

## Research Article

## Customers' Perception toward State Bank of India: A Case Study of Vijayawada

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## ABSTRACT

After independence, the Indian banking sector reforms, and the government took a big step. The banking industry in India has undergone radical changes due to the liberalization and globalization measures undertaken since 1991. Today, Indian banking industry is one of the largest in the world. State Bank of India is the largest public sector bank in India. There has been a great surge in the efficient customer service. In 1991, a committee under the chairmanship of M. Narasimham worked for the liberalization of banking practices, which was established in his name. India is inundated with foreign banks and their automated teller machine centers. Efforts to give a acceptable service to customers being positioned. Phone banking and net banking are introduced. Customer relationship management (CRM) provides interactive, personalized, and relevant communication with customers to develop and maintain relationships. CRM is a tool to retain the 20% customers who give 80% of the revenue. This paper explores the perception of CRM with respect to the Customers of State Bank of India in Vijayawada City of Andhra Pradesh.

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## INTRODUCTION

Information technology (IT) is the technology sweeping the world and is said to be benefiting each and every sector of human activity including banking. The new technology has radically altered the traditional ways of doing banking business. The banking sector in India adopted the use of computers only in the early 1980's; however, it was only by the end of that decade that the adoption to computerization started growing and many branches have begun using computers in view of the ongoing development process in the economy. Use of modern and state-of-the-art technology in banking is increasingly seen as an essential ingredient not only of good customer service but also of good housekeeping. The good old manual system on which the Indian banking industry has depended on for centuries is perhaps unable to deliver the goods any more. Hence, this repeated outcry for the use of modern technology is seen as panacea for the ills that afflict the banking sector today. The banking industry is very much dependent on the customer goodwill, for which IT is believed to open a new window of great opportunity by way of good customer relationship management (CRM) (Anil, 2007).<sup>[1]</sup> CRM has emerged as a popular business strategy in today's competitive environment. It is a discipline which enables the companies to identify and target their most profitable customers.

CRM is raising as a new phenomenon, however, relationship leaning marketing practices origin of pre-industrial

age. The present survey discovers the CRM best practices currently being pursued in Retail Banks in India.<sup>[2]</sup> It offers an integrated view to banks in India and to every employee in the organization that they should be concerned toward their customers and should treat them fairly. Customers have a lot of supplementary choices accessible today than ever earlier. The only path to attract and retain customers is create, manage, and develop relations with customers, thereby follow-on in maximizing total customer lifetime value.

## CONCEPT OF CRM

CRM is defined as a company's capability to endlessly make the best use of the value of its customers' franchise by efficiently apportion insufficient resources to specific customers or customer segments in those areas viewed as having a noteworthy impact on the profit impact behavior of customers. The purpose of IT in banking is to provide full satisfaction to the customers, while increasing profitability, decreasing risk, and fraud to the bank. At the same time, it is to be noted that where culture is not conducive, even brilliant strategies will fail to get translated into action.<sup>[3]</sup>

Customer satisfaction is a growing concern for the banks who want to grow in this competitive world of today, and the concept of CRM is now growing wide acceptance and is recognized as a powerful tool for business development and to have an edge over the competitors on account of universal



traits of human behavior. Organizations have earlier focused on their products as the starting point and then looked around for customers to sell it, but the approach of CRM is different, it starts with the customer not the totality of the customers, because each customer has to dealt individually to find what they need and want and to design the product as per their need and supply.<sup>[4]</sup> In a nutshell, CRM is about growing enduring relationship with profitable customers.

## REVIEW OF LITERATURE

CRM has been a part of marketing literature since more than a decade. Interestingly, there is still much debate over what exactly constitutes CRM (Nevin, 1995; Parvatiyar and Sheth, 2001; Sin *et al.*, 2005).<sup>[5]</sup> In view of Parvatiyar and Sheth (2001), some of the themes symbolize a narrow well-designed marketing outlook while others offer a standpoint that is broad and paradigmatic in approach and direction. Puccinelli (1999) looks the financial services commerce as incoming a new era where private attention is decreasing because the organization is using know-how to replace human contact in many function areas. Over the last few decades, technical progression has extremely exaggerated the banking industry (Sherif, 2002). For more than 200 years, banks were by means of branch-based operations, since 1980s belongings really getting changed with the advent to manifold technologies and applications. A different organization got affects from this revolution; banking industry is one of it (Sherif, 2002). In this technology insurgency, technology-based remote access delivery channels and payments systems facade which included automated teller machines (ATMs) relocate cashier tellers, telephone represented by call centers replaced the bank branch, internet restores the mail, credit cards and electronic cash reinstate traditional cash transactions, and interactive television will swap face-to-face transactions, challenges, and opportunities (Ravichandran, 2003).<sup>[6]</sup>

### Profile of SBI

SBI is the major commercial bank in India and is providing high-quality services to its valued customers by making use of contemporary technology and CRM. Thus, IT and CRM would progress customer service, augment productivity, and ultimately smooth the progress of banks to maximize profits. SBI is the oldest and number one in the country with respect to many parameters of banking, such as branches, deposits, advances, ATMs, and many others.

### SBI's Journey through numbers

Parameters	Numbers
Branches	16333
Deposits	119443
Advances	13545
ATMs	54560

### Need for the study

The forces of deregulation, globalization, and advancing technology have greatly increased the competitive pressures

in all the industries, especially in the banking industry. Indian banks are performance increasingly under cutthroat pressures originating from within the banking system, from non-banking institutions as well as from domestic and international capital markets. Thus, in this era of augmented rivalry, to flourish, it will be crucial for the banks to develop long-term associations with the customers by contributing quality services. Mounting long-term relations with the customer depends basically on three dimensions - product quality, service quality, and relationship quality for any kind of industry. This fact is also applicable for banking industry. From the time when the ostensible service quality acts as a underpinning for building long-term customer relationships, the present study is chiefly carried out to present the SBI customers' perception on CRM and to study the professed service quality provided by the bank.

### Objectives of the study

The main objectives of the study are as follows:

1. To study the insight of SBI customers about CRM.
2. To study the CRM practices take up by the bank to endorse the customer relationship.

## RESEARCH METHODOLOGY

To achieve the objectives of the study and to analyze the different factors considered, an appropriate methodology has been adopted. The present study is exploratory as well as descriptive. The survey was conducted in the month of October, 2017. The present study is based on primary data. The primary data have been collected from a sample of 200 customers of SBI branches in Vijayawada City of Andhra Pradesh. The data have been collected with a well-structured and pre-tested questionnaire which was based on Likert five-point scale.

The discernment of SBI customers on CRM was evaluating on the following four variables: Image appeal of physical amenities, direction signs at service counters, timely services by bank employees, and problem solving concern of bank employees. Apart from the questionnaire being used for data collection, personal discussions were also conducted with the respondent customers to get further information. The data so collected have been analyzed with one-way or two-way tables. The statistical techniques such as percentages and averages were also used.

### Profile of the sample

The profile of the respondents of SBI customers, account wise, gender, age, qualification, employment, income, and area wise is furnished in the Table 1.

It is evident from Table 1 that the majority of the respondents are of saving account holders accounting for 40.50%. In terms of gender, it is evident that the majority of the respondents are of male (56.50%). 41.50% of the respondents are in the age group of 20–40 years. Graduates account for 39.50%, followed by postgraduates who accounted for 28.50%. Government employees dominated the sample size who account for 33.50%, and 22% of sample respondents have agriculture as their occupation. In terms of monthly income level, it is evident that 43% of the respondents are earning monthly income of Rs.

**Table 1**

Parameters	Number of respondents (%)
Type of account holders	
Current account	75 (37.50)
Savings account	81 (40.50)
Fixed deposit	44 (22.00)
Gender	
Male	113 (56.50)
Female	87 (43.50)
Age	
Below 20 years	29 (14.50)
20–40	83 (41.50)
40–60	67 (33.50)
Above 60 years	21 (10.50)
Qualification	
SSC	26 (13.00)
graduates	79 (39.50)
Post graduates	56 (28.50)
Professional course holders	36 (18.00)
Employment type	
Unemployees	14 (7.00)
Private employees	32 (16.00)
Government employees	67 (33.50)
Agriculture	44 (22.00)
Business persons	43 (21.50)
Income level (per month)	
Below Rs. 10000	23 (11.50)
10000–20000	38 (19.00)
20000–30000	86 (43.00)
30000–40000	37 (18.50)
Above 40000	16 (8.00)
Total	200 (100)

20000–30000, followed by 19% of the respondents who are earning monthly income of Rs. 10000–20000.

## PERCEPTION OF SBI CUSTOMERS ABOUT CRM

### Analysis of the responses

A systematic examination of the data and information using statistical tools, namely, tables and charts, was made for more clear understanding.

The data about visual appeal of physical facilities at bank are shown in Table 2. It is evident that the majority of the respondents, i.e., 48.50% strongly agree with the visual appeal of physical facilities at bank, followed by the respondents agree with the physical facilities at bank accounting for 28%.

**Table 2:** Visual appeal of physical facilities at bank

Scale	Number of respondents (%)
Strongly agree	97 (48.50)
Agree	56 (28.00)
Neutral	18 (9.00)
Disagree	19 (8.50)
Strongly disagree	12 (6.00)
Total	200 (100.00)

**Table 3:** Guidance signs at service counters of bank

Scale	Number of respondents (%)
Strongly agree	56 (28.00)
Agree	103 (51.50)
Neutral	12 (6.00)
Disagree	19 (9.50)
Strongly disagree	10 (5.00)
Total	200 (100.00)

**Table 4:** Timely services by bank employees

Scale	Number of respondents (%)
Strongly agree	27 (13.50)
Agree	67 (33.50)
Neutral	91 (45.50)
Disagree	11 (5.50)
Strongly disagree	4 (2.00)
Total	200 (100.00)

**Table 5:** Problem solving interest of bank employees

Scale	Number of respondents (%)
Strongly agree	11 (5.5)
Agree	16 (8.00)
Neutral	89 (44.50)
Disagree	81 (40.50)
Strongly disagree	3 (1.50)
Total	200 (100.00)

From Table 3, it is found that 51.50% of the respondents agree and 28% of the respondents strongly agree with the guidance signs at service counters of banks. However, the respondents who disagree with the guidance signs at service counters account for 9.50%.

It is observed from Table 4 that the majority of the respondents, i.e., 45.50% neither agree nor disagree with the timely service provided by bank employees followed by 33.50% of the respondents opined that they agree with the timely services by bank employees.

From Table 5, it is very clear that 44.50% of the respondents neither agree nor disagree with the problem solving interest of

bank employees and 40.50% of the respondents disagree with the problem-solving interest. However, the respondents who agree with the problem-solving interest of bank employees account for 8%.

### CONCLUSION

The accomplishment of CRM give way a number of benefits to the bank one of the significant benefits is cost reduction. Second, the integrated view of the customer provides the bank an opportunity to understand its customers well and accordingly cater to their needs with individualized offering. The implementation of CRM has helped the bank to come closer to its customers, and the emphasis has shifted from sales to customers. It may be noted that the bank should increase the number of ATMs as the customers are increasing from day to day. The bank can also enhance its operating hours, i.e., 8 am to 8 pm six a week. Steps should be taken to provide parking facilities at bank premises. Bank employees should show courtesy toward customers in providing timely services at bank. CRM is to be described and used as an enterprise-wide strategy in the bank. It should be involved all the areas of the bank to work in synchronization toward a common goal of stronger and long-term customer relationships.

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