COMPARATIVE ANALYSIS OF DEMOGRAPHIC PROFILES OF ICICI & SBI CUSTOMERS

[1]Dr. DEEPIKA SINGH TOMAR
[1]Asst. Prof. Amity University Madhya Pradesh

[2]Dr. ROHIT SINGH TOMAR
[2]Asst. Prof. Amity University Madhya Pradesh

ABSTRACT

Demographics play a crucial role in segmenting, targeting and positioning customer profile. It is a significant phenomenon of the behavior finance which helps banks in profiling their customers. In current study our main objective is to find out the impact of demographic characteristics like Age, Income, Occupation, and Education on the customers' choice between Public sector banks and Private sector banks. Major Banks like ICICI and SBI are chosen to collect the data for the study. On applying Chi-square on the cross table data it is found that except Income there is a significant difference between the age-wise, education-wise and occupation-wise distributions of the customers of the two types of banks (i.e. Private and Public sector Banks).

Keywords: Demographics, Public sector Banks, Private sector Banks

INTRODUCTION

Demography refers to the vital and measurable statistics of the population. Demography helps to locate a target group of customers, whereas psychological and socio-cultural characteristics help to describe how their members think and how they feel. Demographic information is the most accessible and cost effective way to identify a target market. Indeed, most secondary data, including census data, are expressed in demographic terms. Demographic variables are easier to measure than other segmentation variables; they are invariably included in psychographic and socio-cultural studies, because they add meaning to the findings. Demographic variables reveal ongoing trends, such as shifts in age, income, education and occupation distributions that signal business opportunities. Demographic variables are the most popular bases for distinguishing customer groups. Banking organizations can get access to demographic variables and this information is also easily verifiable and measurable. Customer needs and wants, preferences and usage rate are also closely related to Demographic variables. If information regarding psychographic or socio-cultural variables is available, they have to be linked back to the demographic variables in order to get a better interpretation of the findings. This can be in the form of knowing the size of the market and also on how to reach it efficiently. Demographic profiling is particularly useful in two closely related tasks- creating customer profiles (for product and service marketers) and creating audience profiles (for mass and special interest media to attract advertisers). Demographic variables provide meaningful insights for understanding the behaviour of the customers, segmenting the mass markets, providing directions as to which promotional appeal to use, and selecting advertising media that is most likely to reach the target market. Demographic profiling has been widely used in the development of advertising campaigns to answer these questions- Whom should we target?

What should we say? Where should we say it? To help advertisers answer the third question, many advertising media vehicles sponsor demographic research on which they carefully base detailed audience profiles.

OBJECTIVES OF THE STUDY
To compare and analyze the demographic profiles of the customers of the ICICI Bank (Private Sector) and SBI Bank (Public Sector).

RESEARCH METHODOLOGY
Sources of Data :-
All the data required for this purpose have been obtained mainly from the primary sources but at the times of requirement I have also referred to the secondary sources of data also.
(i)   Data Collection Method:- The data collection method used to obtain the desired information from primary sources has been the direct interview and the instrument used has been a questionnaire.
(ii) Sampling Plan:-
  (a) For ICICI Customer Survey
    Target population or Universe: Customers of ICICI Bank.
    Sampling Unit: An individual customer of ICICI Bank.
    Sampling Method: Judgement Sampling.
    Sample Size: 150
    Area of Survey: Agra region
  (b) For SBI Customer Survey
    Target population or Universe: Customers of State Bank of India.
    Sampling Unit: An individual customer of SBI.
    Sampling Method: Judgement Sampling
    Sample Size: 150
    Area of Survey: Agra region
(iii) Statistical Tools and Techniques:- For measuring various phenomena and analyzing the collected data effectively and efficiently so that sound conclusions may be drawn, I have used a no. of statistical tools and techniques ranging from simple differences, percentages, mean and standard deviation to sophisticated statistical techniques such as chi-square test From the view point of understanding service quality perception of customers towards retail banking services we find the following demographic variables very much important –
  (i)   Age,
  (ii) Income,
  (iii) Education, and
  (iv) Occupation
(a) Age-wise Distribution and Comparison of ICICI and SBI Customers:- The age-wise distribution of surveyed ICICI and SBI customers is shown in the ensuing Table-1. This table reveals that out of 150 ICICI customers surveyed, 42 belonged to "Below 30" age group, 46 belonged to "30-40" age group, 45 belonged to "40-50" age group, 12 belonged to "50-60" age group and remaining 05 belonged to "Above 60" age group. Again, out of 150 SBI customers surveyed, 39 belonged to "Below 30" age group, 41 belonged to "30-40" age group, 33 belonged to "40-50" age group, 25 belonged to "50-60" age group and the rest 12 belonged to "Above 60" age group.
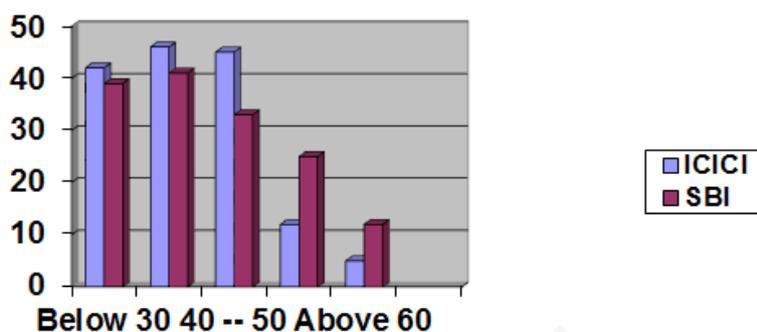

Diagram 1: Age-wise Distribution & Comparison of ICICI & SBI Customers.

Further, in this case chi-square test is applied to test the null hypothesis, "Age of the surveyed customers and their choice of a particular type of bank (i.e. private or public) are independent of each other".

Table 1: Age-wise Distribution & Comparison of ICICI & SBI Customers

S.N.	Age	No. of Customers		Total
		ICICI Bank	**SBI**	
1.	Below 30 yrs	42	39	81
2.	30 -- 40	46	41	87
3.	40 -- 50	45	33	78
4.	50 -- 60	12	25	37
5.	Above 60 yrs	05	12	17
	Total	150	150	300

Source: Primary Data

Again, here the observed frequencies are 42, 39, 46, 41, 45, 33, 12, 25, 05 and 12; and their corresponding expected frequencies will be 40.5, 40.5, 43.5, 43.5, 39, 39, 18.5, 18.5, 8.5 and 8.5.
Now, the calculated value of chi-square,

$$\chi^2_{cal.} = \Sigma \{(O - E)^2 / E\} = 9.6938$$

At 5% level of significance, for 4 degrees of freedom, the tabulated value of chi-square, $\chi^2_{tab.} = 9.49$
Since the calculated value of chi-square is greater than the tabulated value of chi-square at 5 % level of significance, so we reject the null hypothesis and conclude that the age of the customers significantly influences their choice of a particular type of bank.

(b) Income-wise Distribution and Comparison of ICICI and SBI Customers:-
The income-wise distribution of surveyed ICICI and SBI customers is presented in the ensuing Table-2. This table reveals that out of 150 ICICI customers surveyed, 55 belonged to "Below 10,000" income group, 41 belonged to "10,000 – 20,000" income group, 21 belonged to "20,000 – 30,000" income group, 23 belonged to "30,000 – 40,000" age group and remaining 10 belonged to "Above 40,000" income group. Again, out of 150 SBI customers surveyed, 72 belonged to "Below 10,000" income group, 42 belonged to "10,000 – 20,000" income group, 17 belonged to "20,000 – 30,000" income group, 10 belonged to "30,000 – 40,000" income group and the rest 09 belonged to "Above 40,000" income group.
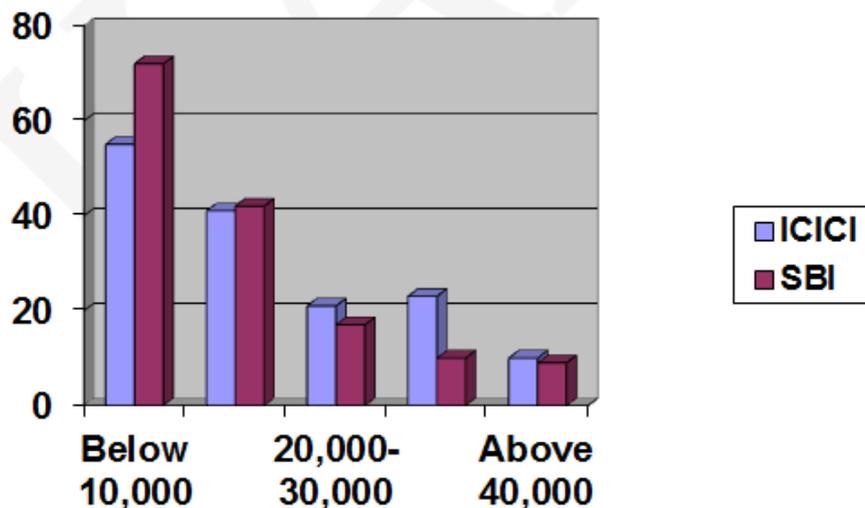

Diagram 2: Income-wise Distribution & Comparison of ICICI & SBI Customers

Further, in this case chi-square test is applied to test the null hypothesis, "Income of the surveyed customers and their choice of a particular type of bank (i.e. private or public) are independent of each other".

Table 2: Income-wise Distribution & Comparison of ICICI & SBI Customers

S.N.	Income	No. of Customers		Total
		ICICI Bank	**SBI**	
1.	Below Rs. 10,000	55	72	127
2.	10,000 – 20,000	41	42	83
3.	20,000 – 30,000	21	17	38
4.	30,000 -- 40,000	23	10	33
5.	Above 40,000	10	09	19
	Total	150	150	300

Source: Primary Data

Again, here the observed frequencies are 55, 72, 41, 42, 21, 17, 23, 10, 10 and 09; and their corresponding expected frequencies will be 63.5, 63.5, 41.5, 41.5, 19, 19, 16.5, 16.5, 9.5 and 9.5.

Now, the calculated value of chi-square,

$$\chi^2_{cal.} = \Sigma \{(O - E)^2 / E\} = 7.8822$$

At 5% level of significance, for 4 degrees of freedom, the tabulated value of chi-square, $\chi2_{tab.} = 9.49$

As the calculated value of chi-square is less than the tabulated value of chi-square at 5 % level of significance, so we accept the null hypothesis and conclude that the income of the customers and their choice of a particular type of bank are independent of each other.

(c) Education-wise Distribution and Comparison of ICICI and SBI Customers:-

The education-wise distribution of surveyed ICICI and SBI customers is depicted in the ensuing Table-3. It can be observed from this table that out of 150 ICICI customers surveyed, 02 belonged to "10th & Below" education group, 15 belonged to "12th" education group, 95 belonged to "Graduate" education group and rest 38 belonged to "Post Graduate" education group. Again, out of 150 SBI customers surveyed, 19 belonged to "10th & Below" education group, 17 belonged to "12th" education group, 61 belonged to "Graduate" education group and rest 53 belonged to "Post Graduate" education group.
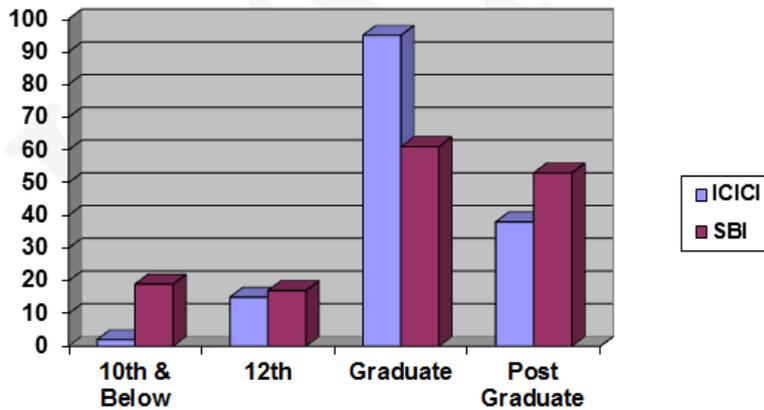

Diagram 3: Education-wise Distribution & Comparison of ICICI & SBI Customers

Moreover, in this case also, chi-square test is applied to test the null hypothesis, "Education of the surveyed customers and their choice of a particular type of bank (i.e. private or public) are independent of each other".

Table 3: Education-wise Distribution & Comparison of ICICI & SBI Customers

S.N.	Education	No. of Customers		Total
		ICICI Bank	**SBI**	
1.	10th & Below	02	19	21
2.	12th	15	17	32
3.	Graduate	95	61	156
4.	Post Graduate	38	53	91
	Total	150	150	300

Source: Primary Data

Again, here the observed frequencies are 02, 19, 15, 17, 95, 61, 38, and 53; and their corresponding expected frequencies will be 10.5, 10.5, 16, 16, 78, 78, 45.5 and 45.5.
Now, the calculated value of chi-square,

$$\chi^2_{\text{cal.}} = \Sigma \{(O - E)^2 / E\} = 23.7694$$

At 5% level of significance, for 3 degrees of freedom, the tabulated value of chi-square, $\chi2_{\text{tab.}} = 7.82$
Since the calculated value of chi-square is greater than the tabulated value of chi-square at 5 % level of significance, so we reject the null hypothesis and conclude that there is a significant association between the education of the customers and their choice of a particular type of bank.

(d) Occupation-wise Distribution and Comparison of ICICI and SBI Customers:-
The occupation-wise distribution of surveyed ICICI and SBI customers is presented in the ensuing Table-4. This table depicts that out of 150 ICICI customers surveyed, 27 belonged to "Business" occupation group, 31 belonged to "Govt. Job" occupation group, 48 belonged to "Private Job" occupation group and rest 44 belonged to "Professional" occupation group. Again, out of 150 SBI customers surveyed, 34 belonged to "Business" occupation group, 37 belonged to "Govt. Job" occupation group, 26 belonged to "Private Job" occupation group and rest 53 belonged to "Professional" occupation group.
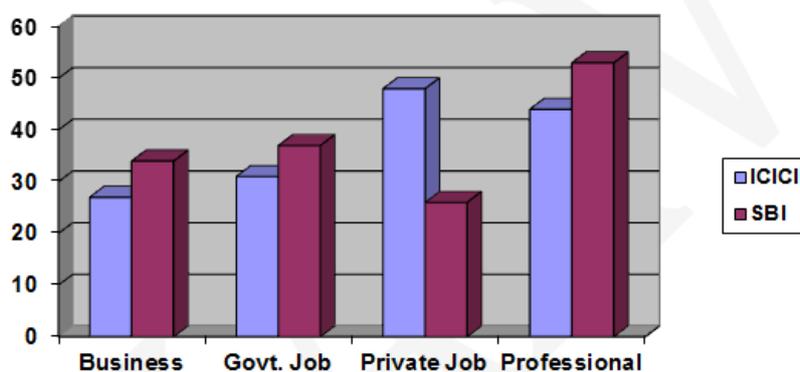

Diagram 4: Occupation-wise Distribution & Comparison of ICICI & SBI Customers

Moreover, in this case too, chi-square test is applied to test the null hypothesis, "Occupation of the surveyed customers and their choice of bank (i.e. private or public) are independent of each other".

Table 4:Occupation-wise Distribution&Comparison of ICICI & SBI Customers

S.N.	Occupation	No. of Customers		Total
		ICICI Bank	**SBI**	
1.	Business	27	34	61
2.	Govt. Job	31	37	68
3.	Private Job	48	26	74
4.	Professional	44	53	97
	Total	150	150	300

Source: Primary Data

Again, here the observed frequencies are 27, 34, 31, 37, 48, 26, 44, and 53; and their corresponding expected frequencies will be 30.5, 30.5, 34, 34, 37, 37, 48.5 and 48.5.
Now, the calculated value of chi-square,

$$\chi^2_{\text{cal.}} = \Sigma \{(O - E)^2 / E\} = 8.7080$$

At 5% level of significance, for 3 degrees of freedom, the tabulated value of chi-square, $\chi2_{\text{tab.}} = 7.82$
Since the calculated value of chi-square is greater than the tabulated value of chi-square at 5 % level of significance, so we reject the null hypothesis and conclude that the occupation of the customers significantly influences their choice of a particular type of bank.

CONCLUSION
As far as the demographic profiles of the customers are concerned, on the one hand the results of chi square test reveal that the demographic variables such as age, education and occupation of the customers

and their choice of a particular type of bank are significantly associated i.e. there is a significant difference between the age-wise, education-wise and occupation-wise distributions of the customers of the two types of banks (i.e. Private and Public sector Banks). On the other hand, the results of chi-square test show that income of the customers and their choice of a particular type of bank are independent of each other i.e. there is no significant difference between the income-wise distributions of the customers of the two types of banks (i.e. Private and Public sector Banks).

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