A Study on Retail Banking with special reference to SBI Bank

Mr. Ranjansathya Das S, *Dr. Aluregowda & Mr. Mahadevaswamy R M *****

**Guest Faculty, Department of Commerce, Govt. First Grade College for Women, Maddur, Mandya, Karnataka, India.*

***Associate Professor, Department of Management Studies and Research Centre, PES College of Engineering, Mandya, Karnataka, India.*

****Guest Faculty, Department of Business Administration, Govt. First Grade College, Siddartha Nagara, Mysore, Karnataka, India.*

ABSTRACT

The growth of retail banking is on acceleration mode in banking industry. To expand the banking services to all customers is need of the today. With the expansion of banking services to customers banks adopted various retail strategies to satisfy the customers and profitability of the banks. Stiff competition, ease availability of banking services, change of technology and digitalization of banking services makes retail banking has many strategies due to less switching cost between public and private sector banks, Therefore, the key for many banks to survive in competition of the various banks and the customer satisfaction of the services with maintaining good customer relationship with banks is important to understand the future growth of retail banking.

KEYWORD: *Retail Banking, State Bank of India, Mandya City, Customer Satisfaction*

Introduction:

Banking industry includes a number of businesses such as corporate banking, investment banking, wealth management, capital market etc. Retail banking is another segment of the banking industry. Retail Banking has been the new focus of the banking industry across the world. The retail banking industry is diverse and competitive. In addition to provide loans, checking and savings account services, banks also offer underwriting, brokerage and insurance capabilities to manage all aspects of a customer's financial portfolio. Identifying and attracting profitable customers from competitors is essential for long term success

Retail Banking is a customer oriented service industry and customer satisfaction has become the most important aspect of banking business due to immense competition. Banks are more determined to retain their existing customers by providing quality services leading to Customer satisfaction. Customer satisfaction is important in the banking industry, measuring the customer experience and identifying ways to improve in this area is essential. Customer satisfaction has positive relationship with customer loyalty and service quality. Retail banking, also known as consumer banking, is the provision of services by a bank to the general public.. Banking services which are regarded as retail include provision of savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards. Retail banking is also distinguished from investment banking or commercial banking. It may also refer to a division or department of a bank which deals with individual customers.

Retail Banks players are adopting aggressive strategies. Retail Banks are also going in for innovative strategies like cross selling and packaged selling of retail products. Retail Banking as a business model is adopted by all the banks in India on account of multiple comfort factors for the banks viz. acquisition of a huge customer base, multiple product offerings, better pricing and profitability, scope

for cross selling and up selling financial and beyond financial products for increased per customer revenue and of course better risk proposition. With the changing paradigm of technology as the driver for retail banking explosion, retail banking strategies includes using customer analytics to drive contextual experiences expedited deployment of digital delivery, mobile – first design increasing digital and social selling, ass marketing acceptance of mobile payments to face the competition in the market.

Literature Review:

Ashutosh Arun and Archana Singh(2019) defined the awareness level and satisfaction of customers regarding ATM services and E-banking or internet banking or online banking which provides various alternative electronic channels to using banking services i.e. internet banking, mobile banking, ATM services, electronic fund transfer, credit card, debit card, and electronic clearing services it is mainly concentrate on customer satisfaction for using banking services

Kumaraswamy Nayan J(2015) have examined the retail banking services in the banking sector it include technical progress, excess retention capacity, emerging opportunities and deregulation of geographic, functional and other restrictions and strengthening their internal operations and marketing their Retail banking services and open competition from co-operate and private banks and global competition from the foreign banks and to meet all the challenges of the globalized scenario, failing which, privatization is unavoidable Economic liberalization could provide disinvestment.

Mrs. Priti Jeevan(2014)have examined customer management strategies, strategic importance of customer value and seem to be continuously seeking innovative ways to enhance customer relationships and offers of many financial services are very similar and slightly differentiable to loyal customer and to get customer information, rising customer expectations and capitalizing on new market opportunities.

Mr. Rajiv G. Sharma(2013) have studied about the analysis of the present status, current trends, major issues & challenges in the growth of the retail banking sector and it is helps in Banks, financial institutions, MNC Banks, academicians, consultants and researchers to have a better understanding of the booming opportunities in retail banking in India and formulate competitive business strategies.

Adrian E. Tschoegl (1987) has recommended that bank's strategy of entering into retail banking worldwide. It includes the rules and regulation, costs of operating at a distance and in an unfamiliar environment and the advantages or offsetting factors which foreign banks may possess relative to their local competitor.

Objectives of the Study:

1. To know the various retail banking strategies of the State Bank of India in the banking industry.
2. To know the satisfaction level of customers in State Bank of India retail banking services.

Research Methodology:

More competition amongst the various retail banks because of liberalization and privatization, Banks are changing with new products and services with digitalization through adopting technology. Retail banks have challenge to customer satisfaction and retaining the customers with more loyalty and trust is important for the today banking services. A structured questionnaire and non-probabilities convince sampling technique has been adopted for the research study. First, the objectives of the study were chalked out on the basis of focus group discussion and exhaustive literature review. Based on literature review, the factors influencing on retail banking strategies adopted by State Bank of India were identified to assess the customer satisfaction level of bank. For the data collection, sample of 100 customers who have their bank account with different SBI banks having operations in Mandya city on convenience basis. Thereafter, the questionnaire was administered to customers for giving their response on banks retail

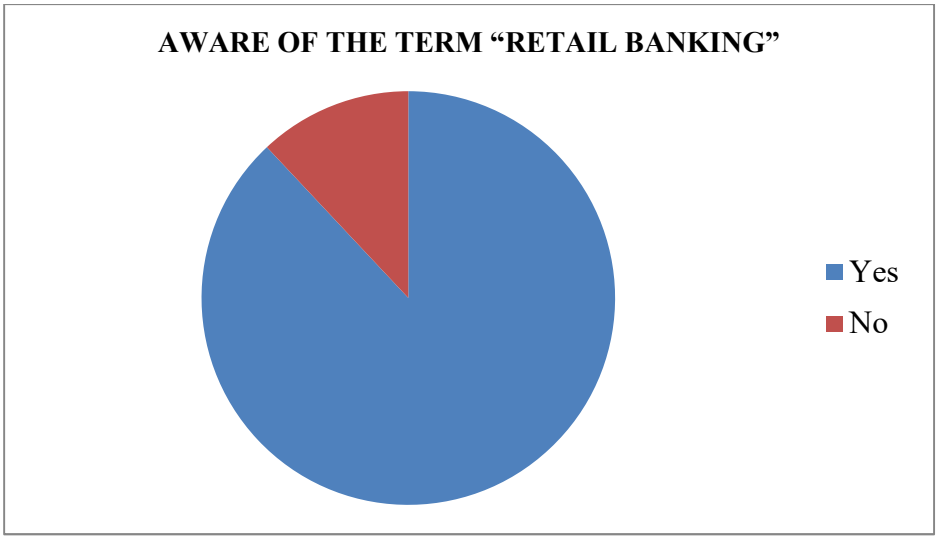
banking services. The data has been collected during the period of month December 2019 to March 2020 in which the respondents were SBI customers from more than 3 years.

Data Analysis and Interpretation

The analysis and interpretation of the data collected from the study indicates about the knowledge about SBI retail banking services. There are total 108 questionnaire has used to collect the data about retail banking services. Out of 108 questionnaires there are 100 questionnaires filled completely and considered for analysis of the study. The customers' perception towards banking services as shown below.

TABLE NO. 1 SHOWS THE AWARE OF THE TERM RETAIL BANKING

Particulars	No. of respondents	Percentage
Yes	44	88
No	6	12
Total	50	100



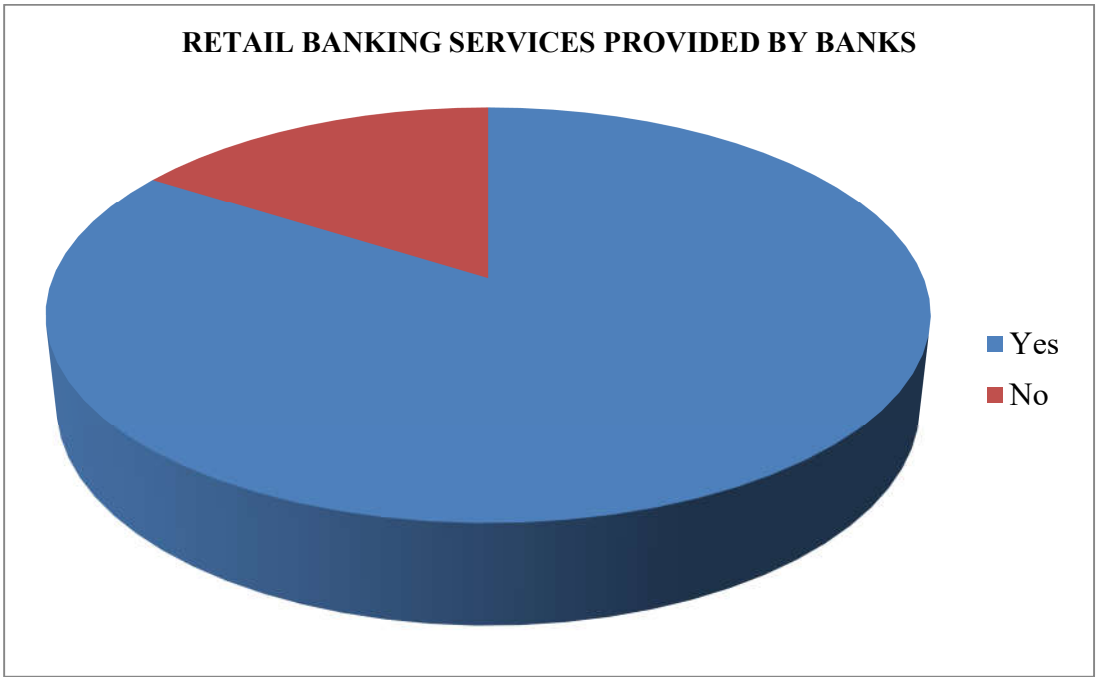
Interpretation

From the above table no 1 indicates sample respondents they were aware about term retail banking services. From the table and figure it shows that 88% of sample respondents aware about retail banking services of State Bank of India and only few respondents were not aware about SBI retail services.

Inference: Most of respondent have aware of the term retail banking of SBI banking services. State Bank of India is offering about retail banks to customers to meet their individual needs in the consumer market. From the study we conclude that SBI retail banking services were familiar to customers in the banking industry.

TABLE NO. 2 INDICATES RETAIL BANKING SERVICES PROVIDED BY BANKS

Particulars	No. of respondents	Percentage
Yes	42	84
No	8	16
Total	50	100



Interpretation

From the above table no 2 shows that various products and services offered by SBI. From the table it indicates 84% of sample respondents were knowledge about SBI products and services and 16% of sample respondents were not have complete knowledge about SBI products and services.

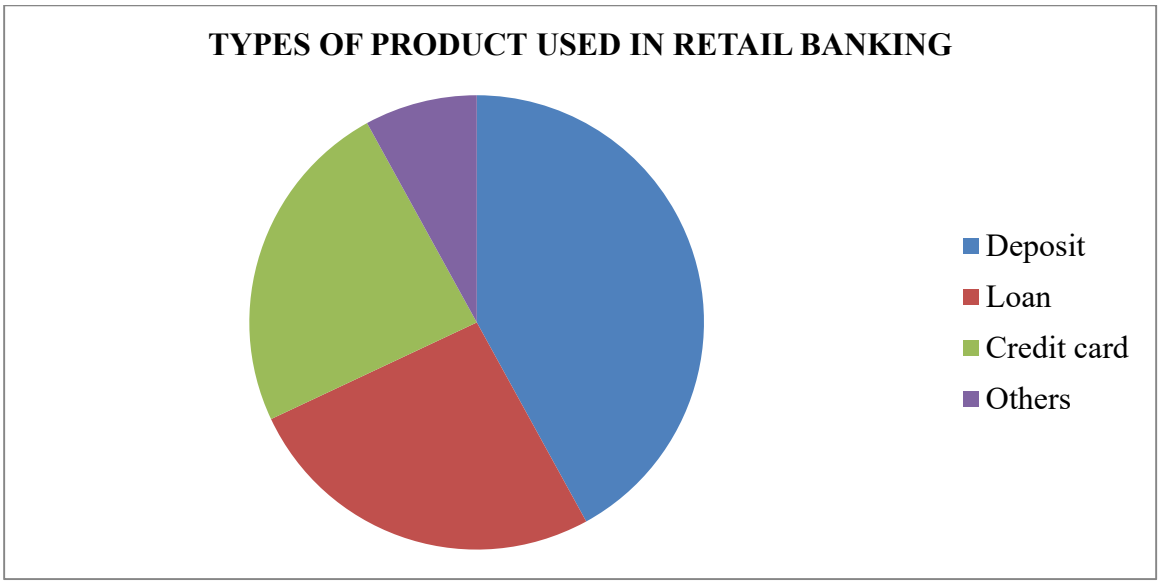
Inference: Retail bank should have competitive differentiation that can be realized to a great extent through customer service excellence. The aim of retail banking industry is to satisfy customers and build strong relationship most of the customers needed innovative services from the retail banking industry.SBI bank provides better services to its customer and satisfies their individual needs.

TABLE NO .3 SHOWS THE TYPES OF PRODUCT USED IN RETAIL BANKING

Particulars	No. of respondents	Percentage
Deposit	21	42
Loan	13	26

Credit card	12	24
Others	4	8
Total	50	100

Sources: primary data



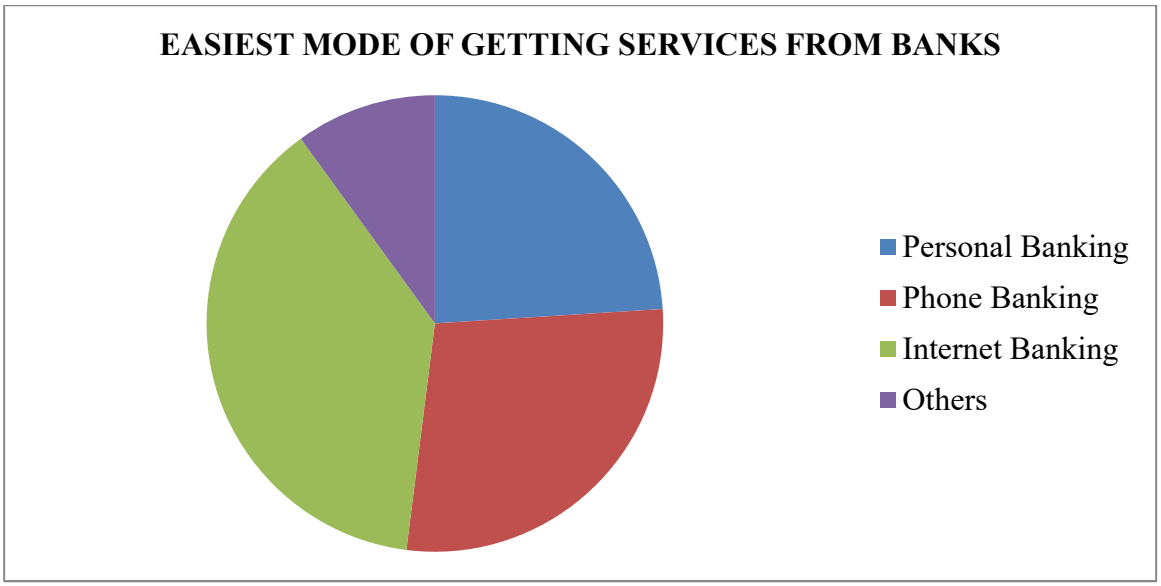
Interpretation

From the above table no3 shows that types of product they use of retail banking. From the above table and figure indicates that 42% of sample respondents used deposits, 26% of sample respondents used loan products, 24% of sample respondents are used credit card and 8% of sample respondents used that other type of products.

Inference: Retail banking offers various types of products. Maximum customers are used different types of products in SBI bank. The SBI bank products are customer friendly in nature. These products can fulfill the customer needs and wants.

TABLE NO .4 INDICATES THE EASIEST MODE OF GETTING SERVICES FROM BANKS

Particulars	No. of respondents	Percentage
Personal Banking	12	24
Phone Banking	14	28
Internet Banking	19	38
Others	5	10
Total	50	100



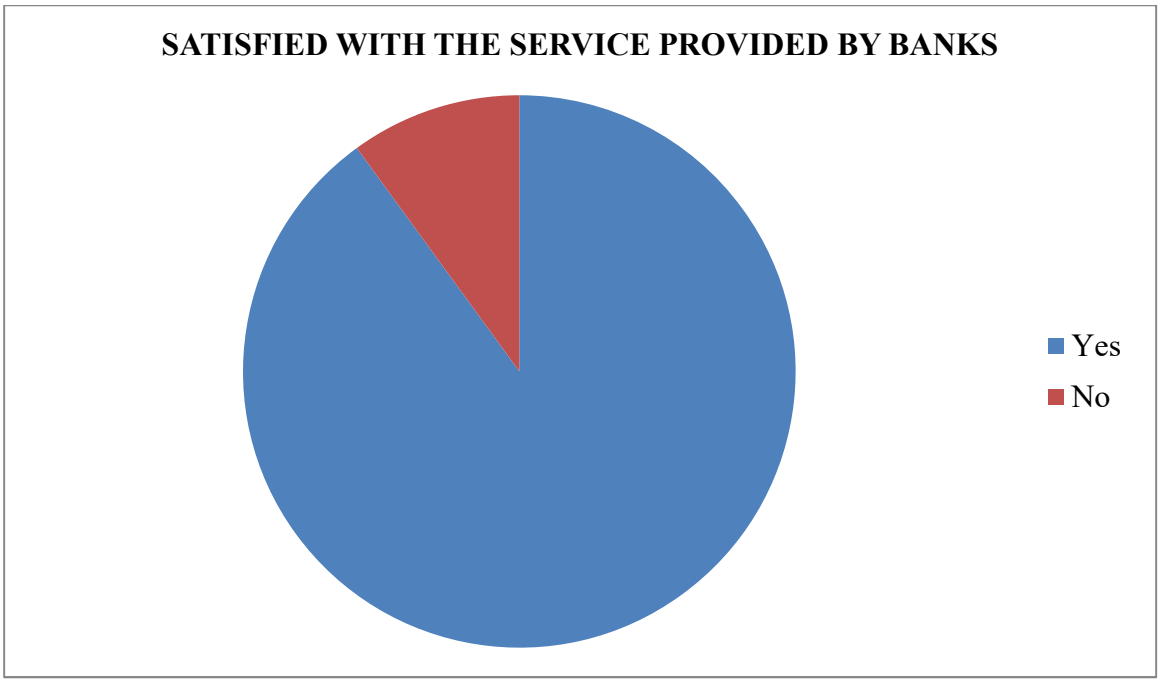
Interpretation

From the above table no4 indicates that the easiest mode of getting services from SBI banks. From the above table and figure shows that 38% of sample respondents getting services from internet banking, 28% of sample respondents from phone banking, 24% of sample respondents from personal banking and 10% of sample respondents from other services.

Inference: Maximum customer is wanted to do the easiest services from banks. The SBI bank provide easiest mode to getting services like phone banking, internet banking. Maximum customers are used digitalization services in SBI bank.

TABLE NO .5 SHOWS THE SATISFACTION WITH THE SERVICE PROVIDED BY BANKS

Particulars	No. of respondents	Percentage
Yes	45	90
No	5	10
Total	50	100



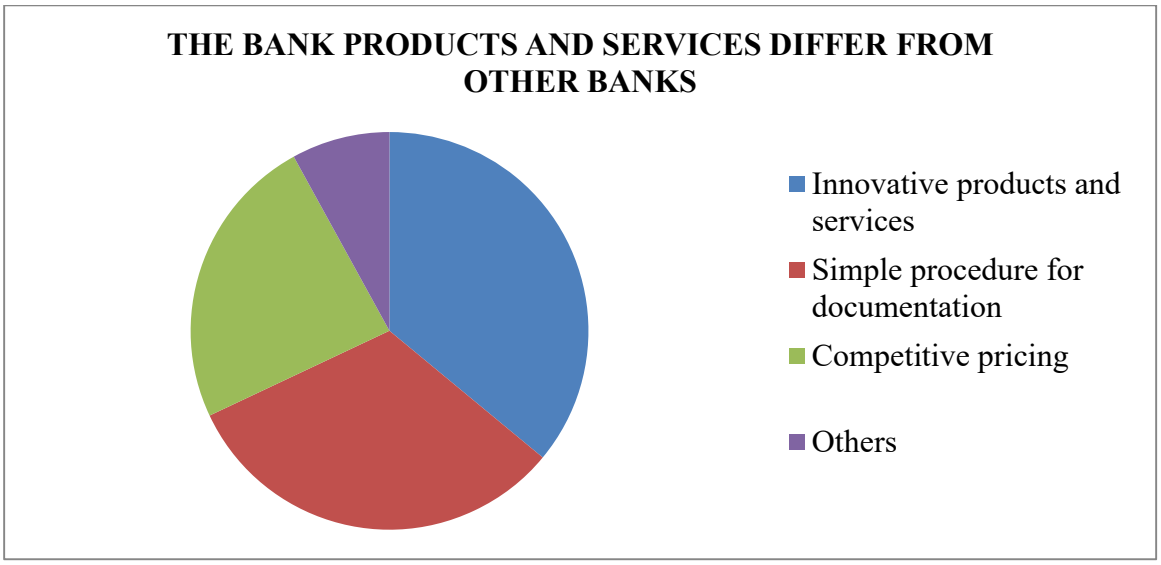
Interpretation

From the above table no 5 shows that satisfaction with the service provided by banks. From the table indicates that 90% of sample respondents are satisfied with SBI bank services and only few respondents are not satisfied with SBI bank services.

Inference: Maximum respondent have satisfied with the service provided by banks. The SBI bank provides various services to customer. Most of customers are satisfied with innovative services like e-banking, mobile banking, net banking and ATM service facilities.

TABLE NO. 6 SHOWS THE BANK PRODUCTS AND SERVICES DIFFER FROM OTHER BANKS

Particulars	No. of respondents	Percentage
Innovative products and services	18	36
Simple procedure for documentation	16	32
Competitive pricing	12	24
Others	4	8
Total	50	100



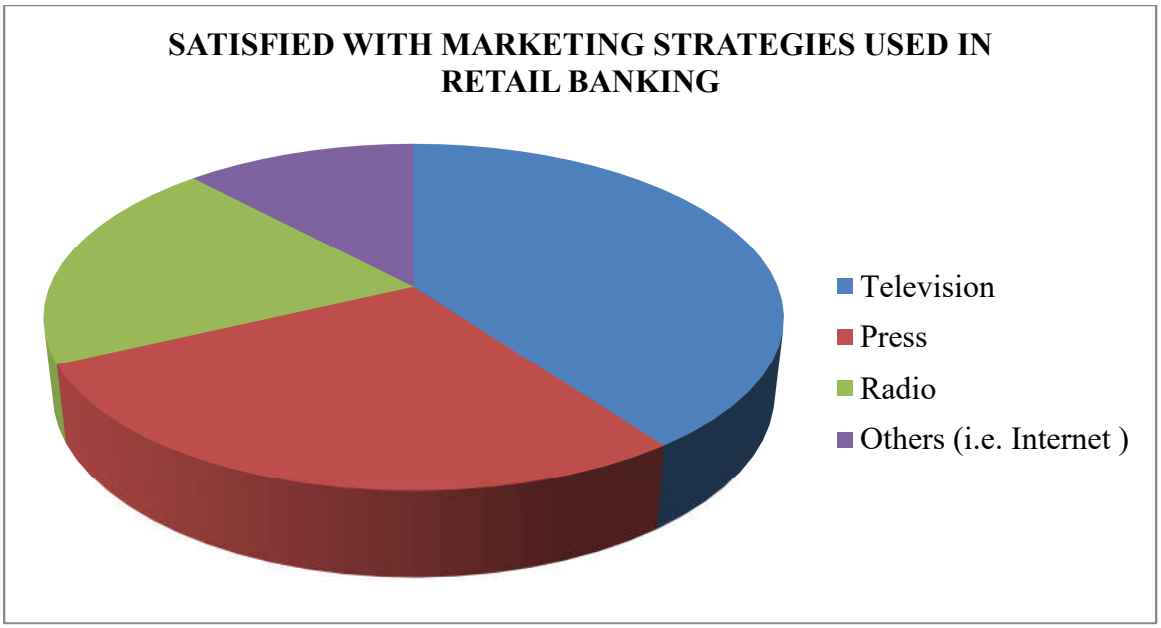
Interpretation

From the above table no 6 shows that the bank products and services differ from other banks. From the table and figure indicates that 36% of sample respondents are getting difference from Innovative products and services , 32% of sample respondents from simple procedure for documentation, 24% of sample respondents from competitive pricing and few respondents from other banking services.

Inference: The SBI bank products and services differ from other banks. Compare to private banks, the SBI banks are provide large facility to customer with innovative products. SBI bank launched variety of products to its customer like YONO banking. Most of the customer needed different services from SBI banks.

TABLE NO.7 SHOWS THE SATISFACTION WITH MARKETING STRATEGIES USED IN RETAIL BANKING

Particulars	No. of respondents	Percentage
Television	20	40
Press	14	28
Radio	10	20
Others (i.e. Internet)	6	12
Total	50	100



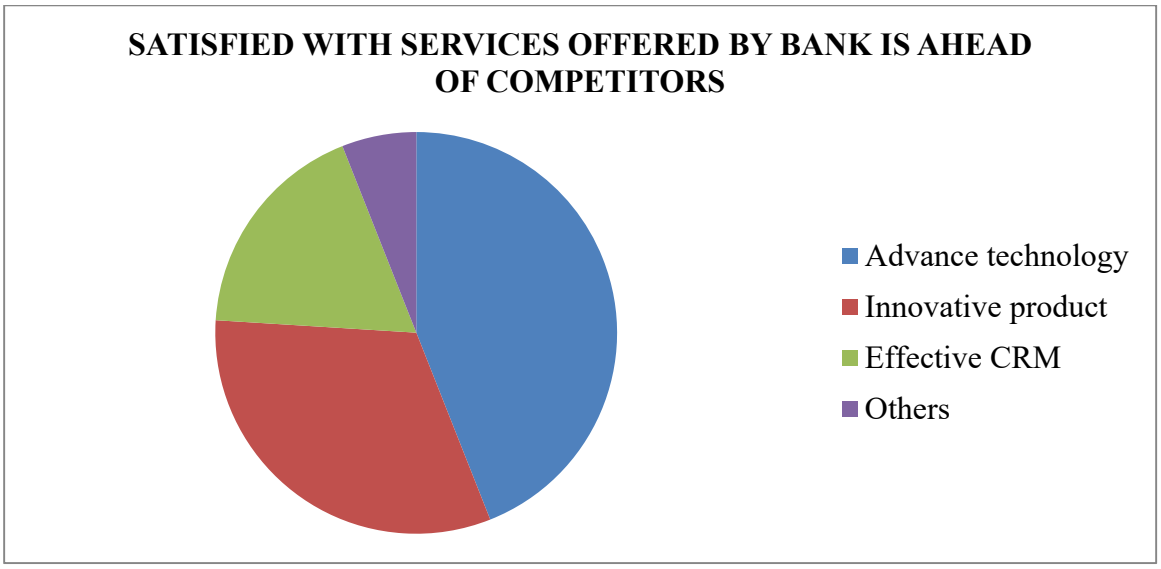
Interpretation

From the above table no 7 shows that the satisfaction with marketing strategies used in retail banking .From the table indicates that 40% of sample respondents satisfied from television, 28% of sample respondents from press, 20% of sample respondents from radio and 6% of sample respondents from other marketing strategies.

Inference: Maximum number of respondent satisfied with marketing strategies used in retail banking. SBI bank uses various marketing strategies to satisfy the customer. It is adopted innovative strategies to reach product information to its customer.

TABLE NO.8 INDICATES THE SATISFACTION WITH SERVICES OFFERED BY BANK IS AHEAD OF COMPETITORS

Particulars	No. of respondents	Percentage
Advance technology	22	44
Innovative product	16	32
Effective CRM	9	18
Others	3	6
Total	50	100



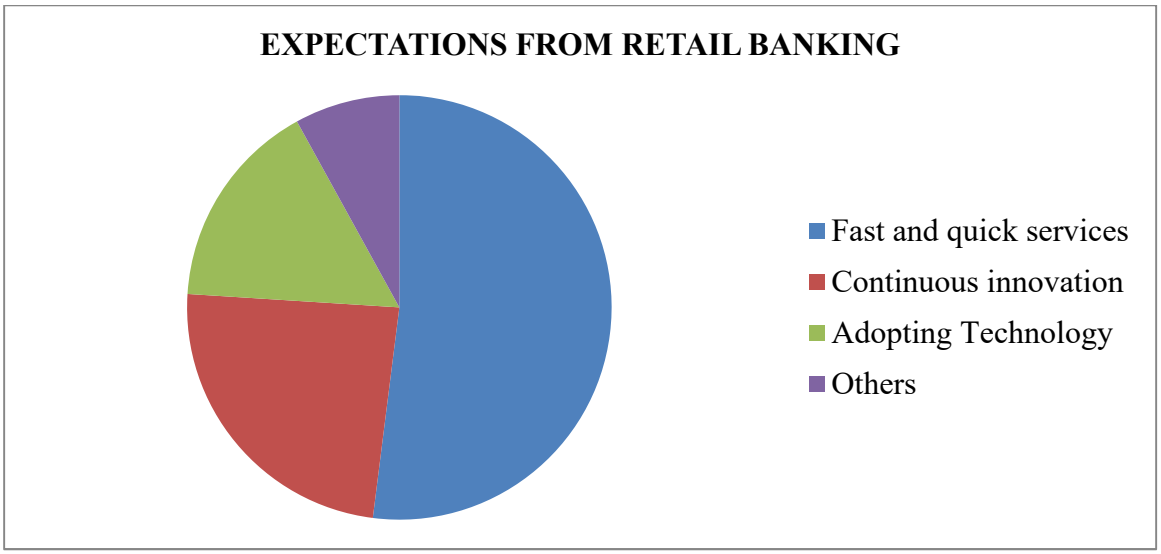
Interpretation

From the above table no 8 shows that the satisfaction with services offered by bank is ahead of competitors. From the above table and figure indicates that 44% of sample respondents satisfied with advance technology services, 32% of sample respondents satisfied with innovative product services, 18% of sample respondents satisfied with effective CRM and few respondents satisfied with other services.

Inference: More customers satisfied with services offered by bank are ahead of competitors from advance technology, innovative product. SBI bank has offered more innovative products in the competitive market and provides services. Customer satisfied through mobile banking, e-banking and digitalization services.

TABLE NO.9 SHOWS THE EXPECTATIONS FROM RETAIL BANKING

Particulars	No. of respondents	Percentage
Fast and quick services	26	52
Continuous innovation	12	24
Adopting Technology	8	16
Others	4	8
Total	50	100



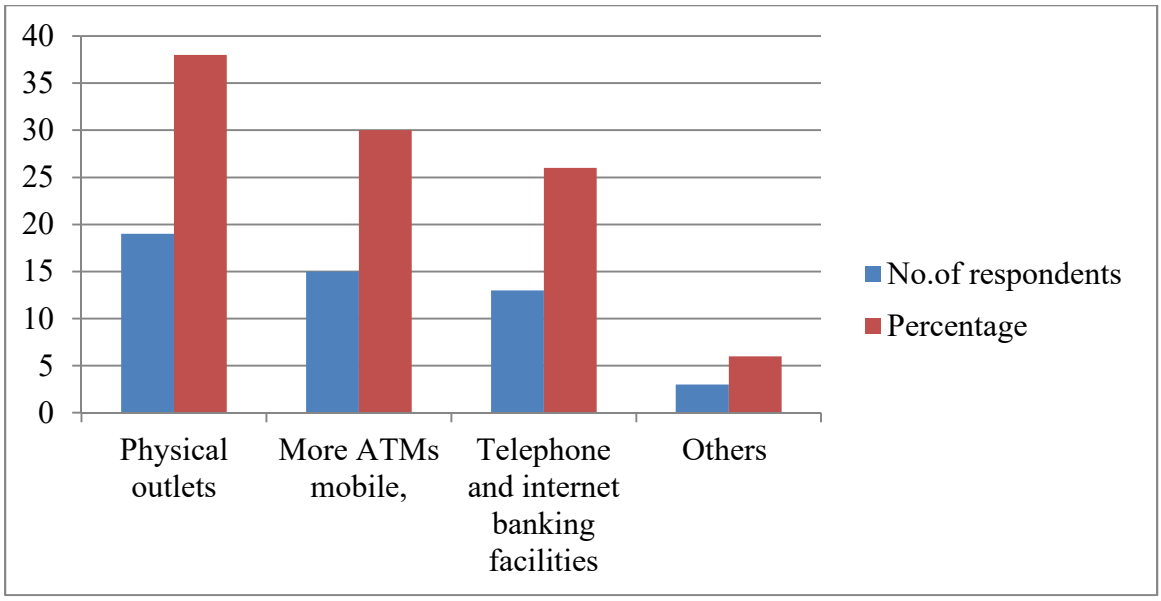
Interpretation

From the above table no 9 indicates that the expectations from retail banking. From the above table shows that 52% of sample respondents are expected fast and quick services, 24% of sample respondents are expected from continuous innovation, 16% of sample respondents are expected from adopting technology and few respondents are expected from others.

Inference: Customers expected various services from retail banking. SBI banks provide customer friendly services on the basis of product innovation and fastest services and adopting new technologies.

TABLE NO.10 SHOWS THE COMFORTABLE WITH YOUR RETAIL BANKING SERVICES

Particulars	No. of respondents	Percentage
Physical outlets	19	38
More ATMs mobile,	15	30
Telephone and internet banking facilities	13	26
Others	3	6
Total	50	100



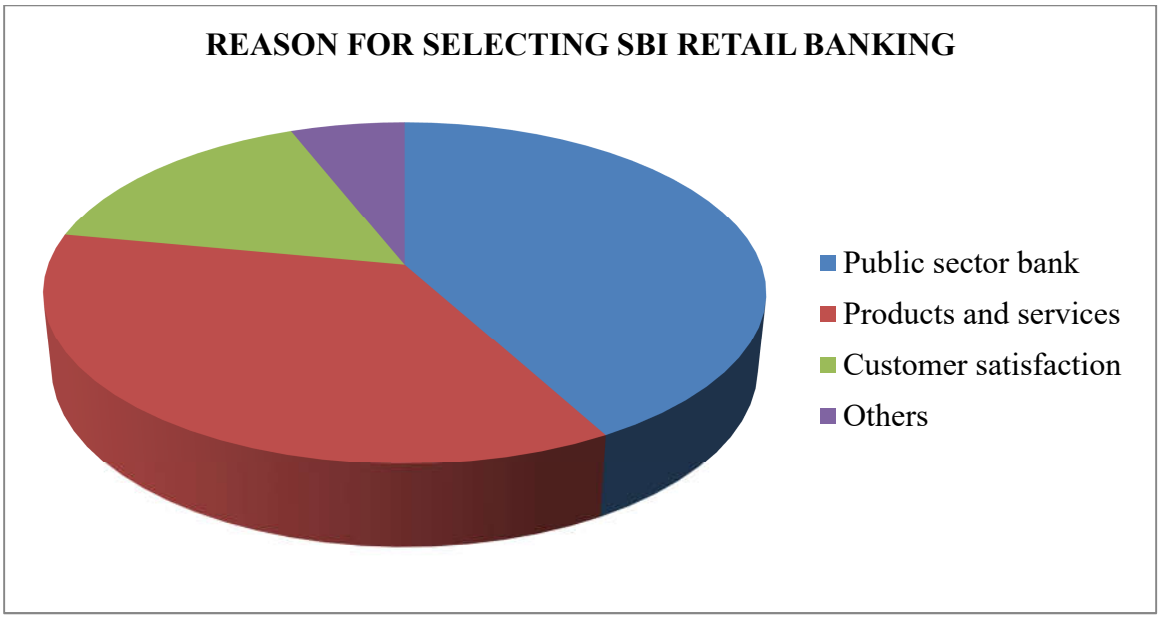
Interpretation

From the above table no 10 shows that comfortable with retail banking services. From the above table and figure indicates that 38% of sample respondents comfortable with physical outlets services, 30% of sample respondents comfortable with more ATMs mobile, 26% of sample respondents comfortable with telephone and internet banking facilities and some of respondents comfortable with other services.

Inference: Most of the customer is comfortable with retail banking services. SBI banks provide ATM Services, mobile banking services, internet banking services, fund transfer facilities through net banking service. These services are most comfortable to customers.

TABLE NO. 11 INDICATES THE REASON FOR SELECTING SBI RETAIL BANKING

Particulars	No. of respondents	Percentage
Public sector bank	21	42
Products and services	18	36
Customer satisfaction	8	16
Others	3	6
Total	50	100



Interpretation

From the above table no 11 shows that the reason for selecting SBI retail banking. From the above figure indicates that, 42% of sample respondents are selecting for the reason of public sector bank, 36% of sample respondents are selecting for the reason of products and services, 16% of sample respondents are selecting for the reason of customer satisfaction and some of respondents are selecting for the reason of others.

Inference: More number of customer selecting SBI retail banking for the reason of public sector bank and offering various products and services to publics. They offer various services to customer and fulfill the customer needs and wants and satisfied customer with banking products.

Conclusion

The survey aims to study the retail banking operation of SBI bank. The study mainly focused on SBI bank Mandya region. The study helps to understand customer opinion towards operation of banks and its various products and services. SBI banks provide various products and services to customer at the bank branches and through internet banking, mobile banking, net banking, ATM facilities, and digitalization services. SBI banks are adopting various retail banking strategies to increasing their customer base and improve their customer relation.SBI banks use marketing strategies to improve their products and services, innovation, technology and digital services results to customer satisfaction. Customer expected faster and easiest services from retail banking and they chose convenient mode of services in retail banking. Customer is satisfied with using advance technology and product innovation through mobile banking, e-banking, digital banking services. Further SBI has improving continuously to grow further in the retail banking services.

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