customer base. While this segment represents a loyal customer group, the relatively small proportion of long-term customers highlights potential areas for enhancing customer retention strategies.

Figure 5.6 : Respondents visit nearest IOB Branch



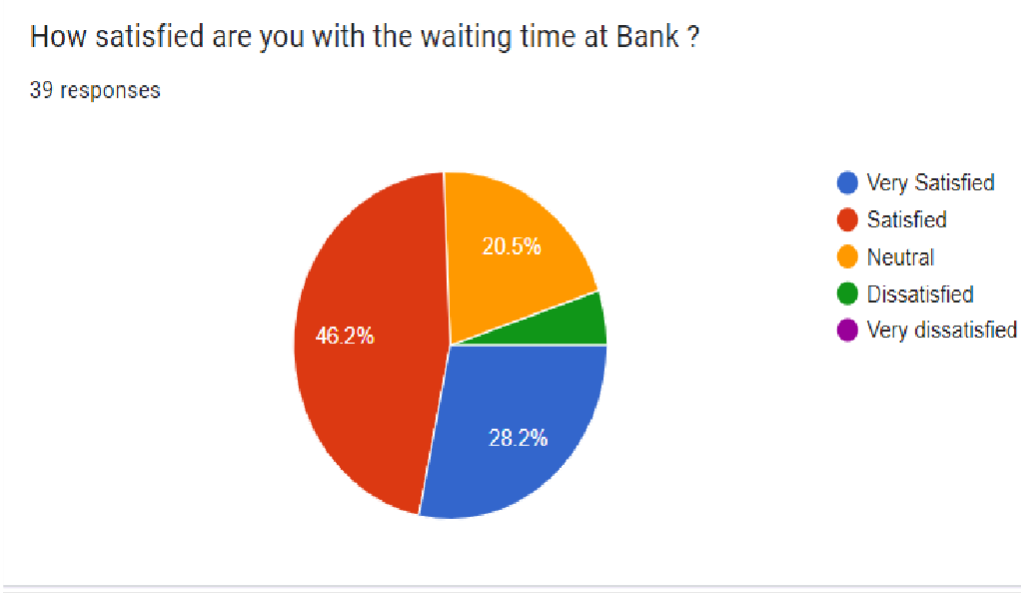
Indian Overseas Bank observes a varied pattern of branch visit frequencies among its customers. A significant 38.5% of customers visit the nearest branch less frequently than quarterly, indicating a growing reliance on digital banking channels. Approximately 25.6% visit monthly, suggesting regular interactions with physical branches. While 17.9% visit weekly, demonstrating a continued need for in-person banking services, a smaller percentage of 12.8% and 7 (17.9%) visit quarterly and daily respectively. This data underscores the importance of both physical and digital channels in meeting customer needs. By understanding these varying frequencies, the bank can optimize branch operations, allocate resources effectively, and enhance the overall customer experience across all touchpoints.

Figure 5.7 : Experience of Respondents



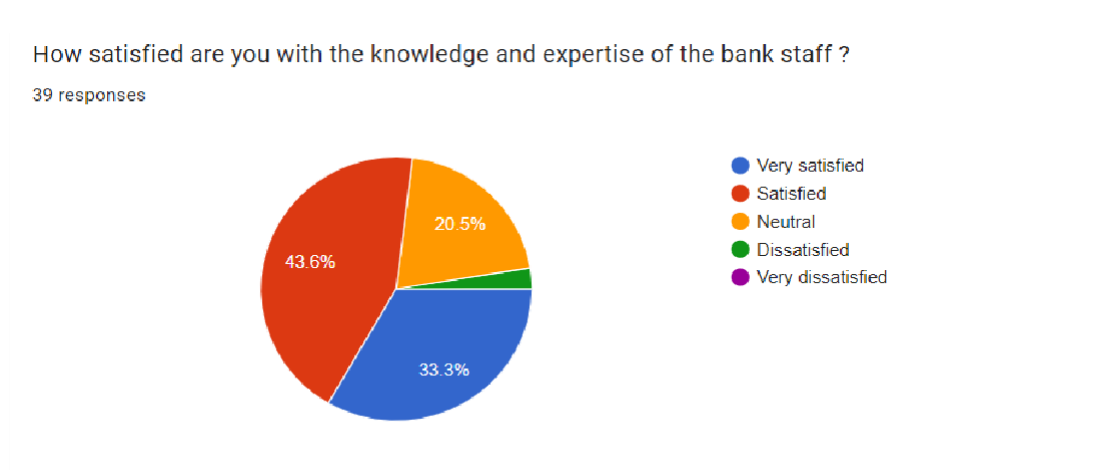
Indian Overseas Bank is facing a significant challenge in customer service, as indicated by the overwhelming negative feedback. A concerning 46.2% of respondents rated their overall experience as "poor," while an additional 28.2% deemed it "very poor." These alarming figures highlight a critical issue that demands immediate attention and a comprehensive overhaul of customer service processes and training.

Figure 5.8 : Satisfaction of Respondents



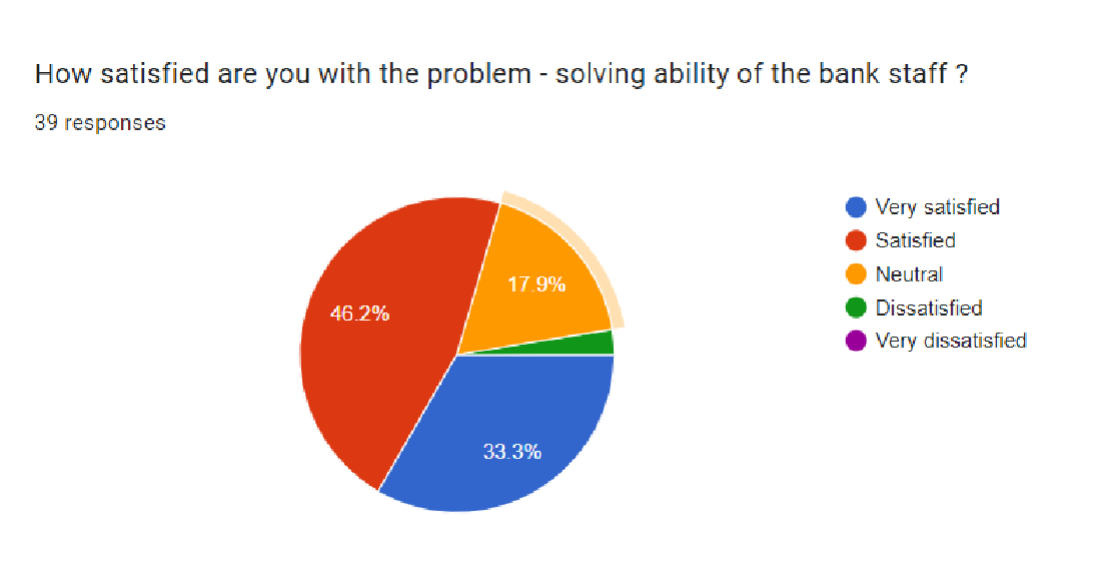
Based on the provided pie chart, Indian Overseas Bank observes a concerning customer satisfaction level regarding waiting times. A significant majority of respondents, at 66.4%, expressed dissatisfaction, rating their experience as either "dissatisfied" or "very dissatisfied." This indicates a critical issue within the bank's branch operations. While 20.5% of customers expressed satisfaction, the predominance of negative feedback highlights the urgent need for improvements in queue management and service efficiency to enhance customer experience.

Figure 5.9 : Satisfaction of Respondents



Based on the provided pie chart, Indian Overseas Bank observes a concerning level of customer satisfaction regarding the knowledge and expertise of its staff. While 33.3% of respondents expressed satisfaction, a significant majority, 56.4%, indicated dissatisfaction, rating their experience as either "dissatisfied," "very dissatisfied," or "neutral." This data highlights a critical area for improvement in staff training and development to enhance customer satisfaction and loyalty.

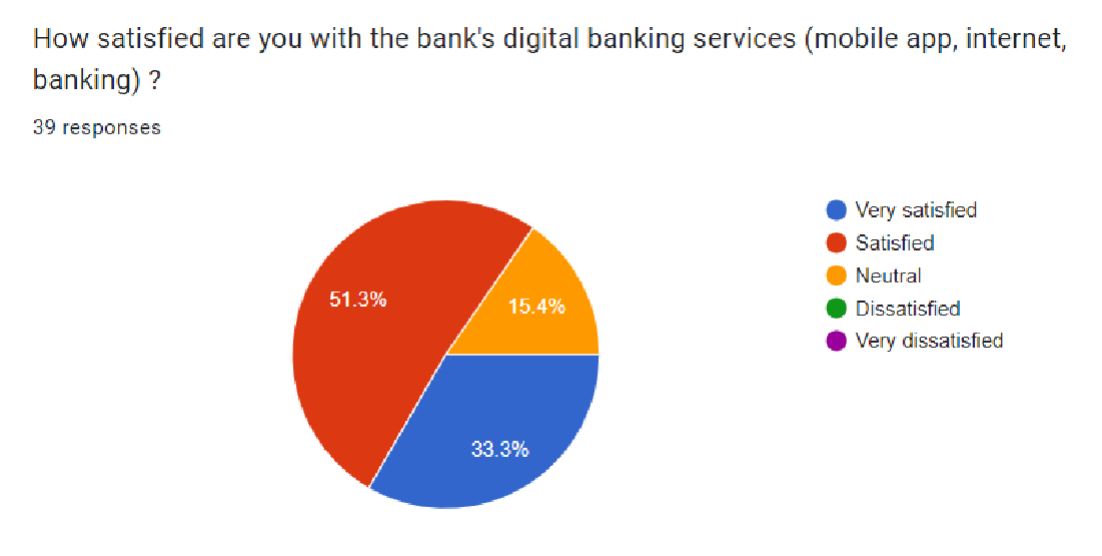
Figure 5.10 : Respondents Experience



Based on the provided pie chart, Indian Overseas Bank observes a concerning level of customer satisfaction regarding the problem-solving ability of its staff. While 33.3% of respondents expressed satisfaction, a significant majority, 64.1%, indicated dissatisfaction, rating their experience as either "dissatisfied," "very dissatisfied," or "neutral."

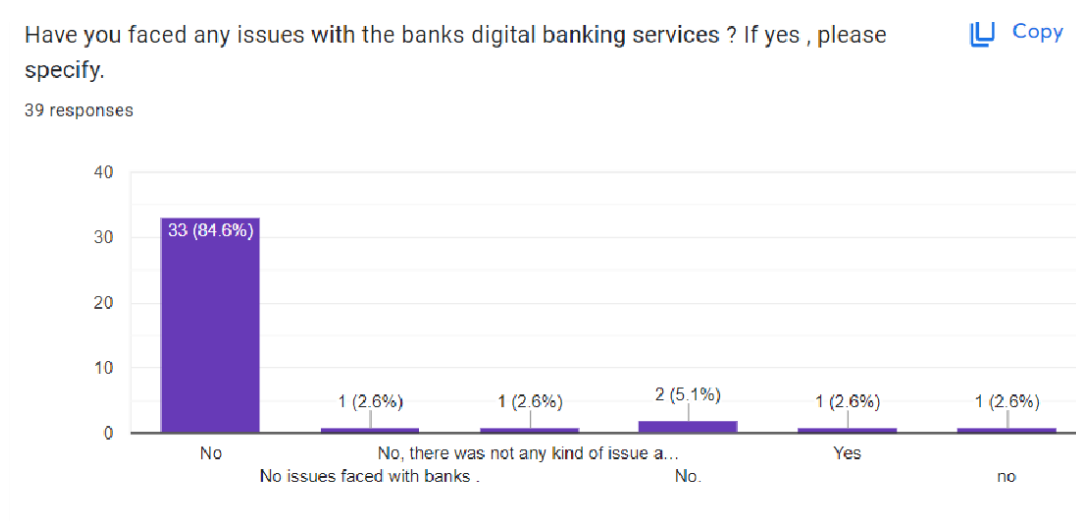
"neutral." This data highlights a critical area for improvement in staff training and development to enhance customer satisfaction and loyalty.

Figure 5.11 : Digital banking services experience of Respondents



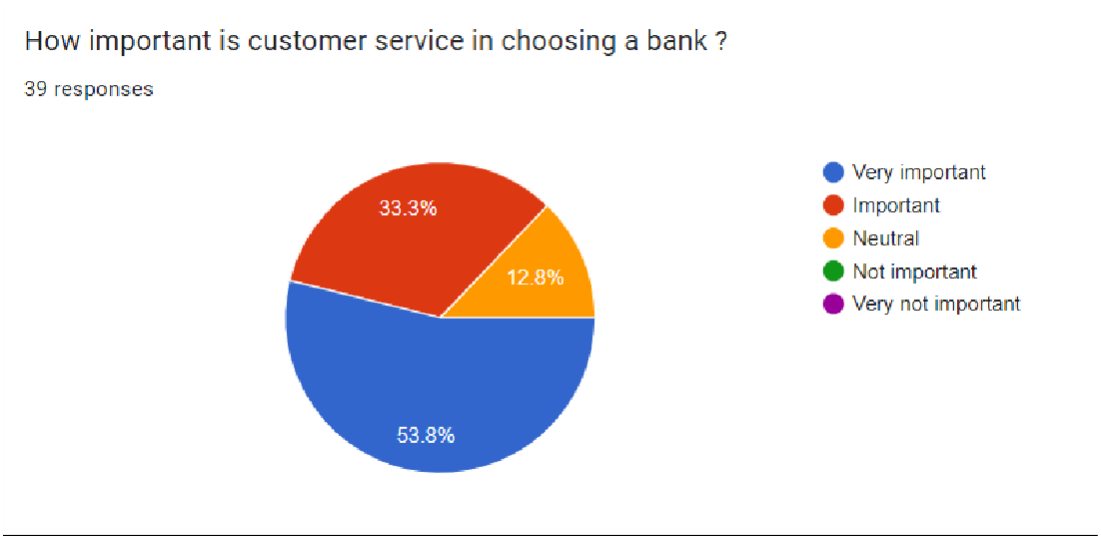
Indian Overseas Bank observes a mixed response to its digital banking services. While 51.3% of customers expressed satisfaction, indicating positive perception of the bank's digital offerings, a significant 33.3% expressed dissatisfaction, highlighting areas for improvement. Additionally, 15.4% of customers expressed neutrality, suggesting opportunities to enhance features and overall user experience to boost satisfaction levels.

Figure 5.12 : Reviews of Respondents



Indian Overseas Bank is pleased to note a high level of customer satisfaction with its digital banking services. A substantial 84.6% of respondents reported experiencing no issues with the bank's digital platforms, indicating a positive perception of the overall digital banking experience. This positive feedback is a testament to the bank's commitment to providing seamless and efficient digital services to its customers. However, the bank acknowledges that a small percentage of customers, 15.4%, encountered issues with the digital platforms. To further enhance customer satisfaction and loyalty, the bank is committed to identifying and addressing these pain points through detailed analysis and implementing necessary improvements.

Figure 5.13 : Respondents Decision for choosing the bank



Based on the provided pie chart, Indian Overseas Bank observes a high level of importance placed on customer service by its customers in choosing a bank. A significant majority of respondents, at 87.1%, rated customer service as either "very important" or "important." This indicates a strong correlation between customer satisfaction and the quality of customer service provided by the bank. While 12.8% of respondents rated customer service as "neutral," this suggests an opportunity to further enhance customer service offerings to improve overall satisfaction and loyalty.

- **Findings**

Indian Overseas Bank's customer base is predominantly young, with a significant student population, indicating potential for youth-focused products and services. The bank has a relatively balanced gender ratio but faces challenges in customer service, including long wait times, staff expertise, and problem-solving abilities. While digital banking services are generally well-received, there's room for improvement. Notably, customers prioritize excellent customer service when choosing a bank. By addressing these areas, the bank can enhance customer satisfaction and loyalty, fostering long-term relationships.

While the bank enjoys a balanced gender distribution, critical challenges exist in customer service, characterized by long wait times, knowledge gaps among staff, and ineffective problem resolution. The bank's digital banking services have been met with a mixed response, highlighting opportunities for improvement. Notably, customers prioritize exceptional customer service when selecting a bank. To enhance customer satisfaction and loyalty, IOB must invest in comprehensive staff training, optimize branch operations, and refine digital platforms. By addressing these areas, the bank can solidify its position in the market and foster long-term customer relationships.

CHAPTER- VI

Conclusion and Suggestions

Conclusions :

The analysis underscores the critical role of customer service in the success of Indian Overseas Bank. While the bank has a promising young customer base and a growing digital footprint, significant challenges persist in delivering exceptional customer experiences. Addressing these issues requires a multifaceted approach, including substantial investments in employee training, process optimization, and technological advancements.

By prioritizing customer satisfaction, IOB can differentiate itself from competitors, foster customer loyalty, and drive sustainable growth. A customer-centric culture, underpinned by empowered employees and efficient operations, is essential for achieving these goals. Moreover, continuous monitoring and evaluation of customer feedback will be crucial for identifying emerging trends and adapting service delivery accordingly.

In conclusion, a robust customer service strategy is imperative for Indian Overseas Bank to thrive in the competitive banking landscape. By focusing on enhancing customer experiences and building strong relationships, the bank can position itself as a preferred financial partner for its customers.

Suggestions :

To enhance customer satisfaction and loyalty, Indian Overseas Bank should prioritize investments in employee training, optimize branch operations, and leverage technology to improve service delivery. Focusing on the youth segment through tailored products and services is crucial. Additionally, the bank should consider strategic partnerships to expand its reach and offer added value to customers. By implementing these strategies and continuously monitoring customer feedback, Indian Overseas Bank can position itself as a preferred financial partner and drive sustainable growth.

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Annexures

Customer Service Strategy in Indian Overseas Bank

- **Age**
 - Under 25
 - 25-34 years
 - 35- 49 years
 - 50 years and above

- **Gender**
 - Male
 - Female

- **Occupation**
 - Student
 - Employed (Full time)
 - Retired

- **Annual Income Level**
 - Below 500000
 - 500000-1000000
 - 1000000-1500000
 - 1500000 above

- **How long have you been a customer of Indian Overseas Bank ?**

- Less than 1 years
- 1-3 years
- 3-5 years
- 5- 10 years
- More than 10 years

- **How often do you visit your nearest IOB Branch ?**

- Daily
- Weekly
- Monthly
- Quarterly
- Less than quarterly

- **How would you rate the overall customer services experience at your branch ?**

- Excellent
- Good
- Average
- Poor
- Very Poor
-

- **How Satisfied are you with the waiting time at Bank ?**

- Satisfied
- Satisfied
- Very Neutral
- Dissatisfied
- Very dissatisfied

- **How Satisfied are you with the knowledge and expertise of the bank staff ?**

- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

- **How Satisfied are you with the bank's digital banking services (mobile app , internet, banking) ?**

- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

- **Have you faced any issues with the banks digital banking services ? if yes , please specify.**

- **How important is customer services in choosing a bank**
?
- Very important
- Important
- Neutral
- Not important
- Very not important