

AN ANALYSIS TO IMPROVE SBI SHARE AMONG YOUNG SALARIED PEOPLE (PADMA RAO NAGAR BRANCH, HYD)

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ABSTRACT

Young salaried people are a part of the market segment and are targeted by companies to promote their product and services, as their number are increasing due to financial independence and globalization. These young salaried people are tech savvy. They are busy and lack time. They do not want to stand in queue for long time and want to have quality service. State bank of India should basically concentrate on customers of age group 20-30years and undergraduate and postgraduate customers. Also it should concentrate on customers earning 10-20k and 30k & above. Sbi should concentrate on female customers as they do not prefer mobile banking. The expectations of these young salaried people keep changing. They prefer ATM services, mobile and online banking. The banking sectors due to globalization are reaching out for a higher and wider market share to increase profitability. It is moving from a transactional based marketing to a relationship-based approach that has in its core value of the customer.

Key words: Expectations, Online banking, Quality service, Tech savvy, Young salaried.

INTRODUCTION:

With a 200 year –plus history, State Bank of India (SBI) has more than 200,000 employees and 18,000 branches. The bank traces its ancestry from British India, making it the oldest commercial bank in the Indian Subcontinent. Today, State Bank of India is the largest state owned banking and financial services company in India by almost every parameter– revenues, profits, assets, and market capitalization. The bank offers a range of services, from consumer and investment banking to asset management, pensions, mortgages and credit card.

SBI Bank is Leading Bank in the country, it provides a variety of products and services to different segments of customer. The Bank aims to serve customers from teenagers to senior citizens, hence different products designed to suit specific requirements of the above. Aims to serve all classes of the society from the salaried middle class to the high income business class. Customers are categorized and segmented according to their requirements and needs. SBI Bank provides personal loan at low interest rate which good for customers. The Bank prides itself with the ability to provide differentiate

products in the crowded market of saving accounts. Bank offers free insurance, special co-branded debit cards which makes its product unique.

OBJECTIVE:

1. How to improve SBI's share among young salaried people,
2. How to meet their expectations and suggestions to serve them better

SCOPE:

- The research process is based on primary data collected through questionnaire
- The size of the sample is 200.
- Information collected from public sector banks such as Sbi, Andhra bank, Canara bank and Union bank.
- Information collected from private banks such as ICICI, AXIS, HDFC and YES bank.
- Demographic variables such as age, occupation, education, salary and gender have been considered.
- The respondents mostly constitute of customer of banks in Hyderabad.

EMPERICAL STUDY:

- To know the expectations of young salaried people regarding the bank products and services.
- To improve SBIs share among the young salaried people.
- To compare the demographic variables with that of the bank products and services.
- To study the association between young people of the age 20-30years and 30-40 years.
- To study the association between government employees and private employees.
- To study the association between under graduates, graduates and post graduates.
- To study the association between young people of the age 20-30years and 30-40years.
- To study the association between male and female gender.
- To study the association between customers earning 10-20k, 20-30k and 30k & above.

LITERATURE REVIEW:

Rao N.V.M., Singh P. and Maheshwari N. (2005): study e-Business models and real –life experiments that have been circling around the e-business models in some selected banks

chosen, from public sector and private sector banks. The study concludes that most of the banks offering Internet banking facility in India has high overall scores indicating high quality of their websites at all the functional and interactivity levels. ICICI Bank, State Bank of India and Bank of India now have mobile ATMs or vans that go along a particular route in a city and are stationed at strategic locations for a few hours every day. Almost all the internet banks have privacy statements and about half of these have a security statement. The model suggests that the performance of the banking sector has improved considerably. It is believed that a mathematical approach proposed in this paper will find extensive application in other sectors of the economy also.

Consumer Voice (2006): conducted a survey to study the customer satisfaction level of 3100 serving banks, credit and debit card holders, who are covered during the period September 2005 to November 2005. The survey is conducted in eight cities, where the maximum numbers of respondents come from SBI (17.10 pc) followed by ICICI Bank (8.80 pc) and the maximum surveyed customers belong to the age group of 26-34 years. The study reveals that Citibank has the most dissatisfied customers and most of the customers are shifting from public sector banks to private sector banks, mainly due to convenient availability and due to restricted functioning hours of public sector banks. Overall, only 6 pc of the respondents use internet banking and most of them (16.3 pc) are registered with HSBC followed by ICICI Bank (12.6 pc). Overall, the study concludes that Standard Chartered Bank, Vijaya Bank and Syndicate Bank steal the march, the little known the United Western Bank performs impressively and Citibank is the most over-rated bank.

Chopra V.K. (2006): highlights the importance of IT and business re-engineering in achieving the objectives of banks. The paper concludes that PSBs and old private sector banks are slow in imbibing technology in their operations, whereas new private sector banks and foreign banks are early adopters of the technology and increasing the competition. The paper emphasizes that IT along with the business process re-engineering can provide ideal technology environment catering to the stated business objectives.

Kumar and Walia (2006): produce information on integrated approach adopted by Indian banks and discussed how Indian banks are aligning their services as per global requirement. The study visualizes that per transaction cost through various channels as it is the least i.e.Rs.0.10 per transaction through internet-banking while Rs.1.00 if transact manually. The percentage of computerization in all Indian banks is only 24 pc up to 2003 and 52 pc branches of public and old private sector banks are computerized whereas 100 pc computerization is made in new private sector banks and foreign banks, mainly due to less spending only 0.5 pc of its revenue on information technology by the public sector banks where new private sector banks spend 4-5 pc and foreign banks spend 9 pc on IT. Very few banks like SBI, Bank of Baroda, and Bank of India etc. are reorienting their strategies to become more focused. The study suggests that given the confidence and competence to public sector banks too, Indian banking sector will surely touch new heights in the years to come.

Pepreya B.K. (2006): suggests that Internet-banking is very useful for prompt payments and provide various facilities to the customers for 24 hours, anywhere anytime. But some risks related to security are involved still every customer wants a number of facilities any where any time. So Internet-banking should be cheap, best affordable and secure from the present risks.

Sakkthivel A.M. (2006): aims at providing a specific focus to identify the impact of demographics in influencing Indian Internet users in consuming different services online. The survey is conducted of 570 internet users of Bangalore. The study reveals that age and occupation have significant impact on consuming different categories of services online. The study also shows the significance of demographics influence on online consumption of services in the growing Indian market. There are enormous opportunities present for online marketers to tap the potential of rapidly increasingly online market space in India. The understanding and mapping of online consumers through demographics could enable their focus better.

Uppal R.K. (2007): concludes that Indian banking industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. A highly satisfied and delighted customer is a very vital non-financial asset for the banks in the emerging IT era. This study is based on the responses of 768 customers of public sector banks, Indian private sector banks and foreign banks operating in Amritsar District of Punjab in month of September 2007. Time is major factor which affects the quality and reputation of banks. E-banks provide quick services and that is why they are becoming more popular. Hence, it is very essential that all bank groups should place the right kind of systems to further cut down on service time and render instantaneous services to the customers.

RESEARCH METHODOLOGY:

The present research is concerned with **how to improve State Bank of India share among young salaried people**. The study was covered in a period of eight weeks commencing from 20th May, 2013 to 20th July 2013.

Primary Data: The data has been collected through questionnaire.

Research instrument – Questionnaire.

Sample size -200 respondents.

Research design:-

Descriptive research –As the research objective calls for more detailed data on the topic so quantitative descriptive research is conducted . The goal of this form of research is to measure specific topic of interest usually in a quantitative way.

Statistical tools have been applied:-

Correlation is an analysis of the relationship of two or more variables. The coefficient of correlation is

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Correlation slabs +/- 0 - 0.3 **slightly correlated,**
+/- 0.3 - 0.7 **moderately correlated,**
+/- 0.7 - 1 **strongly correlated.**

Skewness is a statistical technique to indicate the direction and extent of asymmetry in the distribution in the numerical values in the data set.

$$S_k^1 = \frac{3(\mu - median)}{\sigma}$$

Regression is the statistical technique that expresses the relationship between two or more variables in the form of an equation.

$$Y = A + Bx$$

LIMITATIONS:

1. The research process was carried from 20th May to 20th July 2013.
2. Research analysis is focused on demographic variables such as age and occupation.
3. Analysis is based on statistical tools correlation and skewness.
4. The research instrument, questionnaire is based on closed end questions

DATA ANALYSIS

Demographic profile of the respondents % from the sample data

S. no.	Demographic variables	No. of respondents(n=200)	Percentage
01	<u>Age</u>	80	40%
	20-30yrs	80	40%
	30-40yrs	80	40%
02	<u>Gender</u>		
	Above 40yrs	40	20%
	Male	160	80%
03	<u>Marital status</u>		
	Female	40	20%
	Single	80	40%
04	<u>Education</u>		
	Married	120	60%
	UG	80	40%
05	<u>Region</u>		
	Graduate	80	40%
	Pg	40	20%
06	<u>Occupation</u>		
	Rural	40	20%
	Urban	160	80%
07	<u>Salary</u>		
	Govt. employee	60	30%
	Pvt. Employee	120	60%
08	<u>Job exp</u>		
	Business	20	10%
	10-20k	80	40%
09	<u>No. of Dependents</u>		
	20-30k	80	40%
	Above 30k	40	20%
09	<u>No. of Dependents</u>		
	0-3yrs	80	40%
	3-7yrs	80	40%
09	<u>No. of Dependents</u>		
	Above 7yrs	40	20%
	2-4	80	40%
09	<u>No. of Dependents</u>		
	4-6	80	40%
	Above 6	40	40%

Table - 1

Correlation b/w demographic variables and customer satisfaction

Questions	Age	Corre- -lation	Occup- -ation	Corre- -lation	Edu- -cation	Corre- -lation	Sala- -ry	Corre- -lation	Gen- -der	Corre- -lation
1.Bank name	0.57	Mode- -rately	0.72	Strong -Ly	0.5	Mode -rately	0.57	Mode -rately	0.33	Mode -rarely
2.Mode of transaction	0.78	Strong -ly	0.5	Mode -rately	0.78	Strong -ly	0.5	Mode -rately	0.82	Strong -ly
3.Reason to choose online banking	0.5	Mode- -rately	-0.5	Mode -rately	-1	Strong -ly	1	Strong -ly	-1	Strong -ly
4.Mostly preferred feature	-0.5	Mode- -rately	1	Strong -ly	-0.5	Mode -rately	-0.5	Mode -rately	-1	Strong -ly
5.Customer satisfaction	0.1	Sligh- -tly	0.25	Slight -ly	0.61	Mode -rately	0.16	Slight -ly	1	Strong -ly

Table - 2

Analysis based on strongly correlated variables:-

1. Association b/w occupation & preferred online services (strongly correlated=1)

OCCU	Column	GOVT	PVT
		EMPLOYEE	EMPLOYEE
PAY BILLS		30	50
A/C INQUIRY		20	40
FUND TRANSFER		10	30
TOTAL		60	120

Interpretation:-

- Private employees prefer online banking services for bills payment, account inquiry and funds transfer.
- Govt. employees prefer mostly for bills payment.

2. Association b/w education & reason to choose online transaction (strongly correlated=-1)

EDUCATI	Column1	UNDER G	Column2	GRADUATE
CONVENIENCE		20		40
SAVE TIME		30		20
24/7		30		20
total		80		80

Interpretation:-

- Graduated customers prefer online banking services for convenience
- They use online services for bills payment and fund transfer
- Under graduate customer prefer online services to save time

- They use account inquiry and fund transfer

3. Association b/w salary & reason to choose online feature (strongly correlated =1)

salary		10-20	20-30K
CONVENIENCE		40	30
SAVE TIME		20	25
24/7		20	25
total		80	80

Interpretation:-

- Salaried customers who are earning 10-20k prefer online transaction for convenience
- They prefer sbi to other banks
- Most they use online services for bill payment and account inquiry
- Salaried customers who are earning 20-30k prefer online transaction for convenience
- They use bills payment and funds transfer

4. Relation b/w gender &reason to choose online transaction (strongly correlated=-1)

gender		male	female
CONVENIENCE		40	20
SAVE TIME		60	10
24/7		60	10
total		160	40

Interpretation:-

- Male customers prefer save time and 24/7 as the reasons to choose online transactions
- Female customers choose on line transaction for sake of convenience

5. Relation b/w gender &most used services online (strongly correlated=-1)

gender	male	female
PAY BILLS	40	20
A/C INQUIRY	60	10
FUND TRANSFER	60	10
total	160	40

Interpretation:-

- Male customers utilize online transaction for account inquiry and fund transfer
- Female customers utilize online transaction for bills payment

6. Relation b/w gender& customer satisfaction (strongly correlated=1)

Column1	Column2	Column3	Column4	Column5
			male	female
VERY SATISFIED			20	5
SATISFIED			40	10
SOME WHAT SATISFIED			40	10
DIS-SATISFIED			40	10
VERY DISSATISFIED			20	5
total			160	40

Interpretation:-

- Male customers are satisfied with the customer services than female customers
- Female customers are somewhat satisfied with the customer services

FINDINGS & CONCLUSIONS:

From the above study I conclude the analysis on how to improve SBIs share among young salaried people, their expectations and suggestions to serve them better”.

1. SBI needs to concentrate between the age group of 20-30years because this age group is preferring private sector bank.
2. Business people were also not preferring SBI, to attract this segment SBI needs to improve services which can cater wide spectrum of individuals and HUF.
3. Online banking of SBI is found not to be user friendly for the female customers. Sbi need to concentrate on e – commerce oriented banking to attract female customers and above 30 k salaried employees to increases the online banking users.
4. Hence I recommend that further research is required in this area to improve the service level and retain the present customer’s base.

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