



Customer perception towards retail loan products of state bank of India with special reference to Bhopal region

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Abstract

Retail banking is an emerging sector in Indian Banking Industry. It covers segments like current account, saving account, housing loan, auto loan, personal loan, education loan, consumer durable loan, credit card and debit card. There are various drivers of retail banking in India which contributes in the growth of retail banking sector. The main purpose of the present study was to study the perception of customer towards retail loan products of state bank of India branches of Bhopal region. By using random sampling a survey of 180 Investors of Bhopal was carried out using a structured questionnaire to study consumer preference. Analysis was carried out using tables & percentage. This paper is intent to study on Customer's Preference on Retail loan products.

Keywords: perception, retail product, debit card, consumer durable loan, auto loan

Introduction

Now a day not all the people have the capacity to fulfill their requirement by their own earning, that's why they need help from others. For this so many government & private sector bank provide them money to fulfill their requirement, that's call the retail Product (loan product) of the bank. All the banks have so many different types of retail product as per the requirement of the people or customers. In Bhopal also there are so many banks those provide loan to the people for different causes.

Types of retail product

- Home loan
- Educational loan
- Car loan
- Personal loan
- Loan Against Shares\Debentures

Now a day a large no. of people are taking loan form different banks. It helps people to fulfill their need and it really easy to repayment the loan amount with a longer repayment period. State bank of India also provide retail loan products or services to their customers.

Statement of Problem

- To know about the customer perception about the retail product of SBI.
- To find out what kind of service provide by the competitors in a retail product.
- To find out the need of the customer and hence formulate the strategy to level the economy in the society.
- How the products are helping the customer.
- To know the utility of the product.
- To find out the need of the customer in Bhopal region and introduce new product or facilitate new service in existing product.

Objective of the Study

Our objective was to find out preferred retail banking

product & banks amongst investor and to study purpose of investor to invest in different retail products based on their demographic profile.

Research Methodology

Sample size: - 180 respondent

Sample technique: - To study the project, a simple random sampling technique is used.

Collection period: - primary as well as secondary data

Primary data: - through structure questionnaire

Secondary data: - online data, newspaper, magazines.

Analysis of data: - Statistical tools and tabular presentation.

Data interpretation: - Interpretation of data is done by using statistical tools like pie diagrams, bar graphs, and also using quantitative techniques (by using these techniques) accurate information is obtained.

Classification & tabulation of data: - The data thus collected were classified according to the categories, counting sheets & summery tables were prepared. The resultant tables were one dimensional, two dimensional.

Statistical tools used for analysis: - Out of the total respondents, the respondents who responded logically were taken into account while going into statistical details & analysis of data. The tools that have been used for analyzing data and interface drawing are mainly statistical tools like percentage, ranking, averages, etc.

Analysis of Data

Tabular Representation of Data

Q1: On which bank you depend for your regular transaction?

SBI	50%(90)
ICICI	25%(45)
HDFC	10%(18)
Others	15%(27)
Total No. of People	180

It has been observed that approximately 50% correspondents are using the service of SBI for their daily

transaction, around 25% of people are using ICICI Bank for their transaction and only 10% & 15% of people are using HDFC & other Bank service respectively in Bhopal. It also shows that SBI have the highest market position in Bhopal as per my sample.

Q2: Are you aware of products & services provided by SBI?

Yes	85%
No	15%
Total No. of People	180

From the above data it is clear that most of the customers (around 85%) of Bhopal have the idea about the product & services of SBI, the rest 15% have the idea about the product they are using. In this 15% most of the people are from typical rural area (Farmers).

Q3: If yes are you aware of the retail products (Loan segments) of SBI?

Yes	95%(171)
No	5%(9)
Total No. of People	180

It is clear that most of the people have the idea about the retail product of SBI. Almost all the 95% people who have the idea about the retail product are the user of SBI product & service.

Q4: Which bank you prefer for taking loans?

SBI	70%(126)
ICICI	10% (18)
HDFC	10% (18)
Others	10% (18)
Total No. of People	180

According to my sample size 85% of people prefer SBI for loan product, but some people prefer ICICI, HDFC or OTHER Bank for loan because they are working with that bank & it is easier for them to get loan from their bank & it is easier for them to pay the interest because it is less as compare to other bank because they are the employee of that bank.

Q5. If you prefer SBI for taking loan than what influence you to take Loan from SBI?

Most of the people said that they prefer SBI for taking loan because of the transparency and the lowest interest rate for any kind of loan product. And it is easy to get loan from SBI as compare to other bank because less paper work is require and as it is the largest govt. bank in India and having partnership with RBI (Reserve Bank of India) and other association, it is easier for SBI to give loan to people with a longer repayment period.

Q.6: Which loan product of SBI you have used?

Home Loan	47%
Educational Loan	20%
Car Loan	15%
Personal Loan	10%
Other	8%
Total No. of People	126

From the sample size 85% of people are using the SBI loan product. From the 126 people 47% of people took home loan from SBI. 20% of people took education loan for their children, 15% of people took car loan from SBI. Some of the customer took 2 type of loan from SBI like both car & educational loan and home & car loan. 10% of people took personal loan.

Q7: What do you feel about the services providing by SBI in advance product?

BAD	0% (0)
Satisfactory	5% (9)
Good	55% (99)
Excellent	40% (72)
Total No. of People	180

From this it is clear that the service provide by SBI in its retail product is good in between the customer. All of them satisfy with the product provide by SBI. 55% of people said that the service provide by SBI is good & 40% said it is excellent & just 5% of people said that it is satisfactory.

Q8: Which features you like most in Loan segments of SBI?

Less Paper Work	5% (9)
Attractive Interest Rate	30% (54)
Transparency	20% (36)
Simple and Fast Processing	5% (9)
Longer Repayment Period	40% (72)
Total No. of people	180

Most of the people like the attractive interest rate & longer repayment period. It's easier for people to repay the whole loan amount with its interest with low interest rate and with longer repayment period.

Suggestion & Recommendation
Recommendation

1. Customer awareness programme is required so that more people should attract towards retail product.
2. For the better service new offers would be require.
3. SBI customer care should more concern about the fastest settlement of customer problems.
4. Agents should be trained, well educated & proper trained to convince the people about different advance product.
5. It is the duty of the bank to disclose all the material facts regarding advance product, like interest charged, repayment period, other types of charges, etc.
6. Special scheme should be implemented to encourage both customer and agents.
7. The bank should increase the period for repayment of loan.
8. SBI should more focus on Retaining existing customers.
9. SBI must focus on Segmentation based on customer knowledge Product offering based on customer demand.
10. SBI must take feedbacks of customers regarding features & services.

Suggestion

Suggestions given by the consumers at the time of survey

1. There is more time period for repayment of education loan.

2. Education loan should be providing to private college also which is not under AICTE or any kind of university.
3. SBI should take steps to solve customer problems immediately.
4. Agents should be trained, well educated & proper trained to convince the people about different advance product.
5. Loan sanction date should be according to customer convenient.
6. A customer awareness programme should be taking place in rural area

Conclusion

Today, customers expect higher quality services from banks which, if fulfilled, could result in significantly improved customer satisfaction levels. Customers can be satisfied if they are providing with better and efficient service. E-channels are very helpful in managing efficient transformation. With the development of information technology, the world has become a global village and it has brought revolution in the banking operations. SBI is one of the first banks in Public Sector to start the use of advanced technology for computerization and core banking concept. The bank appeared to be on the fast track for IT based products and services. From the analysis part it can be conclude that customers have a good respond towards SBI retail products in Bhopal. SBI is in 1st position having large number of customers & providing good services to them. The bank has a wide customer base, so the bank should concentrate on this to retain these customers.

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