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Retail Banking Practices of State Bank of India – A Study of Buldhana District

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ABSTRACT: Retail banking has evolved significantly due to competition, technological advancements, and the entry of foreign and regional banks alongside public and private sector banks. The sector has witnessed a shift from traditional banking to digital banking services such as internet banking, mobile banking, and electronic transactions through RTGS and NEFT, reducing physical branch visits. Consumer credit remains the core of retail banking, offering diverse financial products like savings accounts, credit cards, loans, and investment options. In India, retail banking has transitioned from a seller's market to a buyer's market, with banks focusing on financial inclusion and customer-centric approaches. State Bank of India (SBI) plays a crucial role by offering an extensive range of retail banking services through a vast network, particularly in rural and semi-urban areas. SBI's strategic initiatives include digital transformation, product diversification, financial inclusion, and sustainable banking. However, challenges such as compliance issues, risk management, and increasing competition persist. Retail banks must leverage technology, customer relationship management, and operational efficiency to sustain growth. The study explores the evolving retail banking landscape in India, highlighting SBI's role and strategies for future growth.

KEYWORDS: Retail Banking, Digital Banking, Financial Inclusion, Consumer Credit, Internet Banking, Risk Management, Sustainable Banking.

I. INTRODUCTION

The banking sector, a fundamental pillar of the financial services industry, plays a pivotal role in facilitating economic growth and development in any country. Among the various banking segments, retail banking serves as a crucial interface between financial institutions and individual consumers, offering essential financial products and services such as savings accounts, personal loans, credit cards, mortgages, and investment options. Over the years, retail banking has undergone significant transformations due to technological advancements, increasing competition, and evolving customer expectations.

With the entry of foreign banks, regional rural banks (RRBs), and private sector banks, the retail banking sector in India has become highly competitive. Public and private banks are now focusing on digital banking solutions to enhance customer experience and streamline operations. The adoption of internet banking, mobile banking, and electronic fund transfer systems like RTGS and NEFT has significantly reduced the necessity of in-branch visits. The integration of artificial intelligence (AI), big data analytics, and blockchain technology has further transformed banking services, ensuring greater security, efficiency, and accessibility.

Retail banking primarily revolves around consumer credit, which is a key driver of economic growth and financial inclusion. Banks provide various loan products such as home loans, personal loans, and vehicle loans, enabling individuals to fulfill their financial needs. Additionally, banks offer wealth management services, insurance, and investment options tailored to diverse financial goals.

In India, retail banking has transitioned from a seller's market to a buyer's market, where customer preferences dictate product and service offerings. Banks are now emphasizing customer relationship management, strategic cost management, product innovation, and market intelligence to stay competitive. The increasing use of multiple delivery channels, including online banking, mobile apps, ATMs, and customer service centers, has enhanced accessibility and convenience.



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State Bank of India (SBI), the largest public sector bank in India, plays a significant role in expanding retail banking services across the country. SBI has developed a robust digital banking platform and an extensive branch network to cater to the banking needs of both urban and rural populations. The bank's retail banking portfolio includes savings and current accounts, loans, investment products, credit and debit cards, and insurance services. SBI's focus on financial inclusion, particularly in rural areas, aligns with the broader objectives of India's banking sector.

This dissertation embarks on a comprehensive investigation into the retail banking practices of SBI with a specific focus on its operations in the Buldhana District. The study will examine how SBI's retail banking strategies, services, and innovations impact customer satisfaction and financial inclusion in this region. Given Buldhana's diverse demographic and economic structure, analyzing SBI's retail banking effectiveness in the district will provide valuable insights into its contribution to economic development and customer engagement.

Despite the progress in retail banking, several challenges persist. Compliance with regulatory norms such as Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements pose operational and technological challenges. Managing risk in retail banking, ensuring transparent pricing, and protecting consumer interests remain key concerns for banks. Furthermore, the rise of fintech firms and digital payment platforms has intensified competition, pushing traditional banks to innovate continuously.

This study aims to evaluate the evolving landscape of retail banking in India, focusing on the impact of technology, regulatory challenges, competitive dynamics, and customer expectations. Through an in-depth analysis of SBI's retail banking practices in Buldhana District, the research seeks to understand the bank's role in promoting financial inclusion, economic growth, and customer engagement.

By leveraging digital transformation, product diversification, and customer-centric approaches, retail banks like SBI can achieve sustainable growth and enhance financial accessibility for diverse customer segments. This dissertation will provide insights into the key trends shaping retail banking and explore strategies that can further strengthen SBI's retail operations in regional markets like Buldhana.

Objectives

- To assess the key retail banking products and services offered by SBI Bank and their market positioning.
- To investigate the impact of digitalization on SBI Bank's retail banking operations and customer engagement.
- To examine the regulatory compliance and risk management practices employed by SBI Bank in its retail banking operations.

II. RETAIL BANKING – A LITERATURE REVIEW

Customer Service and Retail Banking

Manoj Kumar Joshi (2008) emphasizes that high-quality customer service, facilitated by modern technology, is essential for banks to thrive in the competitive retail banking sector. The study highlights that transparent communication regarding fees and charges, streamlined banking procedures, and customer-friendly processes enhance customer satisfaction. These findings align with the focus of this dissertation on evaluating SBI's retail banking practices in Buldhana District and their impact on customer experience.

Similarly, R.K. Uppal (2009) argues that in the digital era, speed and efficiency in service delivery differentiate banks from one another. The study finds that prompt customer service is a crucial determinant of banking success. This observation reinforces the importance of evaluating SBI's customer service strategies and their role in improving banking accessibility in Buldhana.

Rengaswamy Elango and Vijay Kumar Gudep (2008) conduct a comparative study on customer service quality in public, private, and foreign banks, revealing that private and foreign banks outperform public sector banks in customer satisfaction. Their study underscores the need for public banks like SBI to adopt customer-centric approaches, efficient grievance redressal mechanisms, and technology-driven service enhancements.



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Technological Advancements and Retail Banking Growth

Smith Ramachandran (2008) explores the role of Information Technology (IT) in the expansion and sustainability of retail banking. The study highlights key challenges such as customer retention, competitive pressures, and the need for innovative banking products. This aligns with the focus of this dissertation on how SBI leverages technology to improve its retail banking services in Buldhana District.

The findings of Markus & Vikas (2008) further complement this perspective, as they examine how multinational retail banks optimize their branch networks, product portfolios, and digital banking strategies to enhance customer engagement. Their study suggests that banks must strategically integrate digital and physical banking services to maintain competitiveness. This dissertation will explore how SBI integrates digital banking solutions, including mobile banking, ATMs, and digital payments, to meet customer expectations in Buldhana.

Financial Performance and Retail Banking Trends

Birender Kumar (2009) analyzes the financial performance of retail banks, indicating a decline in retail banking's contribution to overall financial performance in 2010. This study provides valuable insights into how macroeconomic trends impact retail banking growth and profitability. Understanding SBI's financial strategies in Buldhana will offer a localized perspective on how retail banking contributes to economic development.

Customer Relationship Management and Customer Loyalty

Kallol Jitesh and Vijay (2009) examine the role of Customer Relationship Management (CRM) in enhancing customer loyalty in the Indian retail banking sector. Their study finds that CRM deployment does not always lead to increased profitability, suggesting that banks must carefully assess customer relationship strategies. This aligns with the dissertation's objective of evaluating how SBI manages customer relationships and ensures long-term engagement with its retail banking clients.

Customer Behavior and Bank Selection Criteria

Safiek Mokhlis (2009) explores the factors influencing bank selection among male and female customers in Malaysia's retail banking sector. The study finds that factors such as ATM services, marketing strategies, and financial benefits influence customer decisions. These findings emphasize the importance of understanding customer preferences when designing retail banking services. This dissertation will analyze the factors influencing customer satisfaction with SBI's retail banking services in Buldhana, considering demographic and economic variations in the region.

III. RESEARCH METHODOLOGY

• Primary Method of Data Collection:

Structured Questionnaire was used to collect primary data

• Secondary Data Collection:

Books, Journals, reports, magazines, websites were used to collect secondary data.

• Population and Sampling

Population: Retail Banking Customer of SBI in Buldhana region.

Sample Size: 100 Customer.

Sampling method: Convenience sampling.

Data analysis and interpretation

1. SBI Services currently being used by customers:

Graph No. – 1: Showing SBI services currently used by people in Buldhana region

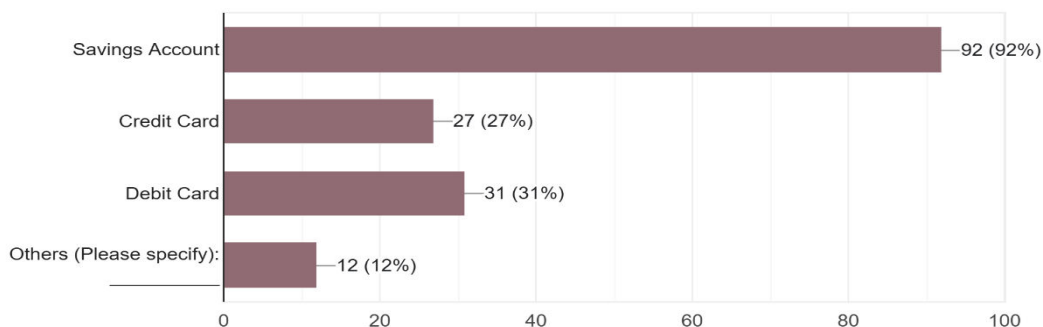
Graph No. – 1: Showing SBI services currently used by people in Buldhana region



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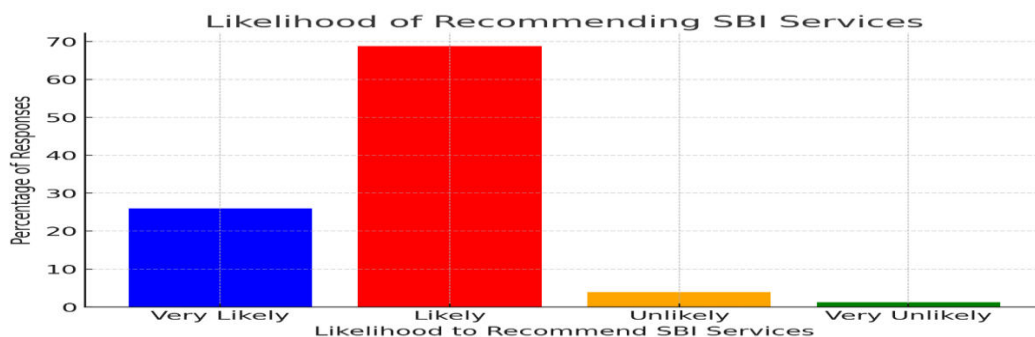
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100 responses



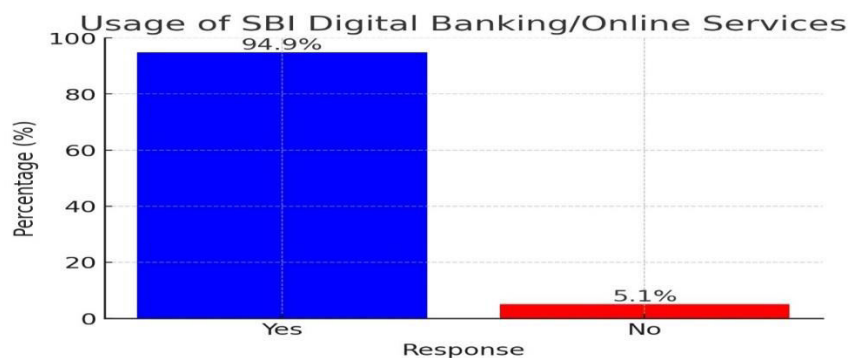
The bar graph illustrates the usage patterns of various SBI services among respondents, with Savings Accounts being the most widely used at 92%, highlighting their importance in financial management. Debit Card usage (31%) surpasses Credit Card usage (27%), suggesting a preference for cashless transactions without debt. The lower adoption of credit cards may be influenced by eligibility criteria, interest rates, and perceived risks. Additionally, 12% of respondents utilize other SBI services, such as loans, fixed deposits, or insurance, indicating a potential gap in awareness or accessibility of these financial products.

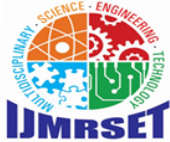
Graph No. 2 Showing How likely people recommend SBI services to others.



The bar chart illustrates the likelihood of respondents recommending SBI services to others. A majority (68.8%) are likely to recommend SBI, while 26% are very likely, indicating a strong overall satisfaction. A smaller percentage, 4%, are unlikely to recommend, and only 1.2% are very unlikely, suggesting minimal dissatisfaction. This reflects a generally positive perception of SBI's services among users.

Graph No. 3 Showing peoples ever used SBI's digital banking/Online services (app, or net banking)?



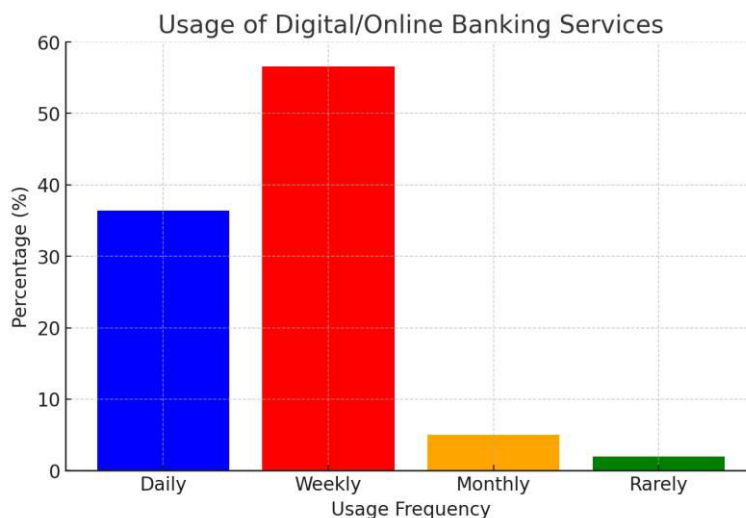


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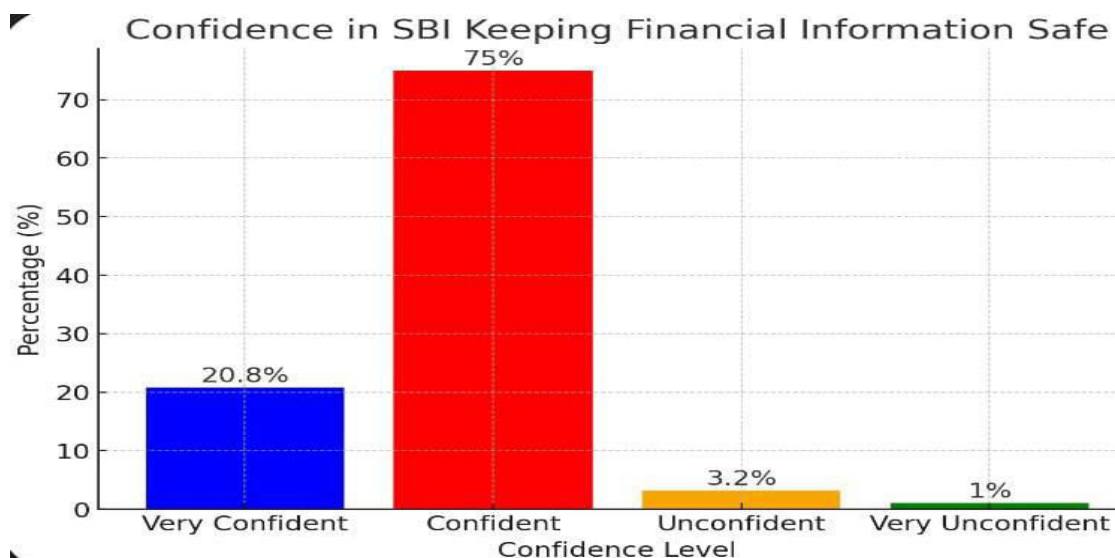
The data reveals a high adoption rate of SBI's digital banking services, with 94.9% of respondents utilizing online banking platforms such as mobile apps and net banking. This indicates a strong preference for digital transactions, highlighting the convenience and efficiency of online banking. Only 5.1% of respondents have not used these services, suggesting that traditional banking methods are becoming less prevalent.

Graph No. 4. Showing How often people use the Digital/Online Banking Services



The chart illustrates the frequency of digital banking usage among respondents. A majority, 56.6%, access these services on a weekly basis, reflecting a strong reliance on online banking. Meanwhile, 36.4% use digital banking daily, indicating a segment of users who engage with it more frequently for financial transactions. A smaller proportion, comprising monthly (orange) and rare users (green), represents individuals who use these services less frequently. The findings suggest that digital banking has become an integral part of financial activities for most users.

Graph No. 5. Showing confident are you that SBI can keep your financial information safe?



The bar chart represents the confidence levels of respondents regarding SBI's ability to keep their financial information safe. The findings are:



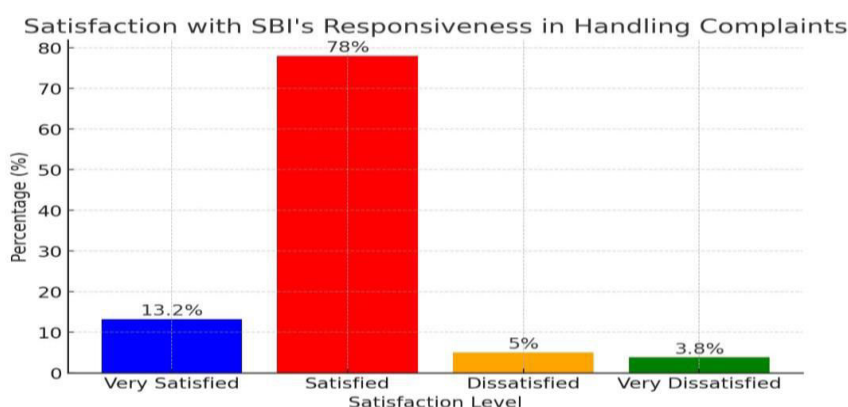
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75% of respondents feel Confident about SBI's security. 20.8% feel Very Confident about it. A small percentage, 3.2%, are Unconfident. Only 1% feel Very Unconfident.

This indicates that a significant majority (95.8%) trust SBI's financial security, while only a small fraction have concerns.

Graph No. 6. Showing How peoples satisfied with the responsiveness of SBI in handling complaints or issues?



The bar chart presents the satisfaction levels of respondents regarding SBI's responsiveness in handling complaints or issues. The key insights are:

78% of respondents are Satisfied with SBI's complaint resolution. 13.2% are Very Satisfied. 5% are Dissatisfied. 3.8% are Very Dissatisfied.

This indicates that a majority (91.2%) of respondents are satisfied with SBI's responsiveness, while a small portion (8.8%) express dissatisfaction.

IV. RESULTS AND DISCUSSION

The study highlights key trends in the usage of SBI's financial services. Savings Accounts emerge as the most widely used service (92%), reflecting strong trust in SBI's banking system. Debit Cards (31%) are preferred over Credit Cards (27%), likely due to concerns over debt and eligibility criteria. Additionally, 12% of respondents use other services like loans and fixed deposits, indicating potential gaps in awareness or accessibility.

SBI enjoys a positive reputation, with 94.9% of respondents adopting digital banking and 68.8% likely to recommend its services. Frequent digital banking usage (weekly: 56.6%, daily: 36.4%) suggests growing reliance on online transactions.

Security confidence is high, with 95.8% of respondents expressing trust in SBI's data protection. In terms of customer service, 91.2% are satisfied with complaint resolution, though 8.8% report dissatisfaction, indicating room for improvement.

V. CONCLUSIONS

The study provides valuable insights into customer engagement with SBI's services, revealing strong satisfaction levels and widespread adoption of digital banking. The high usage of savings accounts and debit cards indicates a preference for essential banking services, while the lower credit card adoption suggests financial caution or restrictive eligibility factors.

Digital banking has become a vital aspect of SBI's service offerings, with a majority of respondents using these platforms regularly. The findings emphasize the importance of user-friendly and secure digital banking experiences to



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maintain and enhance customer trust. Additionally, high confidence in SBI's security measures and positive feedback on complaint resolution reflect the institution's reliability and service efficiency.

However, opportunities exist for SBI to improve financial product awareness and accessibility, particularly for credit services and investment options. By addressing these gaps and further strengthening customer support, SBI can enhance its service offerings and reinforce its position as a trusted financial institution. Overall, the study highlights SBI's strong customer satisfaction levels and the increasing prominence of digital banking in modern financial interactions.

VI. SUGGESTIONS FOR IMPROVEMENT

To further enhance its service offerings, SBI should focus on increasing awareness of lesser-used financial products such as credit cards, loans, and insurance through targeted educational campaigns and personalized customer outreach. Enhancing digital banking features by incorporating advanced security measures, user-friendly interfaces, and AI-driven financial advisory tools can further improve the customer experience. Additionally, improving customer support accessibility by ensuring faster response times and introducing advanced support channels, such as chatbots and 24/7 assistance, can strengthen trust and satisfaction. SBI can also encourage higher credit card adoption by addressing concerns related to interest rates and eligibility through flexible repayment options, lower fees, and exclusive benefits. Finally, conducting regular customer feedback analysis through periodic surveys will help SBI stay aligned with evolving consumer needs and expectations, allowing for continuous service enhancements and improved customer engagement.

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