



## **A STUDY ON CUSTOMER PREFERENCE TOWARDS STATE BANK OF INDIA IN THE PRESENT SCENARIO**

**Dr. Sindhu K.P.**

Assistant Professor,

Post Graduate Department of Commerce & Management Studies,

N.S.S.College, Nemmara

Palakkad, Kerala-678508

**Dr. T. Sreekumar**

Associate Professor,

Post Graduate Department of Commerce & Management Studies,

N.S.S.College, Nemmara

Palakkad, Kerala-678508

### **ABSTRACT**

*Banking in India is moderately consolidated, with the top 10 players accounting for approximately 60 per cent of the total industry. The Indian banking sector is majorly dominated by public sector banks. With the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to KPMG-CII report, India's banking and financial sector is expanding rapidly. State Bank of India (SBI), with a 200 year history, is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees. Recently, the associate banks of State Bank of India viz. State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH) and State Bank of Patiala (SBP) merged to SBI. After the merger, SBI is set to be among the top 50 large banks of the world. In this situation it is felt necessary to know the customer preference especially those customers who were customers of SBT earlier, towards SBI.*

---

**Key Words:** Customer, Customer Perception, State Bank of India

## **1. Introduction**

Banking in India is moderately consolidated, with the top 10 players accounting for approximately 60 per cent of the total industry. The Indian banking sector is majorly dominated by public sector banks. With the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to KPMG-CII report, India's banking and financial sector is expanding rapidly. State Bank of India (SBI), with a 200 year history, is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees. Recently, the associate banks of State Bank of India viz. State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH) and State Bank of Patiala (SBP) merged to SBI. After the merger, SBI is set to be among the top 50 large banks of the world. In this situation it is felt necessary to know the customer preference especially those customers who were customers of SBT earlier, towards SBI.

## **2. Significance of the Study**

Customers' preference is a measure of the customer satisfaction with the quality that is received. SBI (The State Bank of India), the country's prestigious and prominent Bank and a premier one in terms of balance sheet size, number of branches, market capitalization and profits is today going through a momentous phase of Change and Transformation. The merger of SBI and associates help SBI to become one of the leading banks in the world. SBT, one of the associates of SBI earlier had a large number of satisfied customer database. In the present situation, it is relevant to know the SBT customers' preference towards the services provided by SBI. The present paper tries to know the customers' formerly customers' of SBT, preference towards SBI.

## **3. Objective of the Study**

To know the customers' preference towards the services provided by State Bank of India.

## **4. Research Methodology**

The data collected for the study is mainly from secondary sources like various books, journals, government publications & reports, newspapers and various websites. The primary

data for the study is collected from 150 SBT customers in the Palakkad & Thrissur districts using convenient sampling methods. Tool used for study are rank, Average Weighted Score, attitude scale & percentage.

## 5. Discussions

Objective: To know the customers' preference towards the services provided by State Bank of India.

### 1. Factors considered to remain as SBI Customer

Sl. No	Reason	Rank					Total
		1	2	3	4	5	
1	Availability of more products/services	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)
2	Convenient location of a bank	130 (86.7)	10 (6.7)	4 (2.7)	4 (2.7)	2 (1.2)	150 (100)
3	High rate of interest on deposits	80 (53.3)	20 (13.3)	20 (13.3)	10 (6.8)	20 (13.3)	150 (100)
4	More and appropriate channels	100 (66.7)	10 (6.7)	20 (13.3)	12 (8)	8 (5.3)	150 (100)
5	Reputation of the Bank	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)
6	Large ATM networks	130 (86.7)	10 (6.7)	4 (2.7)	4 (2.7)	2 (1.2)	150 (100)
7	More Dependability	100 (66.7)	10 (6.7)	20 (13.3)	12 (8)	8 (5.3)	150 (100)
8	Only SBI Branch is available	80 (53.3)	20 (13.3)	20 (13.3)	10 (6.8)	20 (13.3)	150 (100)
9	Timely Response to quires and grievances	70 (46.7)	20 (13.3)	10 (6.7)	30 (20)	20 (13.3)	150 (100)
10	Pace with modern technology	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)

**Source: Field Survey.** Figures in the brackets denote per cent.

From the above table, it is clear that availability of more products/services, pace with new technology and large number of ATM networks are the major factors which customers consider to remain in SBI.

### 2. Opinion about the bank charges of SBI

opinion	YES	N0	Total
SBI charges excess amount to services	120	30	150

**Sources: Field Survey**

Majority of the customers opined that SBI charge excess amount to services.

### 3. Customers' Awareness on SBI online Products and Services

Sl. No	Product & Services	Awareness					Total
		Fully Aware	Aware	Partially Aware	Somewhat Aware	Not Aware	
1	Various Payments/Transfer Methods	130 (86.7)	10 (6.7)	4 (2.7)	4 (2.7)	2 (1.2)	150 (100)
2	Various E – Deposits Methods	80 (53.3)	20 (13.3)	20 (13.3)	10 (6.8)	20 (13.3)	150 (100)
3	Various Types of Smart Cards	100 (66.7)	10 (6.7)	20 (13.3)	12 (8)	8 (5.3)	150 (100)
4	State Bank Collect	70 (46.7)	20 (13.3)	10 (6.7)	30 (20)	20 (13.3)	150 (100)
5	Bill Payments	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)
6	Western Union Services	100 (66.7)	10 (6.7)	20 (13.3)	12 (8)	8 (5.3)	150 (100)
7	NPS Contribution	80 (53.3)	20 (13.3)	20 (13.3)	10 (6.8)	20 (13.3)	150 (100)
8	Power Jyothi Fee collection	70 (46.7)	20 (13.3)	10 (6.7)	30 (20)	20 (13.3)	150 (100)
9	Loan Against Shares	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)

**Source: Field Survey.** Figures in the brackets denote per cent.

Various Payments/Transfer Methods, Various E – Deposits Methods, Various Types of Smart Cards, State Bank Collect, Bill Payments, Western Union Services, NPS Contribution, Power Jyothi Fee collection and Loan Against Shares are taken as online services provided by SBI.

From the above table, it is clear that investors are more aware about various online payment/ transfer system followed by various types of smart cards.

#### 4.1. Customers' Preferences on SBI online Products and Services

Sl. No	Product & Services	Preferences					Total
		1	2	3	4	5	
1	Various Payments/Transfer Methods	130 (86.7)	10 (6.7)	4 (2.7)	4 (2.7)	2 (1.2)	150 (100)
2	Various E – Deposits Methods	80 (53.3)	20 (13.3)	20 (13.3)	10 (6.8)	20 (13.3)	150 (100)
3	Various Types of Smart Cards	100 (66.7)	10 (6.7)	20 (13.3)	12 (8)	8 (5.3)	150 (100)
4	State Bank Collect	70 (46.7)	20 (13.3)	10 (6.7)	30 (20)	20 (13.3)	150 (100)
5	Bill Payments	120 (80)	13 (8.7)	12 (8)	3 (2)	2 (1.3)	150 (100)
6	Western Union Services	100 (66.7)	10 (6.7)	20 (13.3)	13 (8.6)	7 (4.7)	150 (100)
7	NPS Contribution	80 (53.3)	20 (13.3)	20 (13.3)	20 (13.3)	10 (6.8)	150 (100)
8	Power Jyothi Fee collection	70 (46.7)	10 (6.7)	20 (13.3)	30 (20)	20 (13.3)	150 (100)
9	Loan Against Shares	100 (66.7)	10 (6.7)	10 (6.7)	20 (13.2)	10 (6.7)	150 (100)

**Source: Field Survey.** Figures in the brackets denote per cent.

From the table it is clear that customers' are most preferred the online payment /transfer methods followed by bill payments.

#### 4.1. Customers' Preferences on SBI online Products and Services

Sl. No	Product & Services	AWS	Rank
1	Various Payments/Transfer Methods	4.7	1
2	Bill Payments	4.64	2
3	Western Union Services	4.22	3
4	Various Types of Smart Cards	4.2	4
5	Loan Against Shares	4.1	5
6	NPS Contribution	3.93	6
7	Various E – Deposits Methods	3.86	7
8	State Bank Collect	3.6	8
9	Power Jyothi Fee collection	3.5	9

**Source: Field Survey.**

From the above table also it is clear that customers' are most preferred the online payment /transfer methods followed by bill payments.

## 5. Suggestions & Conclusion

From the present paper, it is clear that majority of the customers like to continue the customer ship. By pacing with new technologies and customer friendly products and services SBI can become the leading bank in the world.

## 6. References:

1. <http://www.bankersadda.com/2014/03/sbi-largest-commercial-bank-of-india.html#ixzz50pC8o0Xq>
  2. Santhiyavalli (2011). Customer's perception of service quality of State Bank of India - A Factor Analysis. *International Journal of Management & Business Studies*, Vol. 1, Issue 3, September 2011.PP. 78-84
  3. Praful S. Gudadhe (2013). Customer Perception Towards Products and Services Of State Bank of India-With Special Reference to Yavatmal District, (M.S.) India. *International Journal of Commerce, Business and Management (IJCBM)*, Vol. 2, No.4, August 2013.PP.194-201.
  4. [www.economictimes.indiatimes.com](http://www.economictimes.indiatimes.com)
  5. [www.thehindubusinessline.com](http://www.thehindubusinessline.com)
-