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A Study on Performance of Retail Banking In State Bank Of India

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Abstract: The State Bank of India bank is where the study is being done. The project's title is "A Study on Retail Banking Performance at State Bank of India." Retail banking is a kind of financial service that focuses mostly on serving individual customers. Retail banking organisations provide a variety of services for individuals, such as current and savings accounts, bill-paying options, debit and credit cards, and more. Studying retail banking's products and services, together with the organisation and how they see their clients, is the project's primary objective. Providing recommendations and corrective actions based on the results is the study's secondary goal. Simple random sampling was employed for the research's sample approach, which is descriptive in nature. To investigate the products and services offered by retail banking, over 77 samples are gathered. To get information from the clients, primary data collection methods including interviews and questionnaires were used. For analysis and interpretations, statistical methods like the Chi square, correlation, and weighted average approach are often utilised. The study reveals that there is a significant level of consumer knowledge about green banking. Through self-service devices like queue management, check deposit machines, and passbook printers, the bank has introduced a significant level of automation. The location of the bank, deposit security, obtaining client information, and waiting time were cited by consumers in this research as the top factors in their decision to choose State Bank of India as their retail bank.

Keywords— Retail banking, Retail Product and services for bank customers.

1. INTRODUCTION

Retail banking is any kind of banking that works directly with individual clients, offering them essential services including savings accounts, mortgages, personal loans, debit and credit cards, and safe deposit boxes. To reach a diverse range of consumers, retail banks often have a main office as well as several branches spread throughout various cities. In addition to the functions, these banks often provide services to commercial enterprises as well as to retail consumers. The ability to buy various financial instruments under one roof is provided by a retail banking that serves as a full-service financial service provider for retail consumers. All retail clients may contact the bank for a variety of services including establishing a savings account, taking out a loan, applying for a credit card, and may even enquire about possible financial products that they may require at a later period. State Bank provides a variety of accounts and deposit solutions to meet the needs of every customer. Whether you want the most straightforward No Frills savings account or a Current account for several requirements to operate your firm, State Bank provides the ideal answer for you. We provide a variety of delivery methods, including a vast network of more than 3000 branches, 2500 ATMs, Internet Banking, Mobile Banking, and a round-the-clock call center in English, Hindi, and seven regional languages.

Savings accounts, current accounts, recurring deposits, fixed deposits, and current accounts.

Retail loans, online transactions, use of cards, insurance, and investing

2. REVIEW OF LITERATURE:

Dr. K. S. Jaiswal and Neetu Singh are the authors of this article (http://www.articlesbase.com/banking-articles/retail-banking-in-India 1465022.html).

The fundamental issue for banks in the present environment, notwithstanding the abundance of operational avenues, is to stand out in the face of strict restrictions set by the top authority. The banking taxonomy is being radically redefined by factors such as globalisation, consolidation, and a lack of competence. In order to maintain their market share in India, the participants—whether they are domestic financial players or international competitors in the retail space—must develop a unique strategy for all of their goods and services. After all, variety is the spice of life.

The Golden Rules of Retail Banking Customer Service (1053055-1.html) by Paul Logan may be found at American Banker. Because of the shifting financial services trends brought on by recent laws, retail banks are fighting an uphill struggle to keep their clients. However, according to bank clients, you may win their loyalty by providing excellent customer service, ease, eliminating the reasons of unhappiness, and providing experiences that are enjoyable. Adopting the "Put an emphasis on providing high-quality, individualised service," "Continuous customer experience enhancement is vital," maintain the continuity, The golden guidelines for ensuring that your customer experience has a positive impact on your company and the bottom line are to use customer service data outside of the service department and to be proactive.

The Reserve Bank of India's Deputy Governor, Ms. Shyamala Gopinath, is the author. Risks associated with money laundering and KYC (know your customer) concerns are challenges facing the retail banking sector. The impression of the amounts involved makes retail lending a low-risk sector for money laundering. However, the competition for consumers may force a renunciation of KYC measures in the proposition for new business. In November 2004, the Reserve Bank of India released comprehensive recommendations for the implementation of KYC standards.

(http://www.articlesbase.com/banking-articles/retail-banking-the-changing-role-4227109.html) Alex Thompson is the author. current retail banking environment: Indian retail banking has seen incredible development. From being a "seller's market," the market has changed to a "buyer's market." includes a variety of items, routes of distribution, and clientele.

The Evolution of Retail Banking becoming wealthier, with a growing middle class The world's youngest population, rising literacy rates, more technological adaptation, India's increasing "consumption" attitude, fiscal incentives for house loans, changing mindsets—willingness to borrow and lend—and a desire to enhance lives.

Situation in retail banking that is changing: Significant shift in the demographic profile; Vast market potential; Increasingly difficult business climate; Different competitive instruments; Need to rethink delivery.

NEED OF THE STUDY

The research was primarily conducted to analyse how consumers see retail banking, which is necessary for all banks to retain both current and potential clients. The management may identify the essential variables with the aid of the ideas and recommendations provided in the project. Additionally, it aids in generating client interest in and knowledge of retail banking goods and services.

SCOPE FOR FURTHER STUDY

Similar projects may benefit from the study's advice and recommendations. Additionally, it will be beneficial to develop retail banking into a better course of action. The research may also serve as a foundation for further research in areas including transactional accounts, debit cards, and credit cards, among others. It opens the door for a positive client relationship in the future, enhancing the bank's product and service offerings.

OBJECTIVES OF THE STUDY

1. to determine the degree of public knowledge of State Bank of India's retail banking services.
2. To assess how comfortable consumers are with the infrastructure and relationship management of banks' customers.
3. To assess how well the staff at the banks responds to consumer complaints and concerns.
4. To identify any bottlenecks in the retail banking services offered by banks and to provide insightful ideas for their development.

3. RESEARCH METHODOLOGY

A project's analysis and interpretation phase is a crucial one. The recorded replies are now edited, tallied, and appropriately portrayed in visual form after being coded into symbols for counting. The questionnaire results are valuable in and of itself for creating an

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accurate interpretation. For the study, there are 77 respondents. The way the questions are written prevents ambiguity. Following a preliminary review of the completed questionnaires, it was discovered that every responder had annotated their answers to crucial inquiries that would guide the research.

To provide a clear view of the replies, the questionnaire results are tallied and shown as percentages. On the basis of the percentage chart that was generated, it made interpretation more simpler. The chosen graph served the interpretation purpose quite well. For each question, diagrammatic explanations are provided to help the reader better understand the results. To make presentations more dynamic, basic bar graphs and the pie chart approach are also employed.

STATISTICAL TOOLS:

The collected data are analyzed with the following statistical tools. Moreover, the analysis contains various approaches like comparisons, detecting, accuracy, estimation etc. In my survey I applied some statistical tool for analyzing raw data.

The applied statistical tools are:

- Chi-Square
- Correlation
- Weighted Average Method

4. ANALYSIS AND INTERPRETATION

4.1. CHI-SQUARE TEST

ANALYSIS ON OPINION OF THE RESPONDENTS REGARDING AGE AND EDUCATION QUALIFICATION

HYPOTHESIS:

NULL HYPOTHESIS (H0):

There is no significant association between the age and educational qualification of the customers.

ALTERNATIVE HYPOTHESIS (H1):

There is significant association between the age and educational qualification of the customers.

TABLE No.1 - AGE OF THE RESPONDENTS

S. No	Particulars	No. of Respondents	% of Respondents
1	15-25 years	23	29.9
2	26-35 years	11	14.3
3	36-45years	17	22.1
4	46-55years	5	6.5
5	Above 55 years	21	27.3
	Total	77	100.0

TABLE No. 2 - EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

S. No	Particulars	No. of Respondents	% of Respondents
1	Schooling	36	46.8
2	Diploma	11	14.3
3	Undergraduate	18	23.4
4	Post Graduate	5	6.5
5	Others	7	9.1
	Total	77	100.0

CROSS TABULATION

TABLE No. 3 - AGE AND EDUCATIONAL QUALIFICATION

COUNT		EDUCATIONAL QUALIFICATION					Total
		Schooling	Diploma	Undergraduate	Post Graduate	Others	
	15-25	22	1	0	0	0	23

Age	years						
	26-35 years	10	1	0	0	0	11
	36-45years	0	9	8	0	0	17
	46-55years	0	0	5	0	0	5
	Above 55 years	4	0	5	5	7	21
Total		36	11	18	5	7	77

TABLE No. 4 - CHI-SQUARE TESTS

	Value	**df**	**Asymp. Sig.**
Pearson Chi-Square	1.100E2a	16	(2-sided)
Likelihood Ratio	115.003	16	.000
Linear-by-Linear Association	45.963	1	.000
N of Valid Cases	77		

RESULT:

Calculated value : 1.100E2

The degree of freedom : 16

The tabulated value : 0.000

From the SPSS, it is generated that the significant value is 0.000, which is less than 0.05 level of significance, so the null hypothesis is rejected.

INFERNECE:

Hence, there is a significant association between the age and educational qualification of the customers. Thus the educational qualification is considered with the age factor when the customer utilised the retail banking product and services from the bank.

CORRELATION METHOD

ANALYSIS OF OPINION OF THE RESPONDENTS REGARDING BRANCH LOCATION OF THE BANK AND PERSONALIZED SERVICES OF THE BANK

TABLE No. 1 BRANCH LOCATION OF THE BANK

S. No	**Particulars**	**No. of Respondents**	**% of Respondents**
1	Highly satisfied	55	71.4
2	Satisfied	11	14.3
3	Neutral	7	9.1
4	Dissatisfied	3	3.9
5	Highly Dissatisfied	1	1.3
	Total	77	100.0

TABLE No. 2 - PERSONALIZED SERVICES OF THE BANK

S. No	**Particulars**	**No. of Respondents**	**% of Respondents**
1	Highly Satisfied	41	53.2
2	Satisfied	22	28.6
3	Neutral	11	14.3
4	Dissatisfied	2	2.6
5	Highly Dissatisfied	1	1.3
	Total	77	100.0

HYPOTHESIS:

NULL HYPOTHESIS (H0):

There is no significant relationship between the Branch location of the bank and personalized services of the bank.

ALTERNATIVE HYPOTHESIS (H1):

There is significant relationship between the Branch location of the bank and personalized services of the bank.

TABLE No. 3 – CORRELATION

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		Branch location	Personalized service
Branch location	Pearson Correlation	1	.548**
	Sig. (2-tailed)		.000
	N	77	77
Personalized service	Pearson Correlation	.548**	1
	Sig. (2-tailed)	.000	
	N	77	77

Factors	Very Frequently	Usually	Neutral	Occasionally	Never	Total
Internet Banking	22	17	11	9	18	77
Branch Banking	46	16	11	3	1	77
Mobile Banking	12	13	23	11	18	77
SMS Banking	15	7	19	14	22	77
ATMs	27	15	22	2	11	77

CALCULATION:

R = 0.548

From the SPSS output generate, the correlation value is 0.548 and the significant value is 0.000 which is less than 0.05 the null hypothesis is rejected.

INFERENCE:

Hence, is is positively correlated. Thus there is a significant relationship between the Branch location of the bank and personalized services of the bank.

WEIGHTED AVERAGE METHOD

Application of weighted average method to rank the type of Banking Channel that is preferred by the customers of the bank.

RANK RATED BY THE RESPONDENTS REGARDING THE TYPES OF BANKING CHANNELS.

TABLE No. 1 - CALCULATION OF WEIGHTED AVERAGE METHOD

Factors	**Very Frequently**	**Usually**	**Neutral**	**Occasionally**	**Never**	**Total**	**Average**	**Rank**
Internet Banking	110	68	33	18	8	247	3.20	**3**
Branch Banking	230	64	33	6	1	334	4.34	**1**
Mobile Banking	60	52	69	22	18	221	2.84	**4**
SMS Banking	75	28	57	28	22	210	2.72	**5**
ATMs	135	60	66	4	11	276	3.58	**2**

TABLE No .2 - WEIGHTED AVERAGE RESULT

FACTOR	**AVERAGE VALUE**	**RANK**
Branch Banking	4.34	1
ATMs	3.58	2
Internet Banking	3.20	3
Mobile Banking	2.87	4
SMS Banking	2.72	5

INFERENCE:

The table shows that majority of the respondents have given first rank to the Branch banking, second rank to ATMs, third rank to Internet banking, fourth rank to Mobile banking and fifth rank to SMS banking. This shows that the customers mostly expect Branch banking as their banking channel for their proper utilization of retail banking product and services.

WEIGHTED AVERAGE METHOD

Application of weighted average method to rank the features of State bank of India that is mostly preferred and feel satisfy by the customers.

RANK RATED BY THE RESPONDENTS REGARDING THE FEATURES PROVIDED BY THE BANK.

FACTORS	**Highly Satisfied**	**Satisfied**	**Neutral**	**Dissatisfied**	**Highly Satisfied**	**Total**
Personalized Services	41	22	11	2	1	77
Wide Branch Network	17	26	11	14	9	77
Customer services	46	11	15	3	2	77
Computerized services	10	39	14	5	9	77
Quick Response	17	32	21	5	2	77

TABLE No. 1 - CALCULATION OF WEIGHTED AVERAGE METHOD

Factors	**Highly Satisfied**	**Satisfied**	**Neutral**	**Dissatisfied**	**Highly Satisfied**	**Total**	**Average**	**Rank**
Personalized services	205	88	33	4	1	331	4.29	**1**
Wide Branch Network	85	104	33	28	9	259	3.36	**5**
Customer services	230	44	45	6	2	327	4.24	**2**
Computerized services	50	156	42	10	9	267	3.46	4

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Quick Response	85	128	63	10	2	288	3.72	3

TABLE No. 2 - WEIGHTED AVERAGE RESULT

Factor	Average Value	Rank
Personalized Services	4.29	1
Customer Services	4.24	2
Quick Response	3.72	3
Computerized Banking	3.46	4
Wide Branch Network	3.36	5

INFERENCE:

The table shows that majority of the respondents have given first rank to the personalized services, second rank to customer services, third rank to quick response, fourth rank to computerized banking, fifth rank to wide branch network. This shows that the customers mostly preferred personalized services as the satisfactory feature for the utilization of retail banking product and services.

FINDINGS OF THE STUDY

- ❖ The Chi-Square analysis shows a strong correlation between the consumers' age and educational level.
- ❖ According to the correlation, the bank's branch locations and customised services have a substantial association.
- ❖ According to the Weighted Average Method, the majority of respondents put branch banking first, ATMs second, Internet banking third, mobile banking fourth, and SMS banking fifth.
- ❖ According to the Weighted Average Method, the majority of respondents select customised services first, followed by customer services in second place, rapid response in third place, computerised banking in fourth place, and a large branch network in fifth place.

SUGGESTION AND RECOMMENDATION

- ❖ The awareness about the green banking among the customers is high. Customers using GCC (Green Channel Counter) system will not require pay-in slips or withdrawal forms for cash and transfer transactions. Bank has implemented a huge amount of automation through self service machines like passbook printers, cheque deposit machines, queue management etc. But it should be useful in improving the working performance. Hence, the bank's management has to facilitate the customers to understand the benefits of such retail banking product and services.
- ❖ The key reasons suggested by the customers for choosing State bank of India as their retail bank are:
  - ✓ Location of the bank
  - ✓ Security of deposits
  - ✓ Receiving of customer information
  - ✓ Customer waiting period
  - ✓ Accounts transaction, etc.,

Similarly, the study also found that the second most common reason was the effective cooperation and guidance of the bank employees. Henceforth, the organisation can give more importance to these factors in the retail banking.

- ❖ The bank might create a visual banner that outlines the step-by-step process of the online banking services. This kind of demonstration banner may be maintained next to the suggestion box and customer support desk, which will enable the uninformed clients become informed and make efficient use of the services. The bank may now use technology as a tool to advertise its offerings.
- ❖ According to the ranking method, the majority of customers believe that branch banking is more useful than other forms of alternative channels, such as ATMs, Internet banking, mobile banking, and SMS banking. As a result, the bank should change customers' perceptions by providing them with appropriate guidance to encourage them to use alternative channels..

5. CONCLUSION

The research focuses on State Bank of India's "Retail Banking" division. In general, the term "retail banking" refers to the provision of financial services, deposit-related products, and assets to single clients for consumption. You might also call them personal banking services.

By carefully examining and determining the location of retail banking products and services inside the bank, the research was able to achieve its goals. To keep up with the evolving business climate, everyone nowadays requires access to online banking, mobile banking, and ATM services. The study's recommendations might be quite advantageous to the organisation as they will help retail banking perform better, moving from a reasonable level to one that is above average.

The study's findings demonstrated the bank's exceptional performance in retail banking services and its superior reputation among clients. The amount of customer awareness of retail bank products, services, and operational expertise is determined to be modest at the same time.

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