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Impact of marketing strategies of State Bank of India, a Micromarketing survey analysis of Aligarh centre, Uttar Pradesh, India

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A B S T R A C T

As per Business Process Re-engineering survey analysis of a city can be studied to divide city into Micro-Markets. Micro Markets are separated on fulfillment of one or more under noted criteria: (1) Physical barriers as rivers, creeks, railway lines, hills, marsh etc. affecting flow of traffic.(2) Socio-economic barriers affecting customer's preferences, movements significantly as slums, very wealthy colonies, government colonies, religious concentration etc. (3) Demographic differences; important local factors restricting customer's normal movements to any particular area thereby creating artificial boundaries e.g. commercial areas/residential areas. For the study purpose Aligarh City is divided by Railway Line (a Physical barrier) into two Micro Market known as Micro Market No. '1' & Micro Market No.2. This study highlights existing/ untapped and prospective business potential and will helpful in remodeling future BPR planes.

Introduction

Covering a geographical area of 3696.94 Sq km, Aligarh lies on the western part of Uttar Pradesh is bounded on by the districts of Budaun on the north, Bullandshahr on the west and Hathras and Mathura on the south. It is divided into 12 blocks with 1184 villages [1]. The ground level credit flow increased from Rs.466.00 crore during the year 2003-04 to Rs.856 crore in 2005-06, recording a growth rate of 83.7% during the last 2 years through PSBs, LDB,

District cooperative banks, RRB and private sector banks.

Aligarh is a old city famous in the world for its Aligarh Muslim University. Aligarh is also famous for lock industry, hardware, building fitting material and brass industry. The other famous monuments in Aligarh are Aligarh Muslim University, Achal Tal, Achaleshwar, Khereshwar (Haridas pur) Mosque at upper-kot and Aligarh Kila.

For doing the study of Aligarh market, its existing/untapped and prospective business potential study of competitors and for remodeling as per future Business Process Reengineering (BPR) plans, Aligarh has been divided in two Micor Markets. The Area known as old city is covered under Micro Market No.I. This Micor Market consists of areas lying on southern side of railway line. This Micro Market primarily consists of residential colonies barring few important pockets of markets. Residential colonies have emerged due to rise in population and shortage of space in old city. The provision of basic amenities such as road, drainage system, parks, schools, market, marriage home etc. have been taken care of and Hospital/Nursing homes have also flourished in this Micro Market. Industrial area developed by UPSIDC also lies in this Micor market. Big Markets of Aligarh have registered their presence in this area.

Methodology

Impact of Marketing Strategies of SBI studied at Aligarh Centre by dividing the centre into two markets which will be called under study as Micro Market “1” and Micro Market “2”. This study will be completed into two parts. (1) Impact of Marketing Strategies on the Micro Markets. Under this study part “Growth of deposits and Advances (consolidation of sold products) in Micro Markets” and “Market Share of Micro Markets” will be studied and (2) Reasons/causes will be found out which are countering the Impact of Marketing strategies and coming out in the form of declining Market Share.

Good service recovery can make angry and frustrated customers more satisfied with service quality than they would have been if no problem had occurred in the first place [2]. Suppliers, service providers and their

customers become one interactive organisation, where value for customers is created jointly in interactive relationships [3].

Moral dimensions of banking are the values and belief, which underline the transactions of banker and customer. This is psychological aspect of reflected in the form of business (deposits) of the bank’s branches evident in Table-1.

SBI branches in Micro Market – I registered the attractive growth of Rs.20.33 crores in deposits during 2006-07 in comparison to previous years. Seven branches of SBI in Micro Market – I registered the growth of Rs.30.80 crores in between 2004 to 2007 while ICICI Bank alone registered the growth of Rs.25.74 crores during 2006-07. The market share at deposit portfolio of SBI branches in Micro Market – I declined by 0.43% during 2004-2007 while ICICI Bank alone captured the market share by 1.25% during their two years presence in the market. Marketshare of SBI branches at deposit portfolio in micromarket-1 was 4.76% as on 31st March 2004, which was declined to 4.43% as on 31st march 2007 despite the growth in deposits. Hence, correctly understood and implemented relationship marketing can faster mechanism which create ethical values in an organisation and support [4]. When pursuing a relationship marketing strategy the supplier or service provider should be concerned for the welfare of its customers [5].

Customer relationship management covers a wide range of products and interfaces Marketing automation. It follows both business and technology trend. So, it is helpful in estimating the business trends of the branches of SBI in Micro Market I which can be studied through business data (deposits) available in Table-2

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

		Deposits											
		(Amount in Crores)											
S.NO.	BRANCHES	MARCH 2004			MARCH 2005			MARCH 2006			MARCH 2007		
		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.	Indra Mkt 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
	TOTAL	119.86	4.83	4.76	125.97	6.11	6.50	130.33	5.15	4.85	150.66	20.33	4.33

**Table.2 Analysis of Sbi Branches
Micro Market- I**

		Advances											
		(Amount in Crores)											
S.NO.	BRANCHES	MARCH 2004			MARCH 2005			MARCH 2006			MARCH 2007		
		LEVE LS	GROW TH	MKT %	LEVE LS	GROW TH	MKT %	LEVE LS	GROW TH	MKT %	LEVE LS	GROW TH	MKT %
1.	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
2.	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
3.	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
4.	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
5.	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
6.	Indra Mkt 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
	TOTAL	34.35	4.19	5.86	52.11	17.76	8.35	63.05	11.69	3.98	69.02	5.97	3.97

Table.3 Analysis Of Other Commercial & Private Sector Banks

Micro Market –I

DEPOSITS.

(Amount in Crores)

S.NO.	BRANCHES	MARCH 2004		MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS	LS	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %
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
	TOTAL	107.37	4.61	104.70	-2.67	5.38	113.43	8.73	3.93	145.87	32.44	4.29

*Private sector banks

Table.4 Anayliss Of Other Commercial And Privatesector Banks

Micro Market-1

AVDVANCES

(Amount in Crores)

S.NO.	BRANCHES	MARCH 2004		MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS	LS	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %
1.	IOB	6.70	1.55	4.02	-2.68	0.64	4.13	0.11	0.26	4.48	0.35	0.26
2.	*J&K BANK	16.00	2.73	15.07	-0.93	2.42	5.45	-9.62	0.34	5.77	0.32	0.33
3.	UCO BANK	4.73	0.80	6.56	1.83	1.06	9.28	2.72	0.58	12.71	3.43	0.73
4.	VIJAYA BANK	3.01	0.52	3.31	0.30	0.53	5.11	1.80	0.32	5.45	0.34	0.31
5.	*ICICI BANK	-	-	-	-	-	55.38	55.38	3.5	66.12	10.74	3.80
	TOTAL	30.44	5.20	28.96	-1.48	4.62	79.35	50.38	5.0	94.53	15.18	5.43

*Private sector banks

Table.5 Analysis Of Sbi Branches

Micro Market II

(Rs in crores)

DEPOSITS

S.NO.	BRANCHES	MARCH 2004			MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%
1.	Aligarh	140.96	0.21	6.10	134.02	-6.92	6.92	145.54	11.52	5.05	161.03	15.49	5.07
2.	AMU	192.19	16.21	8.31	171.60	-20.59	8.86	153.98	-17.62	5.33	186.11	32.13	5.47
3.	Medical College	71.79	7.45	3.10	78.16	6.37	4.03	82.67	4.56	2.87	85.26	2.59	2.51
4.	SSI Branch	8.21	1.99	0.35	9.11	0.90	0.47	8.94	0.02	0.31	16.36	7.42	0.48
	TOTAL	413.15	25.86	17.86	392.89	-20.24	20.88	391.13	-1.52	13.56	448.76	57.63	13.53

Table.6 Analysis of Sbi Branches

MICRO MARKET II

(Rs in crores)

ADVANCES

S.NO.	BRANCHES	MARCH 2004			MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%	LEVELS	GROWTH	MKT%
1.	Aligarh	20.99	3.60	3.59	23.56	2.57	3.78	33.49	10.97	2.12	33.74	0.25	1.94
2.	AMU	4.46	1.08	0.76	6.85	2.39	1.10	8.68	1.83	0.55	11.74	3.06	0.68
3.	Medical College	7.91	3.29	1.34	13.39	5.48	2.15	15.55	2.25	0.10	18.46	2.91	1.06
4.	SSI Branch	31.91	5.24	5.45	30.52	-1.39	4.90	31.86	1.74	2.01	35.07	3.21	2.02
	TOTAL	65.27	13.21	11.14	74.32	9.05	11.93	89.58	16.79	4.78	99.01	9.43	5.70

Table.7 Analysis of Other Commercial & Private Sector

MARKET – II DEPOSITS

S.NO.	BRANCHES	MARCH 2004		MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS	MKT %	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %	LEVELS	GROWTH	MKT %
1.	BANK OF MAHASTRA	0.03	-	5.56	5.53	0.28	2.73	-2.83	0.09	3.44	0.71	0.10
2.	*BOMBAY MERCHANTILE BANK	22.26	0.96	20.70	-1.56	1.06	17.14	-3.56	0.59	17.28	0.14	0.51
3.	CORPORATION BANK	10.45	0.45	15.45	5.00	0.79	22.17	6.72	0.77	28.07	5.90	0.83
4.	S.B. PATIALA	12.44	0.53	7.76	-4.68	0.40	8.09	0.33	0.20	11.11	3.02	0.33
5.	UNITED BANK OF INDIA	11.63	0.50	11.93	0.30	0.61	12.89	0.93	0.45	17.42	4.53	0.51
6.	*UTI BANK	-	-	-	-	-	2.39	2.39	0.08	15.32	12.93	0.45
7.	*HDFC BANK	-	-	11.68	11.68	0.60	28.96	17.28	1.01	37.41	8.45	1.10
8.	INDIAN BANK	30.47	1.31	19.05	-11.42	0.98	20.20	1.15	0.70	21.55	1.35	0.63
9.	TOTAL	87.28	3.75	92.13	4.85	4.72	114.57	22.44	3.97	151.60	37.03	4.46

*Private sector banks

Table.8 Analysis of other Commercial and private banks

MICRO MARKET-II ADVANCES

S.NO.	BRANCHES	MARCH 2004		MARCH 2005			MARCH 2006			MARCH 2007		
		LEVELS		LEVELS	GROWTH		LEVELS	GROWTH		LEVELS	GROWTH	
1.	BANK OF MAHAJRA	-	-	0.66	0.66	0.10	0.96	0.30	0.06	1.18	0.22	0.06
2.	*BOMBAY MERCHENTILE BANK	6.15	1.05	5.16	-0.99	0.82	4.41	-0.75	0.28	4.06	-0.35	0.23
3.	CORPORATION BANK	2.02	0.34	4.50	2.48	0.72	4.19	-0.31	0.26	3.89	-0.30	0.22
4.	S.B. PATIALA	5.13	0.87	3.40	-1.73	0.54	3.35	-0.05	0.1	3.59	0.24	0.20
5.	UNITED BANK OF INDIA	1.92	0.32	3.66	1.74	0.58	5.90	2.24	0.37	6.26	0.36	0.36
6.	*UTI BANK	-	--	-	-	-	3.73	3.73	0.23	1.26	-2.47	0.27
7.	*HDFC BANK	-	-	0.01	0.01	-	18.45	18.44	1.16	14.04	-4.41	0.81
8.	INDIAN BANK	3.88	0.66	2.03	-1.85	0.32	6.00	3.97	0.38	7.54	1.54	0.43
9.	TOTAL	19.10	3.24	19.42	0.32	3.08	46.99	27.57	2.95	41.82	-5.17	2.38

*Private sector banks

**Table.9 Bankwise consolidated position at Aligarh centre
Analysis of market share**

DEPOSITS				(Amount in crores)					
SN.	BANKS	MAR 2004	MKT %	MAR 2005	MKT %	MAR 2006	MKT %	MAR 2007	MKT %
1.	Shrayesh Gramin Bank	144.04	6.23	101.19	5.24	363.57	12.61	432.05	12.69
2.	Aligarh Zila Shakari Bank	12.65	0.54	9.15	0.47	40.82	1.42	42.75	1.25
3.	Allahabad Bank	148.51	6.42	128.14	6.63	165.08	5.72	196.08	5.76
4.	Bank of Baroda	92.80	4.02	103.50	5.34	120.12	4.16	152.62	4.49
5.	Bank of India	40.29	1.73	40.21	2.07	41.20	1.43	44.11	1.30
6.	Bank of Maharashtra	0.03	-	5.56	0.28	2.73	0.09	3.44	0.10
7.	*Bombay Merchantile Bank	22.26	0.96	20.70	1.06	17.14	0.59	17.28	0.51
8.	Canara Bank	435.25	18.80	237.91	12.28	415.95	14.42	521.06	15.32
9.	Central Bank of India	138.75	6.00	104.80	5.41	173.53	6.09	169.47	4.98
10.	Corporation Bank	10.45	0.45	15.45	0.79	22.17	0.77	28.07	0.83
11.	Dena Bank	49.80	2.15	34.86	1.80	38.11	1.32	43.97	1.29
12.	*HDFC Bank	-	-	11.68	0.60	28.96	1.01	37.41	1.10
13.	*ICICI Bank	-	-	-	-	16.91	0.58	42.65	1.25
14.	Indian Bank	30.47	1.31	19.05	0.98	20.20	0.70	21.55	0.63
15.	Indian Overseas bank	29.17	1.25	26.90	1.38	28.99	1.01	32.81	0.96
16.	*J&K Bank	26.79	1.15	26.60	1.37	6.74	0.23	4.73	0.14
17.	Oriental Bank of Commerce	60.33	2.60	48.31	2.51	60.78	2.11	73.38	2.16
18.	Punjab & Sind Bank	21.34	0.92	19.84	1.02	20.09	0.69	21.37	0.63
19.	Punjab National Bank	245.97	10.63	196.30	10.53	254.01	8.81	306.10	9.00
20.	State Bank of Patiala	12.44	0.53	7.76	0.40	8.09	0.28	11.11	0.33
21.	Syndicate Bank	122.17	5.27	124.10	6.40	136.14	4.72	169.70	4.99
22.	UCO Bank	36.25	1.56	35.17	1.81	44.60	1.55	47.47	1.40
23.	Union Bank	76.72	3.31	72.48	3.74	79.03	2.74	87.10	2.56
24.	United bank	11.63	0.50	11.93	0.61	12.89	0.45	17.42	0.51
25.	*UTI Bank	-	-	-	-	2.39	0.08	15.32	0.45
26.	Vijay Bank	15.16	0.65	16.03	0.82	16.19	0.56	18.21	0.54
	TOTAL	1783.24	76.98	1417.62	73.23	2138.43	74.14	2557.23	75.17
	SBI TOTAL	533.01	23.02	518.66	26.78	745.80	25.86	844.97	24.83
	TOTAL ALL BANKS	2316.25	100.00	1936.28	100.00	2884.23	100	3402.20	100

*Private sector banks

SBI branches in Micro Market – I showed the level of Advances Rs.34.35 crores with the growth of Rs.4.19 crores as on 31st March 2004. The level of advances was grew up to Rs.69.02 crore with the growth of Rs.5.97 crores as on 31st March 2007. The growth rate of advances was not attractive during 2004 to 2007 except the year of 2005 in which it was Rs.17.76 crores. Market share of SBI branches declined from 5.86% to 3.97% during 2004-2007 while the business level was doubled from Rs.34.35 crores to Rs.69.02 crores in Micro Market – I.

Instead, value is created in customers' value-generating processes, when individual consumers or industrial users make use of the solution or package they have purchased [6]

The relationship enables the banks to provide a proactive service process to selected customers, converting them into highly profitable clients by enabling them to have consolidated total bank product unsafe in one bank. This strategy of private & commercial bank showing its effect in Table-3

The presence of Private Sector Banks in Micro Market – I showing deposit level of Rs.26.79 crore as on 31st March 2004 with market share of 1.15% and registered (-) growth of Rs.0.19 crore at the end of financial year of 2005. While the private sector has achieved the level of Rs.47.38 crores with the market share of 1.39% as on 31.3.2007 and registered the growth of Rs.23.73 crores. J&K Bank was the only private bank in Micro Market – I in 2004-05 with the deposit level of Rs.26.60 crores and showing negative growth of (-) Rs.0.19 crores. While in 2006-07, with presence of ICICI Bank, private sector banks registered the deposit growth of Rs.23.73 crores.

By and large, new information technology often makes it easier to maintain relationship with customers as well as creating new ways of doing so [7]. In e-customer relationship management handling transaction becomes a seamless part of the relationship life cycle say from e-marketing to e-sales to e-commerce to e-service but if reflect on business and can be judged through business of the commercial and private sector banks working in micro market I & may be referred in Table-4

J&K bank was the only the player in Micro Market –I during 2004-05 with the level of advance Rs. 15.07 crores. New entrant ICICI Bank in Micro Market – I registered a growth of Rs. 10.74 crore with the level of Rs.66.12 crores during financial year 2007. The private sector banks showed excellent growth of Rs.11.06 crores in advances, with the level of Rs.71.87 crores during 2007. Market share of private sector banks grew up 2.73% to 4.13% during 2004-2007.

Empowering employees means to give, for example, customer contact employees the authority to make decisions and take action in a large number of potential problematic situations [8].

The banks must create conditions for relationship strategy awareness among its employees, provide right kind of leadership initiatives, ensure job satisfaction and empowerment to its employees and above all have proper co-ordination at the organisation level. This aspect can be observed on Table-5 through business data of the branches of SBI established in Micromarket II

SBI branches registered comparatively good deposit growth in Micro Market – II from Rs. 25.86 crores to Rs.57.63 crores

during 2004 to 2007, while there was a declining trend during 2005 & 2006. Only Medical College branch of SBI in Micro Market – II showed consistency in deposit growth. Market share position of deposits in micromarket-II of SBI branches declined from 17.86% to 13.53% during 2004 to 2007 while the growth of Rs. 35.61 crores registered during the said period.

Empowering employees means (1) providing them with information about the performance of the organization (2) rewarding them based on the organization's performance (3) creating a knowledge base to understand and contribute to the performance of the organization (4) giving employees the power to make decision [9]. Empowerment demands a continuous nurturing of trusting relationships between management and employees [10]. Seniors as mentor provide continuous encouragement to the Juniors, as they take on new challenges and finally senior should himself be seen as an ideal role model, loyal to the organisation. This would result in building a new climate in the organisation by generating commitment to the organisation. This can be studied through business data of the SBI branches working in Micromarket II available in Table-6.

The level of advances of SBI branches was Rs.65.27 crores as on 31st March 2004 with the growth Rs.13.21 crores. This growth of advances declined to Rs.9.43 crores as on 31st March 2007 while level of advance went up to Rs.99.01 crores. Consistency in level of advances can be observed from 2004 to 2007 while the growth rate was having declining trend except for the year 2006. A marketing attitude of mind is needed throughout the organisation. Furthermore, as George Day observes, the minds and hearts of the entire organisation have to be engaged [11]. A dialog is an

ongoing process, Both parties have to be motivated to develop and maintain a dialog, otherwise no real dialog will take place [12]. Competency of employee including adjustableness, resourcefulness, capability to work efficiently under stress, capability of anticipating threats finding solutions & contributing in innovations necessary for a job and enables organization to know the suitability of a person for a job. Displayed competencies during performance can be noted through business (Advances) data of the commercial & private sector banks of the Micromarket II in Table-7.

During 2004 only Bombay Merchantile Bank was representing private sector in Micro Market – II. As on 31st March 2007 three private banks including UTI & ICICI Bank registered the deposit growth of Rs.21.52 crores against the business level of Rs.70.01 crores. During 2007 best deposit growth was registered only by private sector banks like UTI & ICICI Bank. Market share position of deposit of private sector banks in Micro Market – II was 0.96% in 2004 which increased to 2.06% as on 31st March 2007.

Culture is an important phenomenon to study and understand, because it is considered a potential basis for competitive advantage [13]. The brand concept is well established in marketing. How it is widely recognized that branding is a vital issue for service organizations as well [14]. Managerial levels are expected to develop new competencies comprising leadership, teamwork, decision making capability, communication skill and market orientation enable them to perform more effectively. Today managers are required to have multiple skill beyond functional abilities to succeed in assessment centre. Advances data may be the better judge for that available in Table-8

During 2004 only Bombay Markentile Bank was in existence in Micro Market –II with the advances level of Rs.6.15 crores and the growth was Rs.5.16 crores. All the three private sector banks in Micro Market – II showed negative growth of Rs.7.23 crores as March 2007. During 2004 only Private Sector Bombay Merchantile Bank was in existence with its Market share of 1.05% which increased with UTI bank and HDFC bank to 1.31% in 2007 while the level of advance increased from Rs.6.15 crores to Rs.19.36 crores. HDFC Bank registered better market share than other private sector banks in Micro Market – II.

By appropriately designing the conference facilities as well as other aspects of the serviscap, for example cabin, design, access to the internet etc.[15]. The development of information technology and the increase in internet use has offered new opportunities for firms to develop their service offerings [16]. Core banking denotes inter branch transaction capability through a central database like signature of customers, EOD balances of previous day etc. Branch work as delivery channel available to the customer 24x7 banking and anywhere banking to the customers. Bankwise consolidated position of their business performance in Micromarket II may be the evidenced of smooth functioning of core banking and that can be referred in Table-9.

Levels of SBI branches deposits increased from Rs.533.01 crores in 2004 to Rs.844.97 crores in 2007. Market share of SBI deposits increased from 23.02% in 2004 to 24.83% in 2007. Deposit level of Private & Commercial banks increased from Rs.1783.24 crores in 2004 to Rs.2557.23 crores in 2007 while the market share declined from 76.98% in 2004 to 75.17% in 2007. The deposit contribution of private

sector banks of Rs.49.05 crores can be noticed in total deposit of commercial & Private sector banks with Rs.1783.24 crores and having market share 2.11% in 2007. In 2007, among total deposits of commercial and private sector banks of Rs.2557.23 crores, share of private sector banks caught Rs.117.39 crores with market share 3.45%. Out of that Micro Market –I deposit is Rs.47.38 crores with market share of 1.39% and in Micro Market –II, deposit is Rs.70.01 crores with market share 2.06%. As the market share of SBI increased from 23.02% in 2004 to 24.83% in 2007. So, it can be seen that the presence of private sector banks affected the market shares of commercial banks.

1(a) Market share of SBI after 2005 continuously decreased from 26.78% to 24.83% in 2007. (b) While the market share of other commercial banks and private sector banks continuously increased after 2005 from 73.23% to 75.17% in 2007.

Information Technology is becoming exceedingly important for more and more service processes. Appropriate Technology and physical resources, such as computer systems, documents, tools and equipment, may at the same time improve working conditions and enhance the motivation of the employees to give good service [17]. BPR is a fundamental rethinking and radical re-design of business processes to bring about dramatic improvement in performance for customer satisfaction and convenience, focusing on sales and marketing, defining new processes and supporting organizational structure, simplifying process and finally retain leadership and emerge as world class status. It is necessary to face competitors, attract high value customers, enhance service quality and to reduce cost.

Table.10 Bankwise Cosolidated Position at Aligarh Centre Analysis Of Market Share

ADVANCES		(Amount in crores)							
S. NO.	BANKS	MAR 2004	MKT %	MAR 2005	MKT %	MAR 2006	MKT %	MAR 2007	MKT %
1.	Shrayesh Gramin Bank	18.21	3.10	19.36	3.11	298.72	18.86	356.16	21.01
2.	Aligarh Zila Shakari Bank	-	-	-	-	56.71	3.80	54.72	3.15
3.	Allahabad Bank	22.24	3.89	23.44	3.77	40.45	2.55	48.07	2.76
4.	Bank of Baroda	41.58	7.10	47.59	7.65	52.33	3.30	72.08	4.15
5.	Bank of India	25.50	4.35	32.94	5.29	37.53	2.37	50.20	2.89
6.	Bank of Maharashtra	-	-	0.66	0.10	0.96	0.06	1.18	0.06
7.	*Bombay Merchantile Bank	6.15	1.05	5.16	0.82	4.41	0.28	4.06	0.23
8.	Canara Bank	127.18	21.70	136.30	21.89	415.95	26.26	381.12	21.92
9.	Central Bank of India	30.39	5.18	32.10	5.15	40.22	2.54	40.29	2.31
10.	Corporation Bank	2.02	0.34	4.50	0.72	4.19	0.26	3.89	0.22
11.	Dena Bank	20.17	3.43	16.30	2.62	13.39	0.84	13.91	0.80
12.	*HDFC Bnak	-	-	0.01	-	18.45	1.16	14.04	0.81
13.	*ICICI Bank	-	-	-	-	55.38	3.50	66.12	3.80
14.	Indian Bank	3.88	0.66	2.03	0.32	6.00	0.38	7.54	0.43
15.	Indian Overseas bank	6.70	1.15	4.02	0.64	4.13	0.26	4.48	0.26
16.	*J&K Bank	16.00	2.73	15.07	2.42	5.45	0.34	5.77	0.33
17.	Oriental Bank of Commerce	33.00	5.63	22.37	3.62	31.82	2.01	39.84	2.29
18.	Punjab & Sind Bank	4.55	0.77	5.12	0.83	4.95	0.31	5.11	0.29
19.	Punjab National Bank	63.34	10.89	58.90	9.46	105.20	6.64	118.95	6.84
20.	State Bank of Patiala	5.13	0.87	3.40	0.54	3.35	0.21	3.59	0.20
21.	Syndicate Bank	28.69	4.99	31.61	5.89	36.29	2.29	44.01	2.53
22.	UCO Bank	4.73	0.80	6.56	1.06	9.28	0.58	12.71	0.23
23.	Union Bank	22.33	3.80	21.76	3.50	43.36	2.74	47.09	2.71
24.	United bank	1.92	0.32	3.66	0.58	5.90	0.37	6.26	0.36
25.	*UTI Bank	-	-	-	-	3.73	0.23	1.26	0.07
26.	Vijay Bank	3.01	0.52	3.31	0.53	5.11	0.32	5.45	0.31
	TOTAL	486.72	83.00	496.17	79.70	1303.26	82.28	1416.90	81.52
	SBI TOTAL	99.62	17.00	126.43	20.30	280.61	17.72	321.10	18.48
	TOTAL ALL BANKS	586.34	100.00	622.60	100.00	1583.87	100.00	1738.00	100.00

*Private sector banks

Table-10 referred to Available business data of Advances from bankwise consolidated position at Aligarh Centre in Micromarket II is the best test of BPR initiatives.

SBI advances level increased from Rs.99.62 crores in 2004 to Rs.321.10 crores in 2007 at Aligarh Centre. Market share of SBI advances increased from 17% in 2004 to 18.48% in 2007. Advances level of private & commercial banks increased from Rs.486.72 crores in 2004 to Rs.1416.90 crores in 2007, while the market share declined from 83% in 2004 to 81.52% in 2007. Out of the level of advances Rs.486.72 crores of Private & Commercial Banks, the contribution of Private Sector Banks was Rs.22.15 crores with the market share of 3.78% in 2004. In 2007 the level of advances of Commercial & Private Sector Banks jumped to Rs.1416.90 crores and that of Private Sector Banks to Rs.91.25 crore with the market share of 5.24%.

The market share of Commercial & Private Sector Bank declined from 83% in 2004 to 81.52% in 2007 while the market share of Private Sector Banks increased from 3.78% in 2004 to 5.24% in 2007. If the figures are compared at the base level of 2005, the market share of commercial & private sector banks increased from 79.70% in 2005 to 81.52% in 2007 and the market share of SBI declined from 20.30% in 2005 to 18.48% in 2007.

ICICI Bank is the leader of Private Sector Banks at Aligarh Centre with its market share of 3.80% in 2007. Finally, the presence of private sector banks, especially ICICI Bank is giving threat to the performance of SBI branches as well as commercial bank branches at the centre.

Conclusion & Recommendations

1. Presence of private sector banks is hitting the performance of SBI and other commercial banks in micromarket –I.
2. Growing deposit market share of private sector banks in micromarket-II is the threat to public sector banks as well as SBI.
3. The presence of ICICI bank is giving threat to the performance of SBI branches at the centre.
4. Personal accounts of Traders and their family members can be opened under MOD Scheme to insure growth in market share.
5. Improvement in ambience of branches is required to meet the competition from other public sector banks, new generation private sector banks.
6. SBI branches are required to ensure best customer service by placing soft speaking and initiating staff at the counters.

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