

# A Study on Marketing Strategies in State Bank of India

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## Abstract

In recent years, marketing has become a more significant part of the banking industry's operations. Each and every bank employs marketing in order to boost its overall performance and compete with other banks. India's biggest public sector bank, the State Bank of India, is headquartered in New Delhi. The Indian economy relies on the banking industry. In every nation, the banking industry has a significant impact on the country's long-term growth. The Indian banking business is very competitive, with public, private, and foreign banks all competing for consumers. Banks use a range of strategies to remain competitive. One of a company's most potent tools is its marketing plan. Following the implementation of the new economic policy, Indian banks expanded the scope of their marketing efforts. The term "bank marketing" has a long history dating back to the 1950s. After 1991, all commercial and public sector banks employed the right marketing strategies to boost their business and extend their networks by creating new branches throughout India. These days, the whole banking industry follows marketing strategies to grow their company, with a focus on the needs of its customers. The service industry is continually affected by consumer satisfaction. Bank marketing is a collection of functions that may be used to increase customer happiness and service quality by offering clients with a variety of bank services.

**Keywords:** *Micro Markets, Market Share, Business Growth, Customer, Marketing.*

## 1. INTRODUCTION

The banking industry provides a service. Because of the fierce rivalry in the banking industry, it's critical to incorporate cutting-edge concepts and technology. The performance of the banking industry may be enhanced through marketing activities. A marketing strategy is a mixture of several factors, such as a company's position in the market and its surroundings. According to Philip Kotler, "marketing strategy is the business unit's marketing reason for achieving its marketing goals." Following Ps were considered in the bank marketing mix: product, price, location, promotion, procedure, and physical proof. In the marketing strategy product signifies anything supplied in the market to please or to meet a requirement of client by the banking sector. It is bundle of utilities includes deferent goods and services. Term deposits schemes, cash credit facilities, loans, and so on are the main products of any kind of bank, regardless of the type of bank. The product mixed management includes all functions from introducing the particular products or services to sale of product and after sale services of that particular product like; determination of the products, improvement in the product, innovation of the product, standardisation and branding of product etc. All of these choices have a direct impact on product or service sales. Because of this, banks should do research in the market region where our product is sold to determine the buying habits, income levels, and quality of life of the intended audience. Price meaning is connected to revenue or commission fee, it is paid by the banks on the deposit of the customers and loan facility supplied to the consumers. Banks are determined these interest, charges or pricing per the regulation of Reserve Bank of India. The loan and deposit costs are set by the Indian banking association, which clearly favours the banks, although some institutions have felt the need to maintain a certain level of profitability owing to competition in the banking market. The location of the bank's branches and the distribution channels for its services are closely linked. Bank clients will be able to afford this. For every bank, the choice of a site for a branch is critical. It should be easy for the consumer to get in and out of. The banking sector's distribution channels include numerous bank branches and bank executives, particularly marketing executives.

## 2. LITERATURE REVIEW

**Meenakshi Sharma & Akanksha Choubey (2021):** The environmental concern is on the increase in all kinds of company, but banking has a distinct niche because of its effect on the country's economic growth and development. Three Green banking efforts, namely, green product creation, green corporate social responsibility and green internal procedure, are examined in this research to see how they affect two potential outcomes: green brand image and green trust. 36 middle- to senior-level managers of twelve public and private Indian banks were interviewed for the research, which is qualitative in nature. Greening the financial system may be achieved through increasing the availability of financing and serving "green economy" demands. The outcomes of the survey showed that 63 percent of the total respondents, 53 percent of the bankers, and 78 percent of the respondents claimed that their bank engages in a variety of green banking efforts. Furthermore, this study found that more than 60% of respondents believe that green banking initiatives play a positive role in restoring customer trust by enhancing the green brand image. For the first time, a qualitative study on green banking for sustainable development has been conducted in India, a country with a scarcity of studies on the subject.

**Dr. Arvind K. Raut (2020):** In recent years, marketing has become a more significant part of the banking industry's operations. Marketing is a common tool used by banks to boost productivity and stay competitive. India's biggest public sector bank, the State Bank of India, is headquartered in New Delhi. The Indian banking industry has a significant impact on the country's economy. Any country's economic growth is largely dependent on the banking industry. The Indian banking industry is highly competitive, with banks from the public, private, and international sectors all vying for customers. Banks use a variety of tactics to stay ahead of the game. A successful marketing plan is a critical component of every company. New economic policies in India prompted banks to enhance their marketing efforts. The term "bank marketing" or "bank marketing" refers to a broad field of study that dates back to the 1950s. After 1991, all commercial and public sector banks in India employed the right marketing strategy to boost their business and extend their networks by creating new branches throughout India. Currently, the banking industry has adopted marketing practices in order to better serve their customers and grow their company. The service industry is constantly affected by the level of consumer happiness. Bank marketing is a collection of activities aimed at ensuring client happiness while also raising the level of service provided by the bank. A service company's ability to compete in today's market is aided by the marketing operations. Product, pricing, location, and promotion are the four Ps of marketing in the bank marketing. Khandesh's capital, Jalgaon, can be found in this area. 15 talukas make up the district, which is connected to the national highway and the central railway network.

**P. Saritha (2011):** Marketing is a comprehensive set of commercial actions aimed at identifying, pricing, promoting, and distributing desirable and useful items to certain markets in order to meet an organization's goals. According to the 7Ps of marketing: Product, Place, Price, Promotion, People and Physical Evidence and Processes, banks may use several characteristics to build their marketing strategy. When it comes to marketing strategy, a company's product-market decision is led by the company's aims and capabilities, as well as by the environment. SBI and INGV Bank's 'Marketing Strategies' for their financial services in Kadapa Corporation, A.P. India, are the subject of this article. 'Interest based, Fee based, and Technology based activities' are examples of product-related tactics. Mobilizing deposits and making loans to consumers are both part of the "interest-based activities strategy." 'Place related tactics' include a location strategy, a parking strategy, and a seating strategy. 'Marketing division strategy, Advertising media strategy, Social activities strategy and brand strategy' are some of the promotion-related tactics. 'Strategic pricing strategy, Pricing approach strategy, and Price privileges strategy' are examples of price-related strategies. 'People-related strategies' employ a large number of people to maintain the country's massive network. There are structural and administrative constraints due to the enormous number of staff, which contradicts the prevalent view of public sector banks that 'greater numbers of people' better service consumers. Employees that are well-versed in technology and training programmes are the focus of human resources strategy. The physical evidence relates to the physical environment, amenities, branch decors, high-quality furniture, open floor plans, and ambiance in the buildings. The term 'processes' refers to the actual methods, techniques, and sequence of events that go into providing the service. Marketing, Customer, and Operational processes all fall under the umbrella of 'Process-related strategies.'

### 3. METHODOLOGY

It was found that SBI's marketing strategies had a significant impact on Aligarh's two micro marketplaces, which were referred to as Micro Market 1 and Micro Market 2. There will be two sections to this research. Effects on Micro markets of Marketing Strategies 1. Micro Market Deposits and Advances (consolidation of sold items) and Market Share of Micro Markets will be examined in this research, and (2) the reasons/causes that are negating the impact of marketing tactics and resulting in falling Market Share will be discovered. Angry and dissatisfied consumers might be happier with service quality after a good service recovery than they would

have been if the issue had never happened. Value for consumers is produced via an interactive interaction between suppliers, service providers, and their customers.

Deposits at SBI branches in Micro Market I increased by Rs.20,33 crore in 2006-07, a significant increase over the previous year. Seven SBI Micro Market I branch grew Rs.30.80 crores between 2004 and 2007, but ICICI Bank only grew Rs.25.74 crores in the same period of time. SBI's deposit portfolio share in Micro Sector I decreased by 0.43 percent between 2004 and 2007, whereas ICICI Bank's two-year presence in the market increased its market share by 1.25 percent. Market share of SBI branches in micromarket-1 deposit portfolio was 4.76 percent as of March 31, 2004, however it fell by 0.43% in 2007 despite an increase in deposits. As a result, relationship marketing, when properly understood and applied, may be a more rapid tool for fostering ethical ideals inside an organisation. Customers' needs should be at the forefront of a company's mind while implementing a relationship marketing plan.

#### 4. ANALYSIS

When we talk about banking's "moral aspects," we're talking about the values and beliefs that support the interactions between banker and consumer. Table-1 shows how this psychological component of the bank's operation (deposits) is expressed.

**Table.1 Analysis of SBI Branches Micro Market No- 1**

S.NO	BRANCHES	MARCH 2017			MARCH 2018			MARCH 2019			MARCH 2020		
		LEVELS	Growth	MKT%	LEVELS	Growth	MKT%	LEVELS	Growth	MKT%	LEVELS	Growth	MKT%
1.	Aligarh City	33.92	1.91	1.08	36.45	2.53	1.88	33.34	-2.89	1.49	34.56	1.22	1.02
2.	D.S. College	16.59	-0.58	0.71	16.99	0.40	0.88	21.51	4.62	0.75	27.41	5.90	0.81
3.	Delhi Gate	16.20	0.33	0.69	16.86	0.66	0.87	17.35	0.52	0.60	19.39	2.04	0.57
4.	Industrial Estate	19.55	2.39	0.84	19.53	-0.02	1.00	20.57	1.27	0.71	26.91	6.34	0.79
5.	Madar Gate	16.64	0.31	0.71	17.69	1.05	0.92	18.53	0.99	0.64	19.87	1.34	0.58
6.	IndraMkt Rly Road	16.96	0.47	0.73	18.45	1.49	0.95	19.03	0.64	0.66	22.52	3.49	0.66
	<b>TOTAL</b>	<b>119.86</b>	<b>4.83</b>	<b>4.76</b>	<b>125.97</b>	<b>6.11</b>	<b>6.50</b>	<b>130.33</b>	<b>5.15</b>	<b>4.85</b>	<b>150.66</b>	<b>20.33</b>	<b>4.33</b>

A broad number of products and interfaces are involved in customer relationship management, including marketing automation. It keeps up with the latest in both business and technology. In other words, it is useful for evaluating the business trends of SBI branches in Micro Market I, which may be analysed using business data (deposits) in Table-2.

**Table 2: Micro Market No- 2**

BRANCHES	MARCH 2017			MARCH 2018			MARCH 2019			MARCH 2020		
	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%
	LS	TH	%	LS	TH	%	LS	TH	%	LS	TH	%

Aligarh City	15.42	2.60	2.63	23.48	8.06	3.77	26.19	2.72	1.65	25.32	-0.87	1.46
D.S. College	3.83	0.09	0.65	5.62	1.79	0.90	8.75	3.20	0.55	10.64	1.89	0.61
Delhi Gate	5.17	-0.41	0.88	7.40	2.23	1.88	9.51	2.11	0.60	11.07	1.56	0.64
Industrial Estate	2.89	0.80	0.50	4.73	1.84	0.75	5.88	1.77	0.37	8.39	2.51	0.48
Madar Gate	2.21	0.20	0.37	3.28	1.07	0.52	4.55	1.31	0.29	4.87	0.32	0.28
IndraMkt Rly Road	4.83	0.91	0.83	7.60	2.77	1.23	8.17	0.58	0.52	8.73	0.56	0.50
<b>TOTAL</b>	<b>34.35</b>	<b>4.19</b>	<b>5.86</b>	<b>52.11</b>	<b>17.76</b>	<b>8.35</b>	<b>63.05</b>	<b>11.69</b>	<b>3.98</b>	<b>69.02</b>	<b>5.97</b>	<b>3.97</b>

Table.3 Analysis of Other Commercial &amp; Private Sector Banks

S.N O.	BRANC HES	MARCH 2004		MARCH 2005			MARCH 2006			MAR CH 2007		
		LEV E LS		LEVE LS	GRO WTH	MKT %	LEVE LS	GROW TH	MK T %	LEVE LS	GROW TH	MK T %
1.	IOB	29.17	1.25	26.90	-2.27	1.38	28.99	2.09	1.01	32.81	3.82	0.96
2.	*J&K BANK	26.79	1.15	26.60	-0.19	1.37	6.74	-19.86	0.23	4.73	-2.01	0.14
3.	UCO BANK	36.25	1.56	35.17	-1.08	1.81	44.60	9.43	1.55	47.47	2.87	1.40
4.	VIJAYA BANK	15.16	0.65	16.03	0.87	0.82	16.19	0.16	0.56	18.21	2.02	0.54
5.	*ICICI BANK	-	-	-	-	-	16.91	16.91	0.58	42.65	25.74	1.25
	<b>TOTAL</b>	<b>107.37</b>	<b>4.61</b>	<b>104.70</b>	<b>-2.67</b>	<b>5.38</b>	<b>113.43</b>	<b>8.73</b>	<b>3.93</b>	<b>145.87</b>	<b>32.44</b>	<b>4.29</b>

As of March 31, 2004, SBI branches in Micro Market I had Advances of Rs.34.35 crores, an increase of Rs.4.19 crores from the previous quarter. As of March 31, 2007, advances were Rs. 69.02 crore, an increase of Rs. 5.97 crore. Only in 2005 did advances expand at a pace of Rs.17.76 crores between 2004 and 2007, the only year in which this happened. In Micro Market I, SBI's market share fell from 5.86 percent to 3.97 percent between 2004 and 2007, while its revenue more than doubled, from Rs.34.35 crores to Rs.69.02 crores. When customers utilise the product or service they've paid for, the value is produced through their own value-creation processes. It allows banks to give proactive care to chosen consumers, transforming them into highly lucrative clients by allowing them to combine their whole bank product in one bank. Table-3 demonstrates the effectiveness of this private and commercial bank approach.

As of March 31, 2004, Micro Market I's private sector banks had a deposit level of Rs.26.79 crore, with a 1.15 percent market share, and a growth rate of Rs.0.19 crore by the end of 2005. As of 31.3.2007, the private sector had a market share of 1.39 percent and revenues of Rs.47.38 crores, an increase of Rs.23.73 crores. In Micro Market I in 2004-05, J&K Bank was the sole privately owned bank with deposits of Rs.26.60 crores and a negative growth rate of (-) Rs.0.19 crores. In 2006-07, private sector bank deposits increased by Rs.23.73 crore thanks to the arrival of ICICI Bank.

## 5 . CONCLUSION

SBI's and other commercial banks' performance in micro market I is being harmed by the presence of private sector banks. The danger to public sector banks and SBI is the growing deposit market share of private sector banks in macromarket-II. There is a danger to SBI's success at the centre due to the presence of ICICI bank. Traders and their family members may register personal accounts under the MOD Scheme in order to maintain their market share. Branches need to be updated to compete with other public sector banks and new-generation private sector lenders. SBI branches are expected to have soft-speaking and initiating workers at the counters in order to provide the finest customer care possible.

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