

Perception and Awareness Regarding Banking Services with special reference to Shimla District of Himachal Pradesh

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Abstract: Banking has helped in developing the vital sectors of the economy and guide in a new sunrise of progress on the Indian perspective. The sector has translated the hopes and aspirations of millions of people into reality. But to do so, it has had to control miles and miles of difficult topography, suffer the indignities of foreign rule and the pangs of division. Today, Indian banks can confidently compete with modern banks of the world. Through this paper attempts has been made to study the significant reasons to an open bank account in SBI and also examine the benefits provided by present banking services. The study was based on the primary as well as secondary data. Constructive responses of customers were taken for making study more effective. Following tools have been used to analyze the data i.e. Mean, Standard Deviation, Skewness and Chi square. The finding of the study shows that SBI Bank plays significant role in reduce unemployment and provide various services to the customers.

Key Words: Banking Services, Customer awareness, Employment.

1. Introduction of State Bank of India (SBI)

State Bank of India (SBI) is the largest banking and financial services company in India by revenue, assets and market capitalization. It's a state-owned corporation with its headquarters in Mumbai, Maharashtra. As on March 2010, it had total assets of Rs. 10,534 billion and total deposits of Rs. 8041 billion and recorded a net profit of Rs. 91.7 billion. SBI has a domestic network of 12,569 branches, 150 foreign offices in 32 countries. The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of

Calcutta, making it the oldest commercial bank in the Indian Subcontinent. Bank of Madras merged into the other two presidency banks, Bank of Calcutta and Bank of Bombay to form the Imperial Bank of India, which in turn became the State Bank of India. The government of India nationalized the Imperial Bank of India in 1955, with the Reserve Bank of India taking a 60% stake, and renamed it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. SBI is ranked 292 globally in Fortune Global 500 list in 2011.

SBI provides a range of banking products through its vast network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). The State Bank Group, with over 16,000 branches, has the largest banking branch network in India. SBI has 14 Local Head

Offices situated in Chandigarh, Delhi, Lucknow, Patna, Kolkata, Guwahati (North East Circle), Bhubaneswar, Hyderabad, Chennai, Trivandrum, Bangalore, Mumbai, Bhopal & Ahmedabad and 57 Zonal Offices that are located at important cities throughout the country. It also has around 150 offices overseas.

SBI is a regional banking behemoth and is one of the largest financial institutions in the world. It has a market share among Indian commercial banks of about 20% in deposits and loans. The State Bank of India is the 29th most reputed companies in the world according to Forbes. Also, SBI is the only bank featured in the coveted "top 10 brands of India" list in an annual survey conducted by Brand Finance and The Economic Times in 2010.

State Bank of India is one of the big four banks of India, along with Bank of Baroda, Punjab National bank and ICICI Bank. The State Bank of India is the largest of the Big Four banks of India, along with ICICI Bank, Punjab National Bank and HDFC Bank its main competitors.

1.1 Operations

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non – resident Indian (NRIs). SBI has 14 regional hubs and 57 Zonal Offices that are located at important cities throughout India.

1.2 Domestic Presence

SBI has 14,816 branches in India, as on 31 March 2013, of which 9,851 (66%) were in Rural and Semi-urban areas. In the financial year 2012-13, its revenue was INR 200,560 Crores (US\$36.9 billion), out of which domestic operations contributed to 95.35% of revenue. Similarly, domestic operations contributed to 88.37% of total profits for the same financial year. Under the Pradhan Mantri Jan Dhan Yojana of financial inclusion launched by Government in August 2014, SBI held 11,300 camps and opened over 30 lakhs accounts by September, which included 21.16 lakh accounts in rural areas and 8.8 lakh accounts in urban areas.

1.3 International existence

As of 28 June 2013, the bank had 190 overseas offices spread over 36 countries. It has branches of the parent in Moscow, Colombo, Dhaka, Frankfurt, Hong Kong, Tehran, Johannesburg, London, Los Angeles and Male in the Maldives, Muscat, Dubai, New York, Osaka, Singapore, and Tokyo. It has Offshore banking units in the Bahamas, Bahrain, and Singapore, and representative offices in Bhutan and Cape Town. The Canadian subsidiary, State Bank of India (Canada) also dates to 1982. It has seven branches, four in the Toronto area and three in the Vancouver area. SBI operates several foreign subsidiaries or affiliates. In 1990, it established an offshore bank: State Bank of India (Mauritius). SBI (Mauritius) has 15 branches in major cities/towns of the country including Rodrigues.

SBI Sri Lanka now has three branches located in Colombo, Kandy and Jaffna. The Jaffna branch was opened on 9 September 2013. SBI Sri Lanka, the oldest bank in Sri Lanka, celebrated its 150th year in Sri Lanka on 1 July 2014.

In 1982, the bank established a subsidiary; State Bank of India (California), which now has ten branches-nine branches in the state of California and one in Washington, D.C. The 10th branch was opened in Fremont, California on 28 March 2011. The other eight branches in California are located in Los Angeles, Artesia, San Jose, Canoga Park, Fresno, San Diego, Tustin and Bakersfield. In Nigeria, SBI operates as INMB Bank. This bank began in 1981 as the Indo-Nigerian Merchant Bank and received permission in 2002 to commence retail banking. It now has five branches in Nigeria.

In Nepal, SBI owns 49% of SBI Nepal (State Bank in Nepal) share with Nepal Government owing the rest and SBI NEPAL have branches throughout the country in each and every city as banking has become the major part of daily life for Nepalese people. In Moscow, SBI owns 60% of Commercial Bank of India, with Canara Bank owns the rest. In Indonesia, it owns 76% of PT Bank Indo Monex. In Kenya, State Bank of India owns 76% of the Giro Commercial Bank, which it acquired for US\$8 million in October 2005.

1.4 Associate Banks

SBI now has five associate banks, down from the eight that it originally acquired in 1959. All use the State Bank of India logo, which is a blue circle, and all use the "State Bank of" name, followed by the regional headquarters' name:

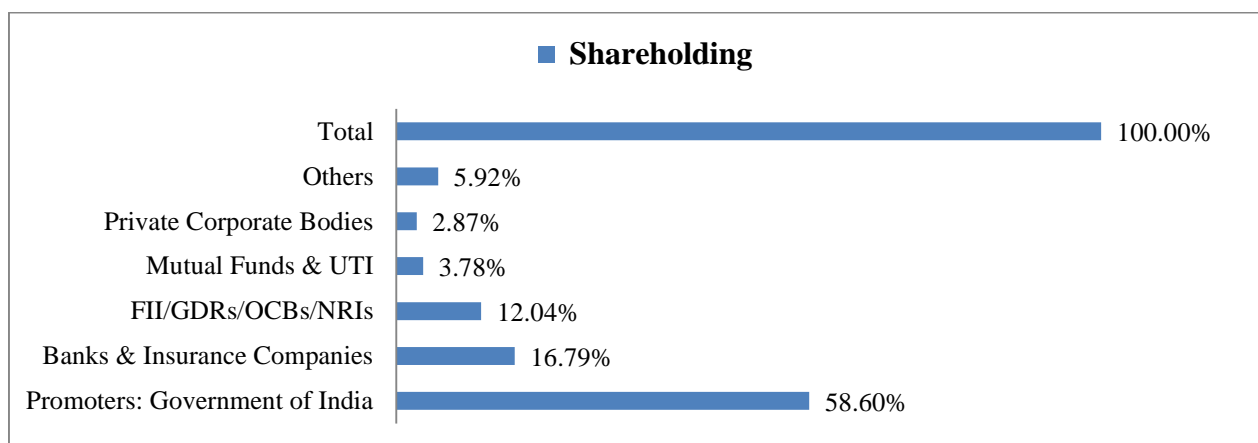
- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore

The State Bank of India and all its associate banks are identified by the same blue keyhole logo. The State Bank of India Word mark usually has one standard typeface, but also utilizes other typefaces.

1.5 Listings and Shareholding

As on 31 March 2014, Government of India held around 58.59% equity shares in SBI. Life Insurance Corporation of India is the largest non-promoter shareholder in the company with 14.99% shareholding. The equity shares of SBI are listed on the Bombay Stock Exchange, where it is a constituent of the BSE SENSEX index, and the National Stock Exchange of India, where it is a constituent of the CNX Nifty. Its Global Depository Receipts (GDRs) are listed on the London Stock Exchange.

Figure: 1.1 Listings and Shareholding



Shareholders	Shareholding
Promoters: Government of India	58.60%
Banks and Insurance Companies	16.79%
FII/GDRs/OCBs/NRIs	12.04%
Mutual Funds and UTI	0.3.78%
Private Corporate bodies	0.2.87%
Others	5.92%
Total	100.0%

2. Review of Literature :

Singh (2003) analyzed that profitability management of banks under the deregulated environment with some financial parameters of the major four bank groups, i.e. public sector banks, old private sector banks, new private sector banks and foreign banks, profitability have declined in the deregulated environment. Singh emphasized to make the banking sector competition in the deregulated environment. They should prefer non-interest income sources.

Mishra, (2005) revealed that the ICICI bank has been very successful in transforming itself into a truly universal financial services firm. A look at the firm's financial illustrates the success that ICICI has experienced. Between FY 1996 and FY 2000 total income rose 291% to Rs 84.6 billion. PAT rose 27.6% and total assets climbed 280% to Rs 653.9 billion. During the same period, disbursements grew 363% to Rs 258.36 billion. ICICI bank total assets increased to Rs 1252.28 billion at March 31, 2001. Total deposits increased 315.86% to Rs 681.09 billion in March 31, 2001. In addition, savings account deposits increased 345.08% to Rs 87.72 billion in fiscal 2004 from Rs 18.81 billion in fiscal 2000.

Rajesh Chakraborti, (2006) revealed that SBI the flag bearer of Indian banking was under pressure. In the short span of twelve years, ICICI bank had come from nowhere (that is if you discount ICICI's background as one of India's three largest term lending institutions) to emerge as the second largest bank in India.

Pankaj Anup Toppo, (2008) advocates that State bank of India to the winner's position. In fact, it was a cut above the rest and performed very well across all parameters. In terms of reach it scored nine out of ten. While most financial institutes have to deal with a drop in the number of disbursements, State bank of India registered a double digit growth in number of loans disbursement in FY 08 further strengthened its position. However the fact that really pulled State Bank of India at the top was its low interest rate. Among all the parameters, interest rate carried the maximum weight because it is the first thing that a prospective loan taker looks at when shopping for home loans.

Shallu Sehgal (2012) conducted a study of private and public sector banks employees in Shimla district of Himachal Pradesh indicated that socio-economic variable, such as; age, sex, and income were significantly correlated with job satisfaction of employees. The researcher reported that employees in the older age group category were more satisfied than others.

A. Jaiswal and C. Jain, (2016) analyzed that the financial performance of SBI and ICICI banks. The study is descriptive and analytical in nature. The collected data was secondary in nature and collected from various reports issued by these banks through internet. The comparison of financial performance of these two banks was made on the basis of ratio analysis. The results indicated that the SBI is performing well and financially sound than ICICI Bank. Also the market

position of SBI is better than ICICI in terms to earning per share, price ratio per share and dividend payout ratio, but on the other hand ICICI bank is performing well in terms of NPA and provision for NPA in comparison of SBI bank.

Veena K.P. and Nayana. N. (2017) revealed that Internet banking has made drastic changes in the banking system of India. The paper attempts to give an insight on various E-banking services and the latest development in E-Banking. The paper also focuses on the challenges faced by banking industry in adopting the E-banking with the help of IT.

Jena et al. (2020) conducted a study on, “Corporate Social Responsibility: A Comparative Analysis between SBI & ICICI Bank in India”. Corporate social responsibility becomes an essential part for the success of any corporation. In order to sustain in this cut throat competitions, every corporate has to perform its responsibility towards society. The study examine the CSR activities done by private and public bank and compare the CSR spending by the sample bank from the year **2008-09 to 2018-2019**. It has been found that after mandatory implication of CSR by companies’ ACT 2013, the banks are spending more and reported the CSR activity in an organised manner.

3. Research Methodology:

The Research methodology is a way to systematically solve the research problem. Two types of data were taken into consideration, i.e. Secondary data and Primary data. Secondary Data has been collected from sources containing past or recent information like, Annual Reports, Books, Newspaper and Magazines etc. Primary Data was collected from the personal interviewing, observation and survey etc. Mean, Standard Deviation, Skewness and Chi square test have been used to analyze the collected data. For this Purpose the Statistical packages for social science (SPSS.20) have been used.

3.1 Objectives

- To inspect the most vital reasons to open a bank account in SBI.
- To study the Benefits provided by present banking services of the SBI in Shimla District.

3.2 Sampling Design

For primary data a sample of 50 Customers has been taken from Shimla District of Himachal Pradesh. Constructive responses of customers were taken for making study more effective. The purposive sampling technique has been used to conduct this research paper. Under this technique sample of the respondents were selected according to the Convenience of the researcher.

4. Data Analysis and Interpretation

Table No. 1.1 Most Vital Reasons to Open Bank Account in SBI

Sr. No.	Statements	SA	A	U	DA	SDA	Total	\bar{X} Mean	S.D.	Skewness	χ^2 chi-square
1.	High Interest rate	1 (2.0)	17 (34.0)	21 (42.0)	8 (16.0)	3 (6.0)	50 (100.0)	3.100	.90914	.543	30.400
2.	Due to Reputation	11 (22.0)	33 (66.0)	3 (6.0)	3 (6.0)	- -	50 (100.0)	4.0400	.72731	-1.056	45.240
3.	Availability of different Schemes	9 (12.0)	37 (74.0)	6 (12.0)	1 (2.0)	- -	50 (100.0)	3.9600	.5700	-.699	68.360
4.	Easy accessibility	17 (39.0)	31 (62.0)	2 (4.0)	- -	-- -	50 (100.0)	4.300	.54398	.679	25.240

Source: Field Survey, 2020

It is observed from the table no.1.1 that 42 percentage respondents are undecided to the reason that higher interest rates are the most important reason to open bank account in SBI. Next 34 percentage respondents are agree and 16 percentage respondents are disagree while 6 percentage respondents are strongly disagree with this cause. The mean (3.10) is higher than average standard scoring i.e. 3. It is reveals that distribution of the respondent’s opinion is towards the higher side of average standard score. The positive value of skewness shows that their opinion is distributed less toward higher side of the average score. While applying chi- square (χ^2) test its value is 9.488 is found less than the table value at 5 percent level of significance which is 30.40. Thus it rejects our null hypothesis. Hence it can be concluded that there is association between higher interest rate and reason to open a bank account in SBI.

It is further evident from the table no.1 that 66 percentage respondents are agree with the statement that reputation is important reason to open bank account in SBI. Next 22 percentage respondents are strongly agree with the cause. Another 6 percentage respondents are disagree with this statement that reputation is the main reasons to open bank account. The mean (4.04) is higher than average than average standard scoring i.e. 3. It is reveals that distribution of the respondent's opinion is higher side of average standard score. The negative value of skewness shows that their opinion is distributed more toward higher side of average score.

While applying chi- square (χ^2) test its value is 7.815 is found less than the table value at 5 percent level of significance which is 45.24. Thus it rejects our null hypothesis. Hence it can be concluded that there is an association between Reputation of SBI With open a bank account.

It is further revels from the table that 74 percentage respondents are agree with the statement that Availability of different schemes is the most important reason to open bank account in SBI. Next 12 percentage respondents are strongly agree with the cause. Another 2 percentage respondents are disagree with this statement that Availability of different schemes is the main reasons to open bank account. The mean (3.96) is higher than average than average standard scoring i.e. 3. It reveals that distribution of the respondent's opinion is higher side of average standard score. The negative value of skewness shows that their opinion is distributed more toward higher side of average score. While applying chi- square (χ^2) test its value is 7.815 is found less than the table value at 5 percent level of significance which is 68.36. Thus it rejects our null hypothesis. Hence it can be concluded that there is an association between Availability of different schemes with open a bank account in SBI.

It is further revels from the table that 62 percent respondents are agree with the statement that easy accessibility is the most important reason to open bank account in SBI. Next 39 percentage respondents are strongly agree with the cause. The 4 percent respondents are undecided regarding this reason. The mean (4.30) is higher than average than average standard scoring i.e. 3. It reveals that distribution of the respondent's opinion is higher side of average standard score. The positive value of skewness shows that their opinion is distributed less toward higher side of average score. While applying chi- square (χ^2) test its value is 5.991 is found less than the table value at 5 percent level of significance which is 25.24. Thus it rejects our null hypothesis. Hence it can be concluded that there is an association between easy accessibility and open a bank account in SBI. Thus, it is concluded that majority of respondents are influenced by Availability of different schemes provided by SBI and its Reputation.

Table No. 1.2 Benefits From Present Banking Services of SBI

Sr. No.	Statements	Very high	High	Moderate	Low	Not at all	Total	\bar{X} Mean	σ S.D.	Skewness	χ^2 chi-square
1.	Promoting saving habits	6 (12.0)	24 (48.0)	16 (32.0)	3 (6.0)	1 (2.0)	50 (100.0)	3.6200	-.85452	-.595	37.800
2.	Time savings	11 (22.0)	29 (58.0)	7 (14.0)	1 (2.0)	2 (4.0)	50 (100.0)	3.92000	.89989	-1.413	51.600
3.	Money transfer	9 (18.0)	22 (44.0)	12 (24.0)	5 (10.0)	2 (4.0)	50 (100.0)	3.6200	1.03798	-.689	23.800

Source: Field Survey, 2020

Table no.1.2 Depicts that 48 percent respondents are agreeing that they are getting benefit of saving habit. The respondents opined that open bank account in SBI leads to promote saving habit. Next 32 percent moderately assume that open bank account in SBI leads to promote saving habit. Another 12 percent strongly agree and 2 percent strongly disagree with this statement. The mean value (3.62) is higher than average standard scoring i.e. 3. It reveals that distribution of the respondent's opinion is higher side of average standard score. The negative value of skewness shows that their opinion is distributed more toward higher side of standard mean value. Majority of respondents have given their views that open bank account in SBI help to bring a positive impacts on the promoting of saving habits (3.62) which is also supported by value of skewness which presents majority of responses are higher side to standard score. While applying chi- square (χ^2) test its value is 9.488 is found less than the table value at 5 percent level of significance

which is 37.80. Thus it rejects our null hypothesis. Hence it can be concluded that there is benefits of saving habits to respondents.

The second Statement shows that 58 percent respondents are agreeing that they are getting benefit of time saving. These respondents assume that open bank account in SBI leads to promote time saving. Next 14 percent moderately assume that open bank account in SBI leads to time saving. Another 22 percent strongly agree and 4 percent strongly disagree with this statement. The mean value (3.92) is higher than average standard scoring i.e. 3. It reveals that distribution of the respondent's opinion is higher side of average standard score. The negative value of skewness shows that their opinion is distributed more toward higher side of standard mean value. Majority of respondents have given their views that open bank account in SBI help to bring positive impacts on the promoting time saving (3.92) which is also supported by value of skewness which presents majority of responses are higher side to standard score. While applying chi- square (χ^2) test its value is 9.488 is found less than the table value at 5 percent level of significance which is 51.60. Thus it rejects our null hypothesis. Hence it can be concluded that there is benefits of time saving to respondents or accountholders.

The third statement is based upon money transfer, which shows that 44 percent respondents are agreeing that they are getting benefit of money transfer. These respondents assume that open bank account in SBI leads to transfer money at time. Next 24 percent moderately assume that open bank account in SBI leads to money transfer at time. Another 18 percent strongly agree and 10 percent disagree with this statement. The mean value (3.62) is higher than average standard scoring i.e. 3. It reveals that distribution of the respondent's opinion is higher side of average standard score. The negative value of skewness shows that their opinion is distributed more toward higher side of standard mean value. Majority of respondents have given their views that open bank account in SBI help to bring positive impacts on the promoting money transfer (3.62) which is also supported by value of skewness which presents majorities of responses are higher side to standard score. While applying chi- square (χ^2) test its value is 9.488 is found less than the table value at 5 percent level of significance which is 23.80. Thus it rejects our null hypothesis. Hence it can be concluded that there is benefits of money transfer to respondents.

5. Major Findings:

SBI bank is largest private sector bank in India; recently it has acquired the position of universal bank.

- SBI bank believes in technological up gradation in distribution of its services.
- Higher rate of interest rates is major variable which influences the decision to open bank account in SBI.
- Availability of different schemes is major variable which influences the decision to open bank account in SBI.
- Easy accessibility and open a bank account in SBI.
- State Bank of India offer benefits of time saving to accountholders.
- State Bank of India offer benefits of saving habits to accountholders and also provides benefits of money transfer to accountholders.
- Customers of SBI bank are satisfied with various services offered by bank.
- SBI also one of the successful private sector banks in India. It is the bank that has pioneered many services first time in India.
- SBI was the first to offer a product called one view by which customers are able to view their accounts in six banks on one page on their website.
- SBI Bank also the pioneer, in introducing a product called Net safe, which makes online shopping on net using debit card, making it safer.

6. Suggestions and Conclusion:

- The staffs of SBI and bank have to be courteous and polite. The banks required hiring right kind of people, with adequate knowledge of banking especially at banks call centres.
- Training programmes should be devised for all staff including call centre and Staff of Direct Sales Associates or Associates of these banks.
- There is a need for banking staff to have training in the areas of technology and interactive skills. The marketing personnel selected by direct sales associates of bank and should be more qualified, in terms of education, product knowledge, communication skills etc.
- In the bank customer has his first introduction with bank at front desk. The person who is presenting the services to the customers is identified with the services offered so the banker or the professional who is offering the banking services to the customers should be good in his appearance, his attitude which should be appealing to the customers.

- Proper dress code, perfect surroundings, attractive interiors, ambience and courteous staff at the counters are must to attract the customers. The personnel at front desk also need to be developed to deliver service quality.
- The bank should attract best talent and retain that talent by right kind of policies in respect of salary; incentives, etc. develop service oriented internal processes.

The study concludes to be valuable to State Bank of India (SBI) as it is based on the opinion of customers and bank employees. It is useful for other private sector and Public sector banks also in formulating their policies regarding launch of new banking product, in order to reach the level of success achieved by these two banks. It also point out reasons for dissatisfaction among bank customers and provide meaningful solution to their problems. The study conducted will help the private Sector Banks and Public Sector Banks in addressing the marketing problems and difficulties faced by these banks while marketing their services to customers. The study also helps in solving the problems faced by the customers and the effective implementation of marketing strategies of private sector and Public sector banks.

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