

**Depositor's Preference and Satisfaction Regarding Service of
State Bank of India**

By

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Kumaraguru College of Technology
Coimbatore**

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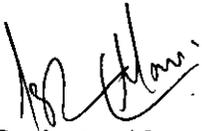
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BONAFIDE CERTIFICATE

Certified that this project report titled “**Depositor’s Preference And Satisfaction Regarding Service of State Bank Of India**” is the bonafide work of **Ms. Manisha.A, 71206631024** who carried out the research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.



Project guide



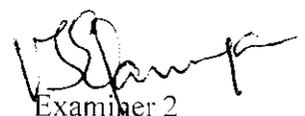
Director

Evaluated and Viva Voce conducted on

29/10/07



Examiner 1



Examiner 2

DECLARATION

I, hereby declare that this project report entitled as “**Depositor’s Preference And Satisfaction Regarding Service of State Bank Of India**” has been undertaken for academic purpose submitted to Anna University in partial fulfillment of the requirements for the summer internship project of Master of Business Administration. The project report is the record of the original work done by me under the guidance of **Dr. B. Subramani** during the academic year 2007 – 2008.

I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief.

Date :

29/10/07

Place : Coimbatore



Manisha.A



भारतीय स्टेट बैंक

भारतीय स्टेट बैंक

STATE BANK OF INDIA

BELLARY

303 / तार / Telegram :

2022 / संख्या / Ref. No. :

2007 / दिनांक / Date

- 6 AUG 2007

**SUMMER INTERSHIP PROJECT COMPLETION
CERTIFICATE**

This is to certify that MS. MANISHA (71206631024) a student of KCT Business school, Kumarguru College of Technology, had undergone a project between 19th June and 31st July entitled the depositors preference and satisfaction regarding service of State Bank of India, under the guidance of Mr. Harishchandra, Deputy Manager.

During the tenure her performance was very good.

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Organizational guide

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Chief Manager, Bellary

EXECUTIVE SUMMARY

Today banks have to look much beyond than just providing a multi-channel service platform for its customers. There are other pressing issues that banks need to address in order to chalk-out a roadmap for the future. Customer retention is one of the main priorities for banks today. With the entry of new players and multiple channels, customers have become more discerning and less 'loyal' to banks. This makes it imperative that banks provide best levels of service to ensure customer satisfaction. One such attempt is made by State bank of India to know its customer satisfaction.

The title of the project is “Depositor’s preferences and satisfaction regarding service of State bank of India”. The aim of the organization is to study the satisfaction among the depositors to retain its premier position.

The basic objective of the study was to find the level of satisfaction among the depositors on the services provided by State Bank Of India, Bellary, Station road branch. The other objectives were

- To analyze the various deposit related services provided by State Bank Of India.
- To explore the factors motivating depositors to prefer SBI as their money bank.
- To study the impact of COREBANKING as a banking system among the depositors.
- To offer suggestions to SBI based on the findings of the study.

The station road branch of bellary was undertaken for the study. Percentage analysis and few statistical tools like weighted average and Chi –Square were used for the analysis. A total of 120 depositor’s opinions were collected in this study. Questionnaire was designed in a way to collect two kinds of basic information on customer satisfaction. . After interviews were made, the results were verified and tabulated. The tabulation was made with Excel and analysis with statistics program SPSS.

Some of my understandings out of this study are as follows

- The various deposit related schemes offered by SBI.
- Banking transactions and method of undergoing banking service. Various formalities to be filled for depositing and withdrawing money.
- The effect of corebanking on the banking system.
- The locker facilities available and their usage.

By doing the analysis of the study the following points were found

- Security is considered as the main factor by most of the depositors in preferring SBI as their money bank. Service and reputation are next factors that motivated the respondents.
- Most of the depositors are satisfied with the ambience, service charges and ATM facility of SBI.
- Almost all the depositors are happy with the implementation of corebanking.
- More than 50% of the respondents do not prefer keeping mutual funds with SBI as they feel that private mutual funds are more capable and profitable.
- More than 50% of the respondents assessed the overall service offered by SBI as good. It is, therefore, convincing that SBI customers think that the current banking activities are good enough to satisfy them. It is, therefore, clear that customer of SBI bank are satisfied.

Recommendations

The respondents were asked to give some changes they would like to see in the premises. The various changes were summarized into six heads

- Extra counters to be added to reduce the rush during peak hours.
- To open more ATM centers in bellary.
- To strengthen employee's morale and recruit additional employees.
- Enquiry counter to be made more effective to extend a helping hand to illiterates.
- Infra structure alterations. Green surroundings, more waiting chairs and adequate water facility.

➤ Changes related to working system like re-introduction of Teller system, Clearance of local cheques to be done on the same day, Service and DD charges to be reduced.

One of the most important conclusions of this research was that the depositors of SBI are completely satisfied with their bank. The research gave some good suggestions to the bank to improve customer satisfaction. The findings would enable the organization to make suitable changes as suggested by the respondents to achieve the peak of satisfaction among its depositors and retain its premier position.

ACKNOWLEDGEMENT

The materialization of this report has witnessed innumerable contributions from numerous people in the form of selfless criticism, valuable suggestions and above all power packed words of motivation. I am deeply indebted to all of them and take this opportunity to express my feeling of gratitude to all of them.

I foremost owe thanks to God Almighty who blessed me to carry out this work. I express my sincere gratitude to our beloved Correspondent Prof. Dr. K. Arumugam, our principal Dr. Joseph V. Thanikal, Kumaraguru College Of Technology, Coimbatore for encouraging and providing facilities to do this project.

I express my sincere gratitude and thanks to our Director for permitting me to carry out the project.

I wish to place on record my heart felt thanks and sincere gratitude to my guide Dr. B. Subramani for his constant guidance and support throughout this project and for the valuable suggestions given by him in bringing out this report.

I acknowledge my sincere thanks to Mr. Harishchandra, Deputy manager (PB, Accounts) of State Bank Of India ,Station road branch, bellary for giving me an opportunity for doing the project in their esteemed organizations and encouraged me with his expert counseling and guidance for successful completion of my research study.

I cherish to acknowledge the benevolence of my family and Friends for their encouragement, enthusiasm, co-operation and moral support. I affirm my renewed thanks to everyone who in one way or the other helped me to complete this project.

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INTRODUCTION

CHAPTER 1

INTRODUCTION

1.1 Background of the Study:

Customer satisfaction is a long-term strategy. Just as it is difficult to radically alter perceptions of product quality over a short time horizon, so too is difficult to quickly cultivate a reputation for superior customer service. Consequently customer satisfaction is as competitive advantage that is sustainable over the long term. In the past few years, subject of satisfaction and dissatisfaction has received a great deal of attention from academic researchers. Engel & Blackwell (1982) defined satisfaction as an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative. If expectations are matched, the outcome, of course, is satisfaction. Satisfaction and dissatisfaction, of course, represent extreme points on a continuum.

There are many ways to improve customer satisfaction. Some strategies are: building relationships with customers, superior customer service, unconditional guarantees, efficient complaint handling. Customer satisfaction leads to competitive advantage in market place by differentiation, product quality.

The service management literature argues that customer satisfaction is the result of a customer's perception of the value received in a transaction or relationship – where value equals perceived service quality relative to price and customer acquisition costs.

1.2 Review of literature

Thaneswor Gautam in his study has assessed the commercial banks' performance in terms of "customer satisfaction". Ten commercial banks, including the main branch and another city branch were selected as the sample for the study. Few statistical tools such as Mean, Standard Deviation, Person's Correlation, ANOVA, Chi - Square, Kruskal-Wallis ANOVA, were used for the analysis. A total of 331 customers' opinions were collected in this study. Questionnaire was designed in a way to collect two kinds of basic information on customer satisfaction. First, to what extent the respective commercial banks are conducting some program to satisfy their customers. And, second about actual level of customer satisfaction provided by these banks to their customers. These two elements were found highly correlated. The Person's Correlation Coefficient of these two responses ($r=0.6974$) was found significant at 0.01 level of significance. From the observation of general descriptive of mean and standard deviation of the above stated two scales, customer perception on banks' satisfaction program and the perceptual customer satisfaction is average in Nepalese commercial banks. This study clearly showed that customers are more satisfied with the second-generation joint venture banks. To be more specific, customers were found satisfied with those banks where customers had to spent less time on waiting, and the employees' behavior was good. The study of the cases of NSBI and EVR apparently shows these two banks better in both the categories. Customers reported that they opened account in this bank because of its facilities like credit card, automatic teller machine etc. NB bank and BOK were also found good in fast-correct functioning. EVR, NB, NGB and BOK were found good in office environment. NSBI, NB, & EVR were found good in terms of customers waiting time. Almost all of these commercial banks except NGB fall under second-generation joint venture category. It is, therefore, safe to conclude that second generation banks are more successful in their customer satisfaction performance than the first generation and non-joint venture banks.

To assess the role of the online channel in meeting the needs and exceeding the expectations of customers, ForeSee Results teamed with Forbes.com to

conduct a customer satisfaction survey focused on online banking and bill payment. The goal of this survey, the second of its kind, was to use the framework of customer satisfaction to understand and quantify the role of online banking in a bank's success. According to Forrester research, the number of U.S. households banking online has more than doubled since 2000, totaling 69.3 million households in 2004. The research was assigned by Perhon Osuuspankki. The purpose of this study was to find out if the customers who live outside of Perho are satisfied with their bank and how committed they are to this bank. One of the goals was to find out the current satisfaction level, so that it would be easier to compare the results with results from earlier customer satisfaction researches. The research methods used were quantitative. The research was carried out by phone, because it is an effective way of getting information. The whole population consists of about 600 people and the number of interviewees that were chosen, was 100. Statistically valid answers were gotten from 63 customers. After interviews were made, the results were verified and tabulated. The tabulation was made with Excel and analysis with statistics program SPSS. The research shows that about 70 percent of interviewees were less than 30 years old. They were satisfied among other things with the flexibility of the bank and the individual customer service. The image of the bank was seen as excellent. One of the most important conclusions of this research is that the customers of Perhon Osuuspankki are completely satisfied with their bank. The results give important information for the bank in which they have succeeded and what things they should improve. The research gave some good suggestions to the bank to improve customer satisfaction. (*Larry Freed*)

Doug Bruce conducted a study on banking on Entrepreneurship for which he required to analyze the services of a banking sector that may cater to their changing needs. Account and deposit services, cash and coin, financing, payroll processing, credit/debit cards, and pensions and savings are just several of many banking services that Small and medium-sized enterprises (SMEs) rely on to meet both their short- and long-term goals. To ensure that financial institutions are playing their part to meet the needs of the SME sector, CFIB regularly surveys its membership on banking issues. The most recent CFIB survey provides evidence that the banking sector does a

satisfactory job at servicing the more established small firms that have been in business for 11 years or more. Unfortunately, the data reveals a different story for those less experienced respondents that have only been in business for 10 years or less and, as a result, have not been subjected to the full business cycle in the economy (i.e., recession to growth). For starters, the proportion of less established business owners who cited they had their loan application rejected by their main lending institution within the past three years was 16 per cent—more than twice the rate for more established firms, at 7.6 per cent (see Figure 1). Secondly, the incidence of account manager turnover is significantly higher among younger firms, at 26.2 percent, compared to older firms, at 20.2 per cent. Thirdly, younger firms tend to pay 0.39 of a percentage point more in interest for financing than older firms.

Molina Arturo, Martin-Consuegra David and Esteban Águeda investigated the impact of relational benefits on customer satisfaction in retail banking. They presented a causal model that identifies a connection between the relational benefits achieved through a stable and long-term relationship with a given bank and customer satisfaction with retail banking. Design/methodology/approach - Based on a theoretical framework regarding the relationship between relational benefits and customer satisfaction, an empirical study using a sample of 204 bank customers was conducted, and the theoretical model is tested. Multi-item indicators from prior studies were employed to measure the constructs of interest, and the proposed relationships were tested using structural equations modeling methods. Findings - The results show that confidence benefits have a direct, positive effect on the satisfaction of customers with their bank. However, special treatment benefits and social benefits did not have any significant effects on satisfaction in a retail banking environment. Research limitations/implications - This study was conducted in a retail banking setting, and may not be generalized in other service sectors. It has also focused on the relationship between relational benefits and satisfaction, while other factors that may have an influence on consumer satisfaction have not been considered. The findings suggest that banks can create customer satisfaction through relational strategies that focus on building customer confidence. Therefore, frontline employees should be committed to establishing and

maintaining confidence benefits for customers. Originality/value - Interest in the subjects of relational benefits and customer satisfaction has been growing among marketing researchers and practitioners. The present study provides useful information on the relationship between customer satisfaction and specific relational benefits in retail banking.

Methlie Leif.B and Nysveen Herbjorn in their study focused on customers' loyalty in on-line banking. The findings indicate that determinants of loyalty in on-line banking environments are similar to those in the physical market place. However, customer satisfaction is found to have the most significant impact, followed by brand reputation, while switching costs and search costs, although significant, have minor explanatory power.

The public's generally positive impression of industry health and safety, customer satisfaction with financial institutions is on the upswing, according to the latest American Banker/Gallup consumer survey. This trend appears to be yielding a market-share benefit for at least some categories of competitors. For the first time since 1994, there was an increase, albeit slight, in commercial banks' customer loyalty. Since the last nationwide telephone survey that the Gallup Organization of Princeton, N.J., conducted for American Banker, in the fall of 1997, banks increased their share of principal customer relationships to 51%, from 49%. Paralleling that improvement was a two-point boost in the proportion of households doing most of their financial business with credit unions. At 20% in March, the figure surpassed that of thrift institutions for the first time since this newspaper began publishing consumer polls in 1984. The slow but steady rise for credit unions over many years correlates with their industry-leading customer satisfaction ratings. More than seven out of 10 people who identify a credit union as their principal financial choice declared themselves "very satisfied." Even the thrifts' news was not entirely negative. Despite having fewer "very satisfied" customers, thrifts held unchanged at 18% in the number of respondents choosing them for their principal financial relationships. Amid a robust economic climate and a slowdown in big-bank mergers, which tend to hurt customer satisfaction scores, all three traditional

forms of depository institutions - banks, thrifts, and credit unions - are holding their ground against nonbank competitors.

Reynierse James.H and Harker John.B in their research surveyed data from 322 tellers and 145 customer service representatives from 79 branches of a bank were correlated with survey data from 4065 bank customers. Results indicated there was a significant relationship for both tellers and customer service representatives and customer levels of satisfaction, with customer service representatives showing a greater number of significant results. These relationships were maximized for employee ratings in the. Pride in Service and Customer Orientation categories, but were weak and inconsistent for employee ratings in the Personnel Issues, Training, and Morale and satisfaction categories. Identifying High and Low Service Areas clarified this and demonstrated that satisfaction issues were important.

Frei Frances X and Kalakota Ravi explored the relation between retail banks' branch-based processes and financial performance. There are 11 processes included in this study, which represent the bulk of the activities performed in a typical retail branch (e.g., opening checking accounts). The first finding of this study is that the financial performances of banks that perform better across these processes tend to be better than that of other banks. In addition to the variation in process performance across banks, there is also substantial variation across processes within banks. That is, banks that performed well in one process often performed quite badly in another. They presented an analytical model that shows that improvement in process variation can be more important than improvement in aggregate process performance when dealing with certain customer segments. Empirical evidence from the Wharton Financial Institution Center Retail Banking Study of bank holding companies in the United States provides support.

1.3 Objectives:

Primary Objective:

To study the satisfaction among the depositors on the service provided by State Bank Of India, Bellary, Station road branch.

Secondary Objectives:

- To analyze the various deposit related services provided by State Bank Of India.
- To explore the factors motivating depositors to prefer SBI as their money bank.
- To study the satisfaction level on services provided by SBI among the depositors.
- To study the impact of COREBANKING as a banking system among the depositors.
- To offer suggestions to SBI based on the findings of the study.

1.4 Statement of the problem

India's banking industry is one of the major beneficiaries of the country's ascendant economic power. The strongest competition facing global banks in India comes primarily from the public sector (the State bank and Nationalized bank groups) and the New Private bank groups. Since the 1990's, India's reform-driven policies have promoted the gradual deregulation and modernization of the banking sector. The formation of the Old Private bank group and then the New Private bank group opened the marketplace to greater competition. So every bank has to provide the best service to their customer to face the cut-throat competition. One such attempt is made by State bank of India, Bellary branch to know the satisfaction of depositors regarding service provided by the bank.

1.5 Scope of the study

The study is entitled “Depositors preferences and satisfaction regarding service of State Bank of India, Bellary” explores the depositor’s attitude towards the organization, which is one of the largest and most reputed bank in India. . Generally, customers of commercial banks are depositors, borrowers, and others who get banking services. However, the present study could not cover all the customers of commercial banks. It covers only the depositor type of customers.

This study will help the bank to re-adjust their facilities according to their customer preferences, in order to withstand the competition from other successful private banks.

1.6 Methodology

a) Type of Study

The research is descriptive in nature as the study was to find the satisfaction among the depositors on the services provided by SBI.

b) Sampling Design

Convenient sampling method is adopted for the purpose of the study.

c) Sample size

The sample size constitutes 120 respondents. Generally, customers of commercial banks are depositors, borrowers, and others who get banking services. However, the present study could not cover all the customers of commercial banks. It covers only the depositor type of customers.

d) Method of Data Collection

The primary data was collected using an interview schedule with the aid of structured questionnaire prepared with respect to the objective of the project. The secondary data was collected from website and company personnel's.

e) Tools for Analysis

The statistical tools used for analysis are

- Percentage analysis
- Weighted average
- Chi – square analysis

Percentages analysis

Percentages are often used in data presentation to simplify the numbers reducing to 0 to 100 ranges. Through the use of percentage analysis, the data can be reduced in the standard form with base equal to 100.

The percentage analysis is calculated as follows:

- Different ratings are listed in the first column.
- Number of customers responded to category of ratings are listed in the second column by using the tally mark.
- Total of each category of ratings is divided by the grand total to derive the percentage of customers responded to each ratings.

Weighted Average Method

Weighted Average Method is an average calculated to take into account the importance of each value to the overall total, that is, an average in which each observation value is weighted by some index of its importance.

Chi –square analysis

Chi – square analysis is used when two variables are to be compared. In this study, chi-square analysis is used to make a comparison between the factors of satisfaction and the depositor's profile.

1.7 Limitations

- The study is limited only to the depositors. This study does not measure the satisfaction of loan takers.
- Most of the respondents are savings account holders. There are not equal numbers of respondents from the other types of deposits. Very few respondents hold recurring deposit.
- The study is limited to the period of six weeks.
- The method of convenient sampling is also a limitation.

1.8 Chapter scheme

The chapter scheme of the project report consists of the following

a) Introduction

The introduction part of the report structure includes the background of the study, review of literature, objectives of the study, statement of the problem, scope of the study, the methodology which consists of the type of study, sampling design, method of data collection and the tools for analysis, limitations and also the chapter scheme.

b) Organization profile

The organization profile includes the history of the organization, the details of the management, the structure of the organization, products profile and the competitive strength of the company and a brief description of the various functional areas of the organization.

c) Macro – Micro Analysis

The macro – micro analysis includes the details of the prevailing scenario with respect to the banking sector and the organization undertaken for the study. In this study the macro perspective is the Indian banking services and the micro perspective is the deposit services offered by State Bank Of India in Belay branch.

d) Data Analysis and Interpretation

The data analysis and interpretation chapter comprises of tables and charts, it gives the tabular distribution of the collected data, analyzed percentage values, graphical representation results.

e) Conclusion

This chapter deals with the findings of the study and gives suggestion that the researcher put forward to the management.

ORGANIZATION
PROFILE

CHAPTER 2

ORGANISATION PROFILE



A Vision for the largest bank

“To retain its premier position, the bank will aim at sustained profitability through greater attention to cutting costs... ..”

2.1 History of the organization

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal. A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay and the Bank of Madras followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India.

2.2 Management

State Bank of India administrative structure is well equipped to oversee the large network of branches in India and abroad. The State Bank of India 14 Local Head Offices and 57 Zonal Offices are located at important cities spread throughout the country. State Bank of India has 52 foreign offices in 34 countries across the globe. The Corporate Accounts Group is a Strategic Business Unit of the Bank set up exclusively to fulfill the specialized banking needs of top corporate in the country.

SBI announced today that it has networked 10,000 of its branches and its seven associate banks - the largest network of its kind in India. The SBI Connect project, executed in three phases, networking 1,400, 3,400 and 6,100 branches (currently being implemented) was initiated in 2002. Costing SBI Rs500 crores and accomplished in 42 months, the bank has partnered with the leading independent IT solutions and services company Data craft India to achieve this task. The networking initiative has helped the banks to offer customers cashless transactions nationwide, reducing costs and treasury applications.

Om Prakash Bhatt has been appointed chairman of the country's largest bank - State Bank of India. For five-year tenure, prior to this appointment, Mr. Bhatt was managing director at State bank of Travancore.

R N. Ramanathan, Dy. Managing Director - IT, SBI said, "This is a very challenging task if you consider the total number of branches which are required to be networked run to almost 14,000. The branches are geographically spread across country making it extremely difficult to build a very reliable network. The network will become the nerve center for the State Bank Group and will run all the key applications including core banking, trade finance, ATM, I internet banking, treasury solutions etc." Dilip Kumar, COO, Datacraft, said, "The network was formed to address the on demand requirements of the bank's 100 million corporate and retail customers - of which 46% were in rural areas. It was a challenge to first deconstruct and the reconstruct the entire network."

2.3 Product Profile and Market Potential

The products and services provided by the SBI are in various fields, such as:

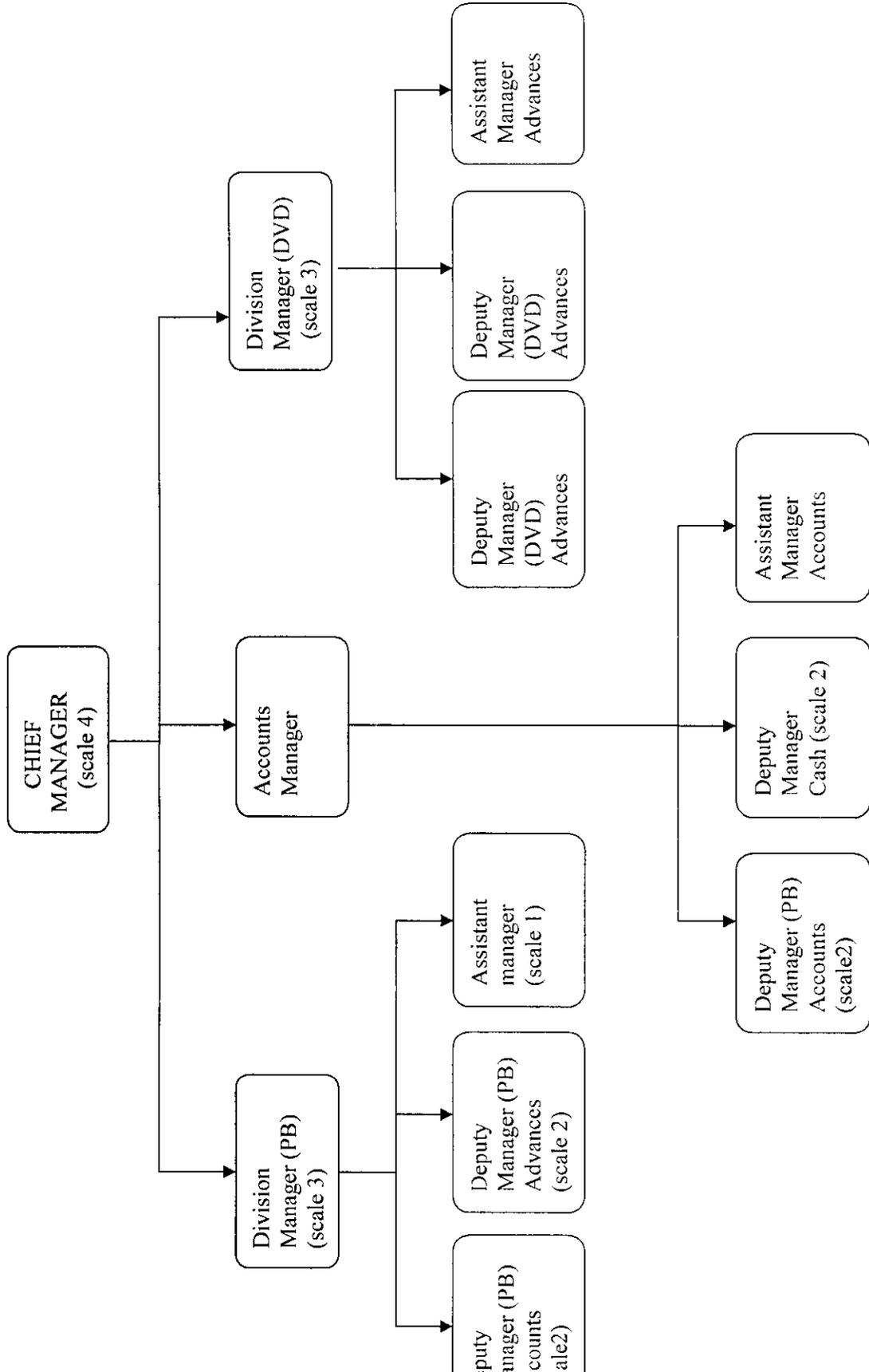
- Banking services
- NRI services
- International banking
- Corporate banking
- Agricultural banking
- International banking

Generally, customers of commercial banks are depositors, borrowers, and others who get banking services. However, the present study could not cover all the customers of commercial banks. It covers only the depositor type of customers.

Interest rates on domestic term deposits with effect from 22nd January 2007.

| Duration | Interest Rate (% p.a.) |
|------------------------------|------------------------|
| 7 days to 14 days | 3.75 |
| 15 days to 45 days | 5.00 |
| 46 days to 179 days | 5.50 |
| 180 days to less than 1 year | 6.50 |
| 1 year to less than 3 years | 8.25 |
| 3 years to less than 5 years | 8.25 |
| 5 years and up to 10 years | 8.25 |

2.4 ORGANIZATION CHART



2.5 Competitive Strength of the Company

A comparison of performance indices during the study period reveals that, within the public domain, the State Banks tend to be superior with respect to ROA, OCR and SER, while the nationalized banks seem to show better performance in terms of OPR and NIM. The introduction of a Core Banking Solution and the implementation of initiatives under the umbrella of Business Process Re-engineering (BPR) have drastically changed the functioning of our branches. These initiatives have given SBI a competitive edge.

2.6 Future Plans

- SBI has set for itself an ambitious target of credit linking 1 million SHGs up to March 2008.
- State Bank of India, the country's largest lender, plans to raise Rs10,000 crores (\$2.5 billion) by December to consolidate its operations.
- Expand and invest in ventures including insurance, private equity and wealth management.
- SBI announces schemes to attract IMD investors.

2.7. Description of various functional areas

State Bank Group is a universal bank and offers a range of services including investment banking, asset management, credit cards, insurance, securities trading and factoring. The bank also has six banking subsidiaries abroad; State Bank is a pioneer in many fields — from financing agriculture and small-scale industry to the recently liberalized insurance sector.

MACRO AND MICRO
ANALYSIS

CHAPTER 3

MACRO – MICRO ANALYSIS

MACRO ANALYSIS

Banks in India can be categorized into non-scheduled banks and scheduled banks. Scheduled banks constitute of commercial banks and co-operative banks. There are about 67,000 branches of Scheduled banks spread across India. During the first phase of financial reforms, there was a nationalization of 14 major banks in 1969. This crucial step led to a shift from Class banking to Mass banking. Since then the growth of the banking industry in India has been a continuous process.

As far as the present scenario is concerned the banking industry is in a transition phase. The Public Sector Banks (PSBs), which are the foundation of the Indian Banking system account for more than 78 per cent of total banking industry assets. Unfortunately they are burdened with excessive Non Performing assets (NPAs), massive manpower and lack of modern technology.

On the other hand the Private Sector Banks in India are witnessing immense progress. They are leaders in Internet banking, mobile banking, phone banking, ATMs. On the other hand the Public Sector Banks are still facing the problem of unhappy employees. There has been a decrease of 20 percent in the employee strength of the private sector in the wake of the Voluntary Retirement Schemes (VRS). As far as foreign banks are concerned they are likely to succeed in India.

Opportunities in Indian banking sector

- Investments of scheduled commercial banks (SCBs) also saw an increase from Rs 8,04,199 crores in March 2005 to Rs 8,43,081 crores in the same month of 2006.
- India's retail-banking assets are expected to grow at the rate of 18% a year over the next four years (2006-2010).
- Retail loan to drive the growth of retail banking in future.
- Housing loan account for major chunk of retail loan.
- Pension fund industry in India grew at a CAGR of 122.44% from 1999-00 to 2006-07.
- Rural and semi-urban India is expected to account for 58.33% of the insurance sector by 2010.
- In terms of ownership, debit cards are more in number than credit cards but in terms of transactions, credit cards are used more than debit cards.
- The ATM outlets in India increased at a CAGR of 53.99% to reach 20,000 in 2006 from 2000.
- Rural and semi-urban centers account for 66% of total bank branches.
- Indian Mutual Fund industry witnessed a growth of 49.88% from May 2006 to May 2007, and higher growth is recorded in closed ended schemes at 215.61%.
- Increasing number of millionaires in India is increasing the scope of Wealth Management Services.
- Bankable household India is anticipated to grow at a CAGR of 28.10% during 2007-2011.
- Banking sector investment in Information Technology is expected grow at 18% in 2007 from last year.

Key Players in the Indian banking sector

- Bank of Baroda
- State Bank of India
- Canara Bank
- Punjab National Bank
- HDFC Bank
- ICICI bank
- Kotak Mahindra Bank
- Citi Bank
- Standard Chartered PLC
- HSBC Bank
- ABN AMRO Bank
- American Express.

MICRO ANALYSIS

The State Bank of India has been, over the years, the flagship of Indian banking. State Bank of India is the largest bank in India in terms of profits, assets, deposits, branches and employees. With a network of over 9,000 branches in India and 51 foreign offices in 32 countries, the Bank commands about one-fifth of the total deposits and loans in all scheduled commercial banks in the country.

| <u>State Bank of India</u> | 2004-05 | 2005-06 |
|-------------------------------------|---------|---------|
| No. of Offices | 9185 | 9241 |
| No. of Employees | 205515 | 198774 |
| Business per Employee in Rs. Lakhs) | 243.08 | 299.23 |
| Profit per Employee(in Rs. Lakhs) | 2.08 | 2.17 |
| Investments(in Rs. Crores) | 197098 | 162534 |

SBI is the largest commercial bank in the country with a balance sheet size of over Rs. 315,600 crores supported by a large network of over 9000 domestic branches and 51 branches in 31 countries. The bank has been rated as the best bank in India for the year 2001 by The Banker, U.K., and is also the only Indian bank to find a place among the top 20 banks in Asia in terms of Tier 1 capital. This strong capital base supported by technology and skilled manpower allows the bank to take large exposures.

State Bank of India is the successor to Imperial Bank of India. The latter was established in 1921 with the amalgamation of three Presidency Banks of Bombay, Bengal

and Madras. State Bank of India came into being on 1.7.1955 through the State Bank of India Act, 1955. The Banks of erstwhile princely states of India joined the State Bank Group as subsidiaries under the State Bank of India (Subsidiary Banks) Act 1959. The Reserve Bank of India is the single largest shareholder of the Bank (with 59.73% stockholding followed by 14.1% NRI/FIIs, 11.8% financial institutions, 11.1% individuals and remaining with mutual funds and corporates).SBI's shares and bonds are listed for trading on all the major Indian stock exchanges.

With a view to inculcating transparency in banking transactions and for providing information to customers, the Bank launched a Citizen's Charter in the form of the Code of Fair Banking Practices together with the General Terms and Conditions of Service. Appropriately named, 'Towards Excellence' Code reflects the Bank's commitment to provide service of the highest order and serves as a document of self-discipline.

The current study is done in a marketing aspect to find the depositor's preference and their satisfaction level regarding service of State bank of India, Bellary branch. The bellary branch was established in the year 1918.Two branches were established here, MAIN branch and COMMERCIAL branch. This study relates to the main branch situated at station road.

SWOT ANALYSIS OF SBI

SWOT analysis is done to analysis the organization from four aspects.

S - Strength of SBI

W –Weakness of SBI

O - Opportunities for SBI

T – Threats for SBI

| STRENGTHS OF SBI | WEAKNESS OF SBI |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ➤ The largest bank in India in terms of profits, assets, deposits, branches and employees. ➤ SBI among Top 30 Indian Companies in the world ➤ Number one Indian investor abroad in 2005-06. It has invested \$1bn abroad. ➤ Efficiency, Trust & Reliability is words that epitomize the State Bank of India. ➤ SBI becomes the first Indian Bank to get branch license in Saudi Arabia. ➤ Highest number of ATM centers in India. ➤ Assets and reserves for about 14,00,000 crores. | <ul style="list-style-type: none"> ➤ Unmanageable employee strength. ➤ Traditional system of operation. ➤ Intervention of government regulation ➤ Decision making is delayed. |
| OPPORTUNITIES FOR SBI | THREATS TO SBI |
| <p>Four banking product areas with high growth potential have been identified:</p> <ul style="list-style-type: none"> ➤ Housing loans ➤ Vehicle loans ➤ SME banking ➤ Personal financial service | <ul style="list-style-type: none"> ➤ Size of the bank itself is threat. ➤ The FDI threat. ➤ SBI to swallow associate bank SBS. ➤ Other successful private banks. |

Strengths of SBI: The biggest strength of SBI is it is the largest bank in India in terms of profits, assets, deposits, branches and employees with a network of more than 14,000 branches in India and 58 foreign offices in 32 countries. The Bank commands about one-fifth of the total deposits and loans in all scheduled commercial banks in the country. In 2005-06, State Bank of India has become the number one Indian investor abroad in 2005-06. It has invested \$1bn abroad. SBI becomes the first Indian Bank to get branch license in Saudi Arabia. SBI is among Top 30 Indian Companies in the world.

Weakness of SBI: The biggest strength sometimes also proves to be the weakness. Since it's got very huge strength of employee it becomes very difficult to manage. Decision making is delayed because of huge network and government intervention. Since it's operating for about 200 years it has some traditional ways to carry out their banking activities.

Opportunity for SBI: SBI is itself an opportunity for the other banks to benchmark. Four banking product areas with high growth potential have been identified: Housing loans, Vehicle loans, SME banking and Personal financial service.

Threats to SBI: Size of the bank itself is threat. The RBI's decision to allow foreign direct investment in Indian banks, the lifting of sectoral caps on foreign institutional investors and a series of other policy measures could ultimately lead to the privatization of public sector banks. SBI to swallow associate bank SBS. SBI's leading position is under threat from second-largest lender ICICI Bank, and some analysts say this is spurring its drive to consolidate.

DATA ANALYSIS AND
INTERPRETATION

CHAPTER 4

DATA ANALYSIS & INTERPRETATION

4.1 PERCENTAGE ANALYSIS

4.1.1 Depositors Profile

The following tables and respective interpretations describes about the profile of depositors like age, gender, occupation, monthly income and the type of account they hold.

TABLE 1
AGE OF THE RESPONDENTS

| Age | No. of respondents | Percentage |
|--------------|--------------------|--------------|
| Less than 20 | 3 | 2.5 |
| 21-30 | 48 | 40.0 |
| 31-40 | 32 | 26.7 |
| 41-50 | 21 | 17.5 |
| Above 50 | 16 | 13.3 |
| Total | 120 | 100.0 |

Inference

From the above table it can be seen that most of the respondents belong to the age group of 21 – 30, (i.e. 40%), 26.7% of the respondents are between the age group of 31-40, 17.5% of the respondents belong to the age group of 41 -50, 13.3% of the respondents belong to the age group of above 50 and 2.5% of the respondents belong to the category of less than 20.

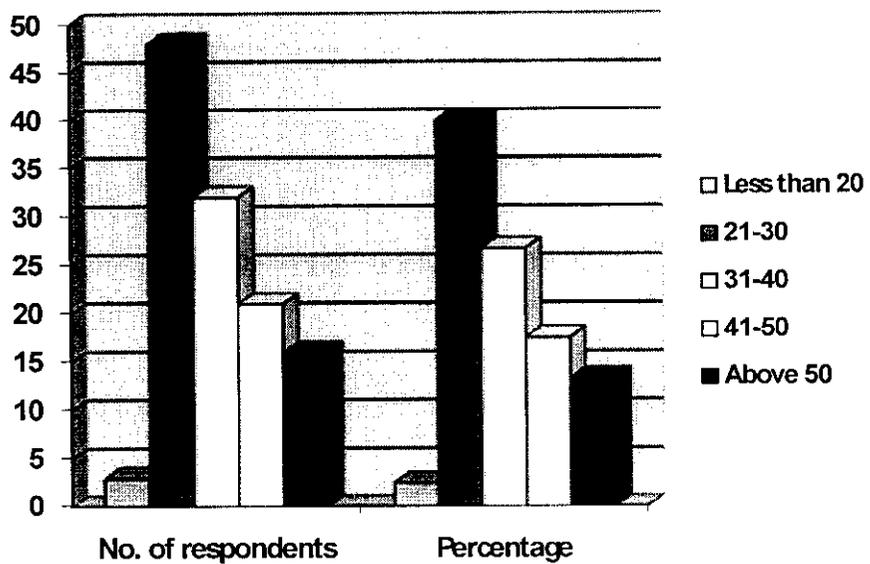
CHART 1**AGE OF THE RESPONDENTS**

TABLE 2
GENDER OF THE RESPONDENTS

| Gender | No. Of respondent | Percentage |
|---------------|--------------------------|-------------------|
| Male | 92 | 76.7 |
| Female | 28 | 23.3 |
| Total | 120 | 100.0 |

Inference

From the above table it can be seen that majority (76.7%) of the respondents are male and 23.3 % are female.

TABLE 3
OCCUPATION OF THE RESPONDENTS

| Occupation | No. of respondents | Percentage |
|----------------------|---------------------------|-------------------|
| Business | 42 | 35.0 |
| Professional | 21 | 17.5 |
| Govt employee | 17 | 14.2 |
| Student | 14 | 11.7 |
| House wife | 12 | 10.0 |
| Others | 14 | 11.7 |
| Total | 120 | 100.0 |

Inference

From the above table it can be seen that majority (35%) of the respondents are business people, 17.5% of the respondents belong to the professional category and 14.2% are employed in government enterprises. Equal number of the respondents are student and retired people (i.e, 11.7%) and the least category is from housewives (10%).

CHART 2
OCCUPATION OF THE RESPONDENTS

occupation

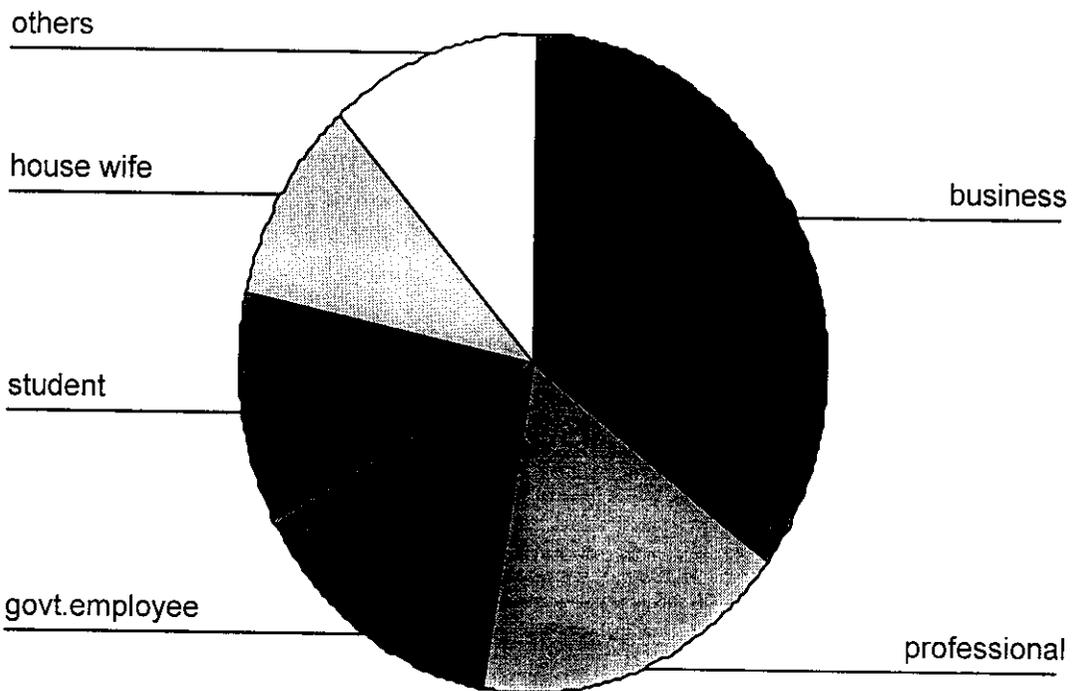


TABLE 4
INCOME LEVEL OF THE RESPONDENTS

| Income level | No. of respondents | Percentage |
|--------------------------|---------------------------|-------------------|
| Less than Rs.5000 | 7 | 5.8 |
| Rs.5001 – 15000 | 38 | 31.7 |
| Rs.15001 – 25000 | 36 | 30.0 |
| Rs.25001 – 35000 | 20 | 16.7 |
| Above Rs.35000 | 9 | 7.5 |
| Missing | 10 | 8.3 |
| Total | 120 | 100.0 |

Inference

From the above table it can be seen that majority (31.7%) of the respondents have income level between Rs.5001-15000, 30% of the respondents have income level between Rs.15001-25000, 16.7% of the respondents have an income level between Rs.25001-35000, 8.3% of the respondents are students so their income is considered as nil, 7.5% of the respondents have income level above Rs.35000 and 5.8% of the respondents have an income level below 5000.

CHART 3
MONTHLY INCOME

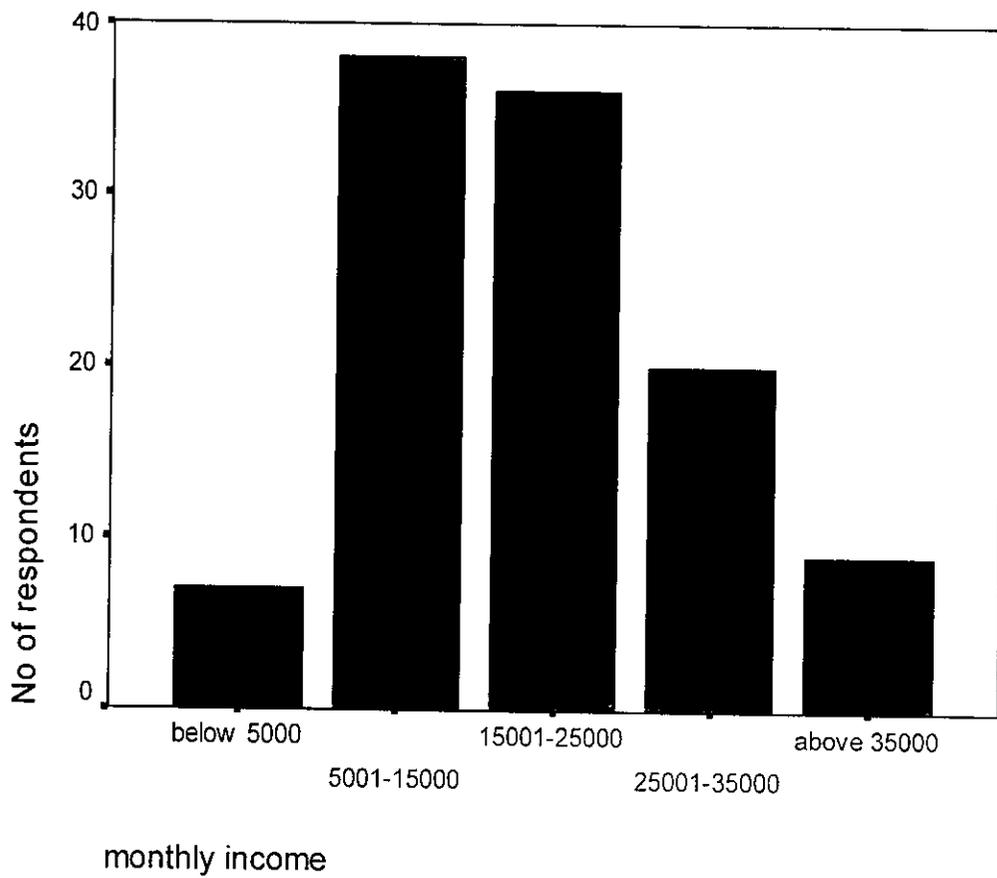


TABLE 5
TYPE OF ACCOUNT HOLDER

| Account type | No. of respondents | Percentage |
|--------------------------|---------------------------|-------------------|
| Fixed deposit | 40 | 22.5 |
| Savings account | 80 | 45.0 |
| Current account | 40 | 22.5 |
| Recurring deposit | 18 | 10.0 |
| Total | 178 | 100.0 |

Inference

Of the total respondents savings account holder are maximum(45%), fixed deposit holders constitute 22.5%, current account holder are 22.5% and recurring deposit holders are constitute only 10%. Many respondents hold more than one account that's why the total exceeds 120.

4.1.2 Preferences given by depositors

It includes the various factors like high interest, security, convenience, service, reputation and employee's response that motivate individual to prefer State Bank of India as their money bank.

TABLE 6
OPENING OF SBI ACCOUNT

| | No. of respondents | Percentage |
|----------------|---------------------------|-------------------|
| Simple | 101 | 84.2 |
| Complex | 19 | 15.8 |
| Total | 120 | 100.0 |

Inference

Majority of the respondents (84.2%) feel opening of SBI account is simple and only 15.8% of them feel its complex.

TABLE 7
FACTORS INFLUENCING PREFERENCE

| Factors | No. of respondents | Percentage |
|----------------------------|---------------------------|-------------------|
| High interest | 14 | 5.0 |
| Security | 83 | 30.3 |
| Convenience | 61 | 22.2 |
| Service | 45 | 16.3 |
| Reputation | 60 | 21.8 |
| Employee's response | 12 | 4.4 |
| Total | 275 | 100.0 |

Inference

Majority of the respondents (30.3%) have chosen SBI as their money bank because of high security, second factor of preference is convenience(22.2%), 21.8% of the respondents have given preference factor as reputation, interest rate and employee's response is not given much importance by depositors.

4.1.3 Factors influencing Satisfaction

The various facilities like ambience, service charges, withdrawal facility and ATM facility influence the satisfaction level of the depositors

TABLE 8
AMBIENCE OF SBI PREMISES

| | No. of respondents | Percentage |
|-----------|--------------------|------------|
| Pleasant | 97 | 80.8 |
| Congested | 23 | 19.2 |
| Total | 120 | 100.0 |

Inference

From the table it can be inferred that majority (80.8%) of the respondents find SBI premises to be pleasant and the only 19.2% of the respondents find it congested.

TABLE 9
RECEIVING STATEMENTS ON TIME

| Opinion | No. of respondents | Percentage |
|---------|--------------------|------------|
| Yes | 95 | 79.2 |
| No | 25 | 20.8 |
| Total | 120 | 100.0 |

Inference

From the above table it can be seen that 79.2% of the respondents receive their account on time and 20.8% of respondents don't receive their account statement on time. It can be inferred that majority of the depositor are satisfied with this attribute.

TABLE 10
SERVICE CHARGES

| Opinion | No. of respondents | Percentage |
|-------------------|---------------------------|-------------------|
| High | 32 | 26.7 |
| Reasonable | 88 | 73.3 |
| Total | 120 | 100.0 |

Inference

It can be inferred that majority of the respondents (73.3%) feel the service charges of SBI are reasonable and only 26.7% feel it high.

TABLE 11
MODE OF WITHDRAWAL

| Opinion | No. of respondents | Percentage |
|------------------------|---------------------------|-------------------|
| ATM | 78 | 65.0 |
| Cheque | 23 | 19.2 |
| Withdrawal slip | 19 | 15.8 |
| Total | 120 | 100.0 |

Inference

From the table it can be inferred that majority (65.0%) of the respondents prefer withdrawing by ATM cards and the others prefer through Cheque and withdrawal slip. Through the personal experience it is inferred that mostly savings and current account holder prefer ATM facility, F.D and R.D holders prefer Cheque and withdrawal slip.

4.1.4 Corebanking

TABLE 14
IMPLEMENTATION OF COREBANKING

| | No. of respondents | Percentage |
|-------------------|---------------------------|-------------------|
| Boon | 112 | 93.3 |
| Not a boon | 8 | 6.7 |
| Total | 120 | 100.0 |

Inference

From the table it can be inferred that most of the depositors are of the opinion that corebanking is a boon to banking system. Nearly 93.3% of the depositors are happy with the implementation of corebanking. Only 6.7% of the depositors don't find corebanking advantageous to banking system due to the following reasons

4.1.5 Mutual Funds

TABLE 15
MUTUAL FUNDS

| Preference | No. of respondents | Percentage |
|-------------------|---------------------------|-------------------|
| Yes | 52 | 43.3 |
| No | 68 | 56.7 |
| Total | 120 | 100.0 |

Inference

From the table it can be inferred that majority (56.7%) of the respondents do not prefer opening mutual fund account with SBI while 43.3% of them prefer keeping mutual fund account.

4.1.6 Overall assessment

TABLE 16

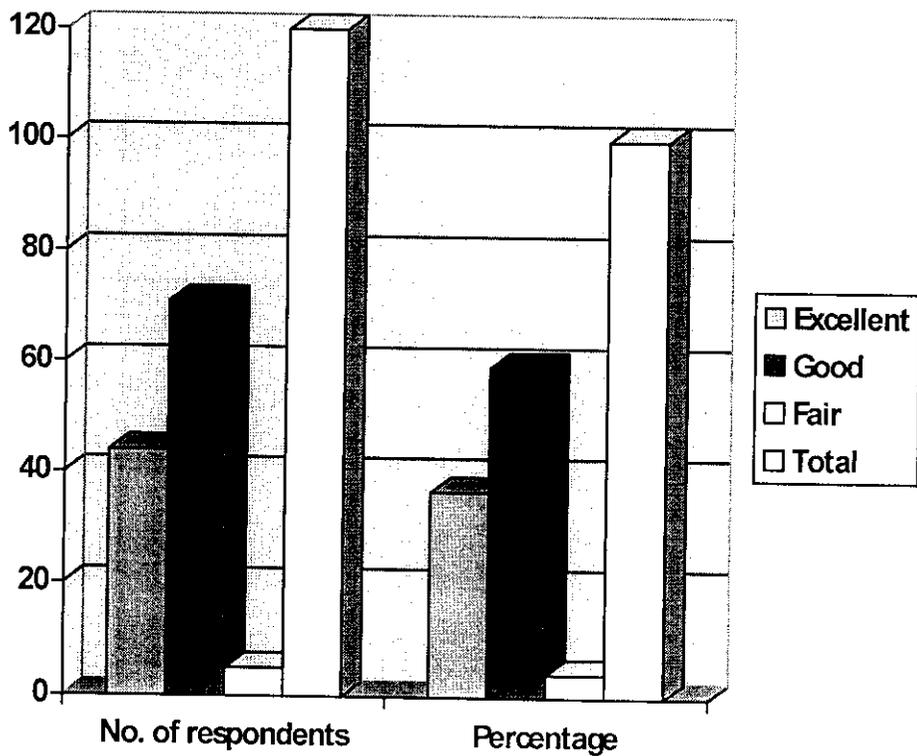
OVERALL ASSESSMENT

| | No. of respondents | Percentage |
|------------------|--------------------|------------|
| Excellent | 44 | 36.7 |
| Good | 71 | 59.2 |
| Fair | 5 | 4.2 |
| Total | 120 | 100.0 |

Inference

The above table shows that more than 50% of the respondents assessed the overall service offered by SBI as “GOOD” and 36,7% assessed as EXCELLENT” while only 4.2% assessed the service as “FAIR”. It is, therefore, convincing that SBI customers think that the current banking activities are good enough to satisfy them. It is, therefore, clear that customer of SBI bank are satisfied.

CHART 4
OVERALL ASSESSMENT



4.2 WEIGHTED AVERAGE

Weighted average is calculated in order to determine which factor has given the maximum satisfaction to the depositors in preferring SBI as their money bank.

TABLE 17

**TABLE SHOWING THE WEIGHTED AVERAGE OF
VARIOUS SATISFACTION FACTORS**

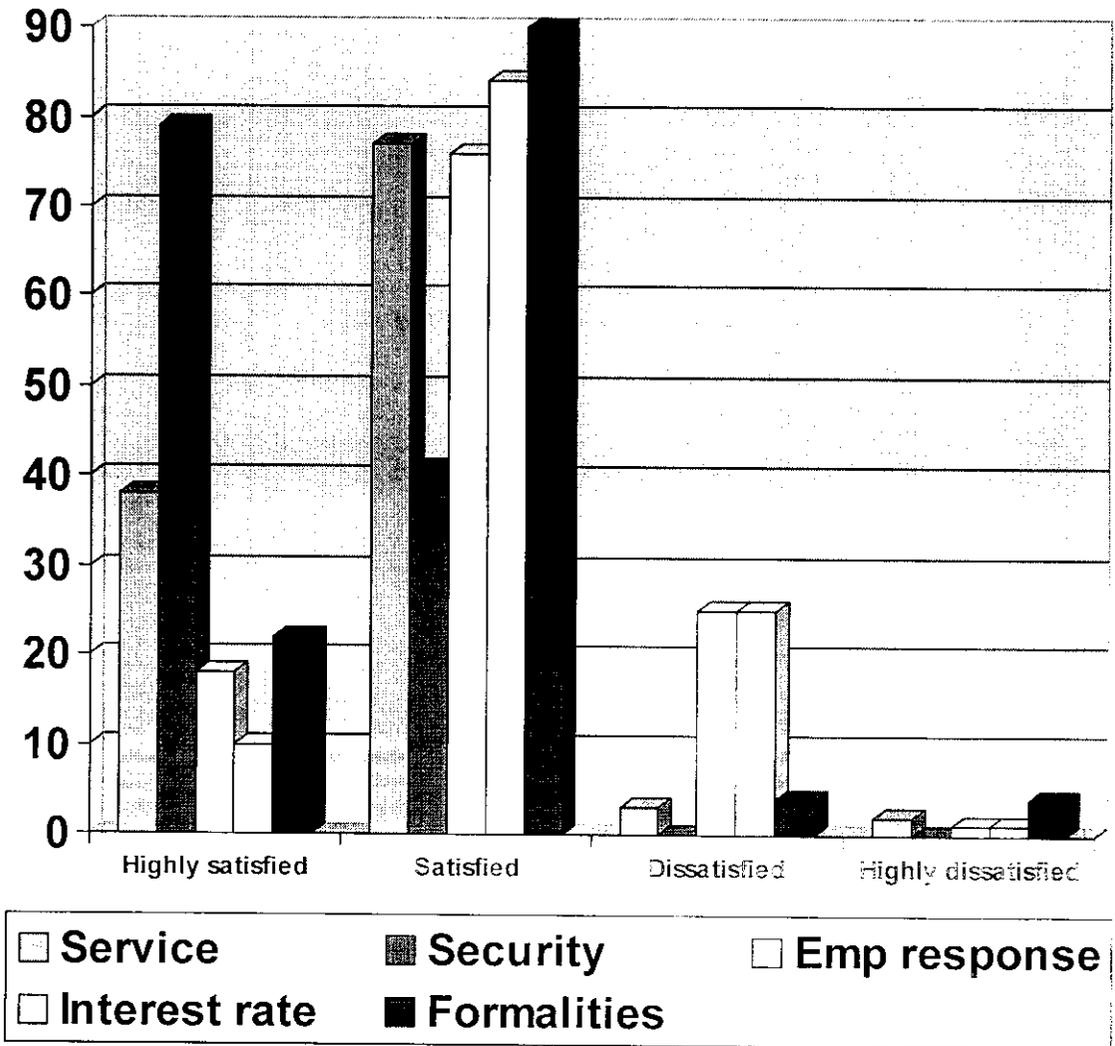
| Criteria | Highly satisfied | Satisfied | Dissatisfied | Highly dissatisfied | Weighted average | Rank |
|---------------|------------------|-----------|--------------|---------------------|------------------|------|
| Service | 38 | 77 | 3 | 2 | 3.25 | 2 |
| Security | 79 | 41 | 0 | 0 | 3.66 | 1 |
| Emp response | 18 | 76 | 25 | 1 | 2.93 | 4 |
| Interest rate | 10 | 84 | 25 | 1 | 2.86 | 5 |
| Formalities | 22 | 90 | 4 | 4 | 3.08 | 3 |

Inference

From the above analysis the factors that are considered by the depositors to choose SBI as their money bank can be ranked. Security is considered as the most important factor for the depositors to choose SBI. The respondents are also satisfied with the service of SBI followed by formalities, employee's response and the interest rate.

CHART 5

CHART SHOWING THE LEVEL OF SATISFACTION OF VARIOUS FACTORS



4.3 CHI- SQUARE ANALYSIS

In order to understand the influence of demographic variables on the satisfaction factors, the chi-square test is performed at 5% significant level. The demographic variables selected are gender, age and monthly income. Nine satisfaction factors are considered for this test. They are

- Service
- Security
- Employee's response
- Interest rate
- Formalities
- Ambience of SBI premises
- Receiving statements on time
- Service charges
- Accessibility of ATM facility

INFLUENCE OF GENDER ON SATISFACTION

Null hypothesis (H₀): The demographic variable gender does not have any significant influence on the satisfaction factors.

Alternative hypothesis (H₁): The demographic variable gender have significant influence on the satisfaction factors.

TABLE 18

INFLUENCE OF GENDER ON SATISFACTION

| Factors | Gender | |
|----------------------|--------|-------------------|
| | X^2 | Significant value |
| Service | 3.247 | .355 |
| Security | 2.635 | .105 |
| Employee's response | 4.574 | .206 |
| Interest rate | .719 | .869 |
| Formalities | 1.414 | .702 |
| Ambience | 3.408 | .065 |
| Statements on time | .196 | .658 |
| Service charges | .052 | .820 |
| Accessibility of ATM | .224 | .636 |

Inference

From the above table it can be inferred that since the values are greater than minimum expected count, we accept the null hypothesis and conclude that the demographic variable gender does not have any significant influence on the satisfaction factors.

INFLUENCE OF AGE ON SATISFACTION

Null hypothesis (H₀): The demographic variable age does not have any significant influence on the satisfaction factors.

Alternative hypothesis (H₁): The demographic variable age have any significant influence on the satisfaction factors.

The above hypothesis is tested and the findings are presented below.

TABLE 19
INFLUENCE OF AGE ON SATISFACTION

| Factors | Age | |
|----------------------|----------------|-------------------|
| | X ² | Significant value |
| Service | 8.403 | .753 |
| Security | 3.542 | .472 |
| Employee's response | 22.377 | .025 |
| Interest rate | 7.864 | .817 |
| Formalities | 11.568 | .481 |
| Ambience | 6.249 | .181 |
| Statements on time | 1.588 | .811 |
| Service charges | 6.092 | .192 |
| Accessibility of ATM | 5.133 | .274 |

Inference

From the above table it can be inferred that the demographic variable age has only got an influence on the opinion of employee's response. It does not have influence on the other satisfaction factors

INFLUENCE OF MONTHLY INCOME ON SATISFACTION

Null hypothesis (H₀): The demographic variable monthly income does not have any significant influence on the satisfaction factors.

Alternative hypothesis (H₁): The demographic variable monthly income have significant influence on the satisfaction factors.

The above hypothesis is tested and the findings are presented below.

TABLE 20
INFLUENCE OF MONTHLY INCOME ON SATISFACTION

| Factors | Monthly Income | |
|----------------------|----------------|-------------------|
| | X ² | Significant value |
| Service | 16.517 | .169 |
| Security | 3.744 | .442 |
| Employee's response | 8.480 | .747 |
| Interest rate | 18.558 | .100 |
| Formalities | 17.514 | .131 |
| Ambience | 3.077 | .545 |
| Statements on time | 4.316 | .365 |
| Service charges | 19.409 | .001 |
| Accessibility of ATM | 2.197 | .700 |

Inference

From the above table it can be inferred that the demographic variable monthly income influence only the depositor's opinion on service charges. It does not have influence on the other satisfaction factors.

CONCLUSION

CHAPTER 5

FINDINGS AND RECOMMENDATIONS

The chapter deals with the findings and recommendations of the study.

FINDINGS

The results of the study are given below:

5.1 Profile of the depositors

- Most of the respondents belong to the age group of 21 – 30, (i.e. 40%), 26.7% of the respondents are between the age group of 31-40, 17.5% of the respondents belong to the age group of 41 -50, 13.3% of the respondents belong to the age group of above 50 and 2.5% of the respondents belong to the category of less than 20.
- Majority (76.7%) of the respondents is male and 23.3 % are female.
- Majority (35%) of the respondents is business people, 17.5% of the respondents belong to the professional category and 14.2% are employed in government enterprises. Equal number of the respondents is student and retired people (i.e, 11.7%) and the least category is from housewives (10%).
- Majority (31.7%) of the respondents have income level between Rs.5001-15000, 30% of the respondents have income level between Rs.15001-25000, 16.7% of the respondents have an income level between Rs.25001-35000, 8.3% of the respondents are students so their income is considered as nil, 7.5% of the respondents have income level above Rs.35000 and 5.8% of the respondents have an income level below 5000.
- Of the total respondents savings account holder are maximum (45%), fixed deposit holders constitute 22.5%, current account holder are 22.5% and recurring deposit holders are constitute only 10%. Many respondents hold more than one account, that's why the total exceeds 120.

5.2 Factors influencing Preference and Satisfaction

- Majority of the respondents (84.2%) feel opening of SBI account is simple and only 15.8% of them feel its complex.
- Majority of the respondents (30.3%) have chosen SBI as their money bank because of high security, second factor of preference is convenience(22.2%), 21.8% of the respondents have given preference factor as reputation, interest rate and employee's response is not given much importance by depositors.
- Majority of the respondents (64.2%) are satisfied and 31.7% of the respondents are highly satisfied and the rest are dissatisfied with the service.
- Majority of the respondents (65.8%) are highly satisfied and 34.2% of the respondents are satisfied with the security of their money. The respondents who are dissatisfied and highly dissatisfied are nil.
- Majority of the respondents (63.3%) are satisfied with employee's response and 20.8% of the respondents are dissatisfied.
- Majority of the respondents (70.0%) are satisfied and 20.8% of the respondents are dissatisfied with the interest rate given on deposits.
- Majority of the respondents (75.0%) are satisfied and 18.3% of the respondents are highly satisfied with formalities of operating their account.
- Majority (80.8%) of the respondents finds SBI premises to be pleasant and the only 19.2% of the respondent's find it congested.
- 79.2% of the respondents receive their account on time and 20.8% of respondents don't receive their account statement on time. It can be inferred that majority of the depositor are satisfied with this attribute.
- Majority of the respondents (73.3%) feel the service charges of SBI are reasonable and only 26.7% feel it high.
- Majority (65.0%) of the respondents prefer withdrawing by ATM cards and the others prefer through Cheque and withdrawal slip. Through the personal experience it is inferred that mostly savings and current account holder prefer ATM facility, F.D and R.D holders prefer Cheque and withdrawal slip.

- Majority of the respondents (74.2%) are users of ATM cards and they have assessed the accessibility of ATM facility as high.
- Nearly 93.3% of the depositors are happy with the implementation of core banking.
- Majority (56.7%) of the respondents do not prefer opening mutual fund account with SBI while 43.3% of them prefer keeping mutual fund account.
- More than 50% of the respondents assessed the overall service offered by SBI as “GOOD” and 36,7% assessed as EXCELLENT” while only 4.2% assessed the service as “FAIR”. It is, therefore, convincing that SBI customers think that the current banking activities are good enough to satisfy them. It is, therefore, clear that customer of SBI bank are satisfied.

5.3 Weighted average

The factor that has given the maximum satisfaction to the depositors in preferring SBI as their money bank is security. The respondents are also satisfied with the service of SBI followed by formalities, employee’s response and the interest rate.

5.4 Chi-square analysis

- The demographic variable gender has not got any influence on the satisfaction factors.
- The demographic variable age has only got an influence on the opinion of employee’s response. It does not have influence on the other satisfaction factors.
- The demographic variable monthly income influence only the depositor’s opinion on service charges. It does not have influence on the other satisfaction factors.

5.5 Corebanking

“Corebanking a boon”

Nearly 93.3% of the depositors are happy with the implementation of corebanking. The following are the reasons given by them

- Easy to transact everywhere and anywhere.
- Can receive monetary benefits from relatives all over the world.
- Easy to access mode of payment.
- Since entire banking system is computerized, transactions are relatively fast.
- Can bank at any branch and SBI network is very large, so it's very convenient.
- Saves time, petrol and unnecessary expenditure.
- Can view our account.
- Transfer of money is easy, purchase of DD is not required and we can use multi utility cheques for payment.
- It suits all styles of business.
- Banking is spreading to higher population so corebanking is the only way to cater the needs of large population.
- 24*7 of ATM facility is excellent and is only the outcome of corebanking.
- On-line banking is possible only after corebanking is implemented.

“Corebanking not a boon”

Only 6.7% of the depositors don't find corebanking advantageous to banking system due to the following reasons

- Corebanking has not been implemented at full fledge in Bellary branch, so customers have not still experienced the real benefit of it.
- Higher service charges.
- Account numbers may get disclosed by theft due to increased cyber crimes.
- Payment limit is very less.
- Waiting time will cane one day.

5.6 Mutual Funds

The reasons given by the depositors for preferring SBI mutual funds are as follows

- Security is assured.
- Safety and good growth.
- Expected good returns.
- Since share market is booming up there is scope for higher returns.
- Reputed and nationalized bank.

On the other hand the reasons for not preferring SBI mutual funds are given under two heads personal factor and market risk factor.

Personal factors

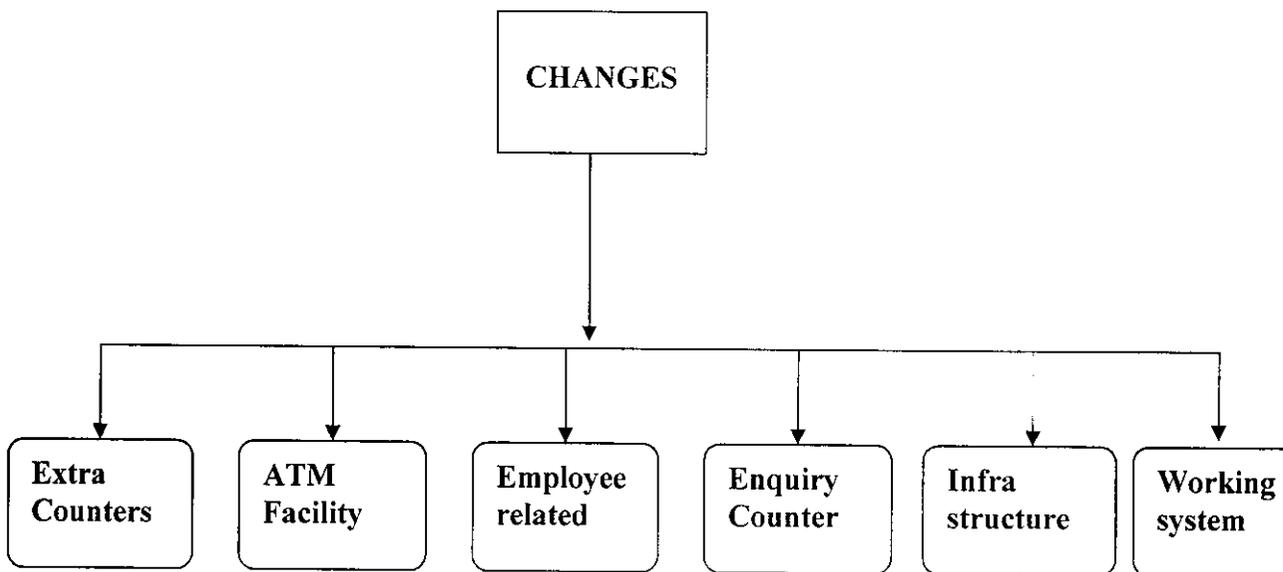
- Depositors are not left with excess money to deposit in mutual funds.
- No interest in investing in mutual funds.

Market risk

- Frequent market fluctuations.
- Mutual fund benefits are subjected to market risk.
- Private mutual funds are more efficient, profitable and safe.
- LIC mutual funds are highly mobilizing.
- Dividends are less in SBI.

RECOMMENDATIONS

No organization can improve without considering their customer suggestions and problems. Similarly there are some suggestions given by the depositors of SBI belay branch. Depositors are expecting a few changes to be made by the SBI bank to reach the peak of success. The changes are categorized as below



CHANGES

1. EXTRA COUNTERS

- Separate cash counters for cash amount exceeding Rs.50000.
- Separate counter for senior citizens.
- More counter to be added for deposit and withdrawal.
- Extra counter for SB account holders.
- Separate counter for DD purchase.

2. ATM FACILITY

- More ATM centers to be opened in bellary.
- Implementation of deposit facility at ATM center.

3. EMPLOYEE RELATED

- More employees to be appointed to transact faster.
- Trained and effective employees.
- Uniform to all employees.
- Employee's morale to be boosted by financial support.
- Strengthen HRD to enhance service motives.
- Employees to be more polite and smiling at work.
- Employees to be trained to work faster as they work very slowly even after the implementation of corebanking.

4. ENQUIRY COUNTER

- Enquiry counter to be made more effective.
- Helping hands to illiterate customers.
- System of queue to be changed.
- Direction boards for different services.

5. INFRA STRUCTURE

- Seating arrangements for pensioners outside the premises before the banking hours as they come early due to bus conveyance.
- Green surroundings.
- Water facility and coffee shops to be opened within the compound.
- More waiting chairs to be added.

6. WORKING SYSTEM CHANGES

- Re-introduction of Teller system.
- Clearance of local cheques to be done on the same day.
- Service and DD charges to be reduced.
- Sending account statements by post.
- Increasing schemes for customer.
- On-line banking to be popularized to access easily and reduce the rush in banks.

- Increasing the rate of interest for F.D.
- Checking the notes by machines and not manually.
- Locker facilities to be increased and locker fees to be reduced, as it is higher compared to other banks.
- Token system to be restarted.
- Logo color to be changed.

To conclude, this study has exposed me to various challenges and opportunities to learn more about the real market place. The banking sector in India is highly competitive due to the entry of various Private bank groups. Against this background the study is attempted to analyze the preference and the factors influencing the level of satisfaction of the depositors. The findings would enable the organization to make suitable changes as suggested by the respondents to achieve the peak of satisfaction among its depositors and retain its premier position.

APPENDICES

APPENDICES

Appendix 1- Depositor's Feedback Form

1. Name :

2. Age :

BELOW 20 21-30 31-40 41-50 50&above

3. Gender : Male Female

4. Occupation :

Business Professional Govt. Employee Student House Wife Others

5. Monthly Income (In Rs) :

BELOW 5000 5001-15000 15001-25000 25001-35000 Above 35000

6. What type of account do you hold in SBI?

Fixed Deposit Savings A/C Current Account Recurring Deposit

7. Opening an account in SBI is :

Simple Complex (too many formalities)

8. Why did you prefer to have an account in SBI? (select all that apply)

High Interest Security Convenience
 Service Reputation Employee Morale

9. Rate the following factors with regards to your satisfaction.

| | Highly Satisfied | Satisfied | Dissatisfied | Highly Dissatisfied |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Security | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Employee's response | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Interest rate on deposit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Formalities for transaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

10. Ambience (atmosphere) in SBI Premises is

- pleasant congested

11. Do you receive your account statements on time?

- Yes No

12. Service charges are

- high Reasonable

13. Which mode of withdrawal do you prefer?

- ATM Cheque Withdrawal Slip

14. Are you using ATM facility of SBI?

- Yes NO

15. Your opinion regarding the accessibility of ATM facility?

- Easily Accessible Accessible Not accessible

16. Do you find COREBANKING a boon to Banking system?

If yes why? a. _____

b. _____

If no why? a. _____

b. _____

17. Would you prefer opening mutual funds account with SBI?

If yes why? a. _____

b. _____

If no why? a. _____

b. _____

18. Overall assessment on SBI service for your deposit. Excellent Good Fair**19. Two changes you would like to see in SBI Bank.**

a. _____

b. _____

20. Any other relevant information which you wish to offer for the study.

a. _____

b. _____

Thank you !!

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