

A Study on Retail Banking Operations: A Case Study of Dena Bank, Chandigarh

Dr. Gagandeep Kaur ¹, Prof. Pawan Kuamr ²Priyanka Pandey³, Sonali Aggarwal⁴, Deepshikha⁵
Associate Professor, AIT MBA, Chandigarh University ¹
Additional Director, AIT MBA, Chandigarh University ²
Assistant Professor, USB, Chandigarh University ³
Student –MBA, AIT MBA, Chandigarh University ⁴
Student –MBA, AIT MBA, Chandigarh University ⁵

ait.inchargeba@cumail.in¹, pawan.kumar@cumail.in, priyanka.usb@cumail.in²,
Aggarwalsonali2047@gmail.com³ deepshikha1695@gmail.com⁴

Abstract

Retail banking means providing services to the customers directly which can be broadly categorised as retail assets, retail liabilities, Retail forex services. This paper aims to help understand how to get the exposure towards the practical operations of retail banking. This particular study is at Dena Bank, Chandigarh. A retail liability division of bank deals with the products like saving account, current account, term deposits, fixed deposits and others. A study is conducted for knowing about the customers' satisfaction level towards the services provided by Dena Bank. The data has been collected from 100 respondents using c sampling method by getting the questionnaires filled from them. The research concluded that majority of the customers are satisfied with the services provided by Dena Bank but at the same time Dena Bank has to improve the quality of services in order to retain and attract potential customers.

Keywords: E-banking, Financial Products, Dena Bank

1. Introduction

Over the passage of time the traditional banking has been evolved as earlier banks were restricted to accepting loans and lending loans but retail banking is going online i.e. all the products and services which are offered by banks in the branches are available at the sites of the bank which made it easy for the customer to access banking. Retail banking now a days is focusing on increasing the number of customers for the bank by aiming to be a one-stop shop for as many financial services possible on behalf of retail clients as every customer wants fulfilment of their services without moving much. Retail banks are also providing third party services which includes insurance, systematic investment plans which attract customers to park their funds with the banks.

Retail banking serves two types of individuals: savers and borrowers. Retail bank acts as an intermediary between these two types of individuals i.e. accepts deposits from savers and provide borrowers on interest.

The term retail banking includes various financial products such as deposits, loans, housing loans and other various type of loans, ATM's, credit cards which made the life easy for people and other technology-based services payment of utility bills, railway tickets etc.

Nowadays, retail banking is providing world class products through online platforms which includes mobile banking, internet banking etc.

Retail banks are promoting e-banking as it is cheaper for banks as well as convenient for customers. It really eases the lives of the customer by saving their time. The customers are not required to stand in long queues and complete all the formalities by filling the physical documents.

2. Literature Review

This particular researcher talks about liberalization and globalization which are the needs of Indian economy. The research explains that the public and private banks both are jumping towards retail banking in which private banks have taken the lead. This paper explains how banks are shifting their focus from mass banking products to customized products and ascertains about the customer awareness and their level of satisfaction towards retail banking (Kumar and Parashuramulu, 2013). Another study explains about the e-banking i.e. now banking is not confined only up to the branches which means customers don't need to visit to the branch to carry out their transactions, they can just simply perform their transactions through e-banking by sitting at their places and this paper also discusses about the features, advantages and the various types in which e-banking can be used by the customers (Shilpan, 2012). Further, the internet banking is being used by the customers to perform their transactions conveniently. The research tried to find out the perception of the customers towards the internet banking and to target the potential customers who are using internet banking (Kuchara, 2014). Moreover, the service quality improvement in retail banking industry is also the need of the hour due to fierce competition in the banking industry. The movement from counter banking to electronic banking is demonstrated and it has been also suggested that there should be improved quality services in order to retain the customers (Chaoprasert and Else, 2011). Another researcher has highlighted the importance of innovation in retail banking operations. He has talked about the multi-year efforts and innovation going on in retail banking. The study talks about the various factors linked with innovation which enables to differentiate between different institutions. It also studies about the implications on this on the service sector (Patrick and Hunter, 2000). According to another study, there is an interrelationship among service quality and customer satisfaction in retail banking. The things which have influence on customer satisfaction are tangibility, reliability, responsiveness, empathy and security. It is very important for the bank managers to understand the customer perception in order to meet the rising competition in the market. So it is very important for the banks to understand the behaviour and perception of their customers for providing them quality services.

This research paper studied that retail banking sector has three characteristics that are multiple products, multiple channels of distribution and multiple consumer groups. Service quality of retail banking is a critical factor to satisfaction and their dimensions of service quality are an important component in order to retain customers which is a part of every bank's marketing programme (Mishra and Tondon, 2011).

3.0 Research Methodology

This particular section covers the design and methodology adopted for achieving the objectives. The data was taken from both primary and secondary sources. The respondents are from Dena Bank only. They are the existing customers of Dena Bank. The data is collected from Chandigarh region only by using a standard questionnaire.

3.1 Research Objectives

1. To study customer awareness towards the products of Dena Bank at Chandigarh.
2. To identify the satisfaction towards the services and products at Dena Bank at Chandigarh.
3. To find the key reasons for using online banking platforms at Dena Bank at Chandigarh.

3.2 Research Design

Descriptive research design was used for this particular study. The nature of the study was to identify satisfaction level of Dena Bank customers. The researcher tried to study the customer perception towards Dena bank and their expectation from Dena Bank in comparison to competitor's banks.

3.3 Data Collection: Both primary and secondary data has been used to collect the data for this particular research paper. Primary data is collected through questionnaires and secondary data has been taken the Bank's website.

3.4 Sample Size: A sample Size of 100 respondents have been taken for this research.

3.5 Sampling Technique: Convenience sampling has been used to select the respondents.

4. Data Analysis and Discussions

This section deals with data analysis and interpretation of responses gathered through questionnaires being administered in Chandigarh city.

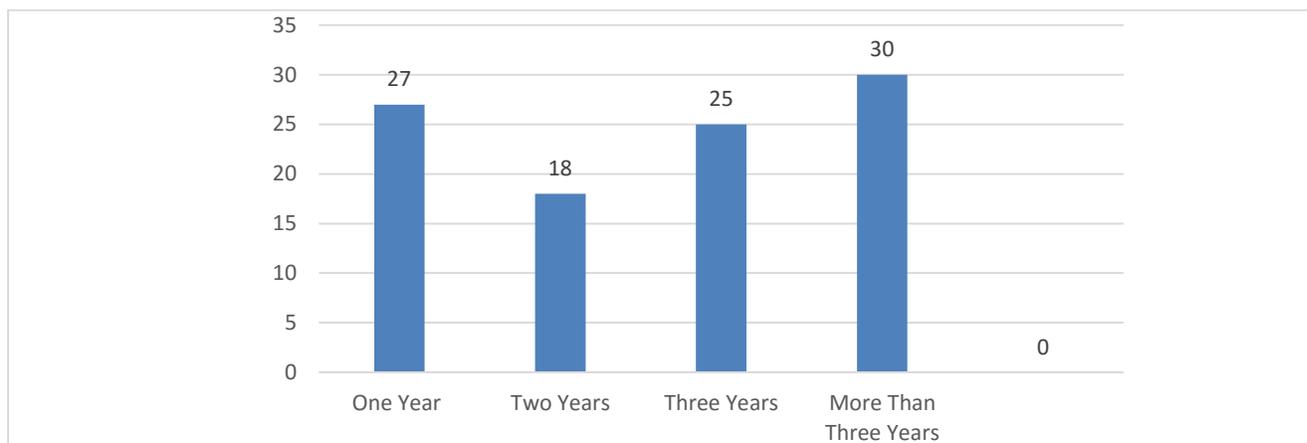


Figure 1. Respondents Association with Dena Bank

It can be seen that around 30% (Figure 1) customer are in association with Dena bank from last 4 years which depicts that the customers are quite satisfied and likes to do banking with Dena Bank. In fact, the new customers (27%) are taking services through opening up of new accounts. Almost 27% customers are in association with Bank since last one year which shows that are new customers being tapped by Dena Bank based on their services.

It is very important for any bank to cater the needs of the customers and it can be seen from Figure 2 that 80% of the customers are satisfied with the services of Dena Bank which means they are getting quality services from their bank on regular basis.

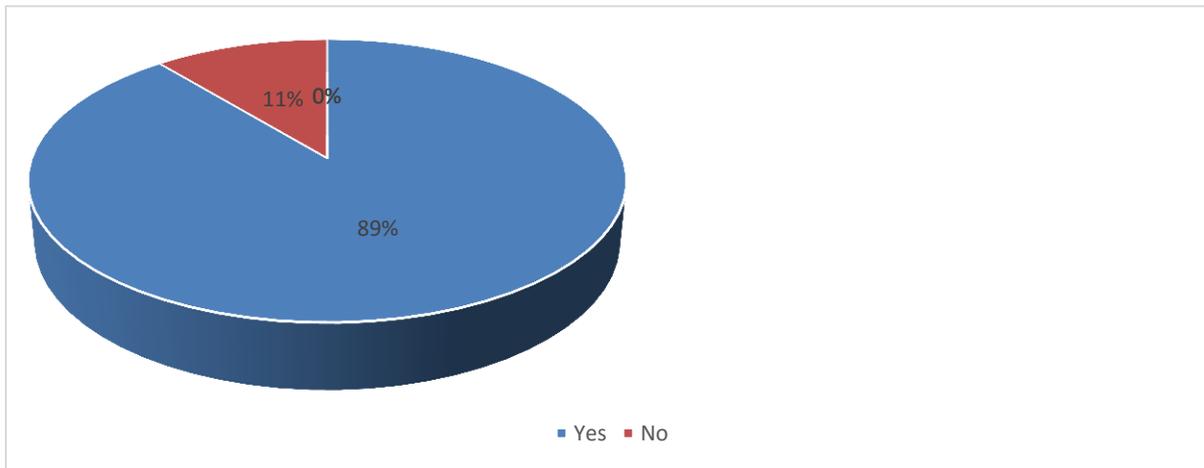


Figure 2. Respondents Satisfaction towards Services Provided by Dena Bank

It is very important for any bank to have awareness amongst the customers. There are variety of different products and services which are being provided by Dena Bank to attract more customers and also to provide them adequate products. Dena Bank products awareness is shown in Figure 3.

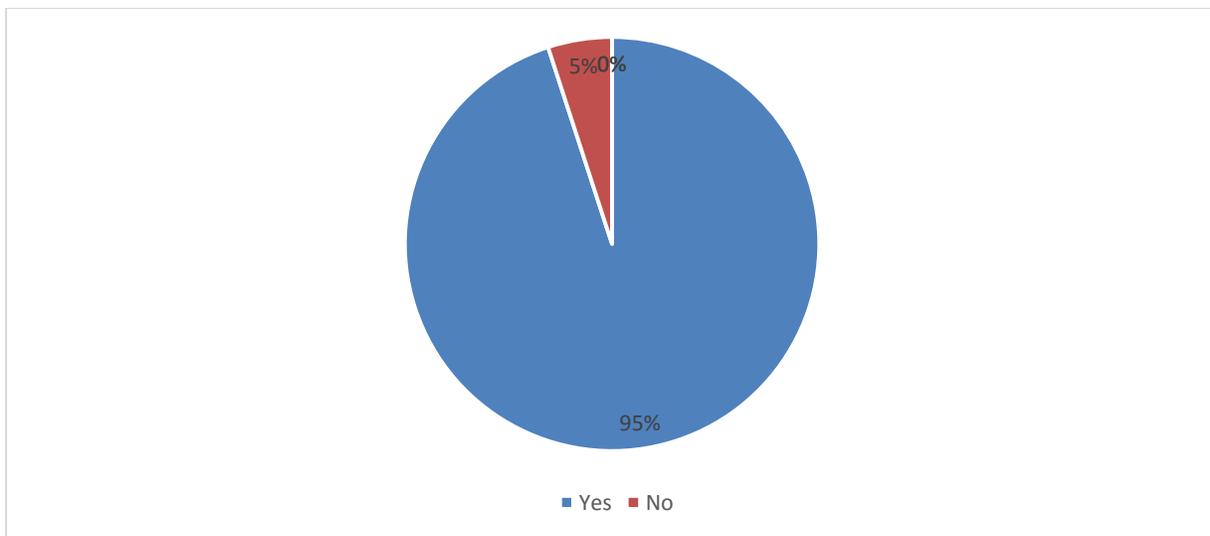


Figure 3. Awareness amongst the Respondents for the Financial Products of Dena Bank

It can be observed that 95% (Figure 3) of the respondents are aware about the different products and services provided by the Dena Bank which means that bank has a strong promotion team to make customers aware about the products. Only 5% of the customers are not aware on which the bank should focus so that they are also getting the adequate product for themselves.

These days, general public have accounts in more than one bank. The respondents were also having bank accounts in other banks including Dena Bank. To know this, the respondents of the particular study have revealed that they prefer to use the services for their day to day transactions their parent bank only. In fact, 100 % respondents opined that they use Dena Bank services always and it has been a good experience as shown in Figure 4.

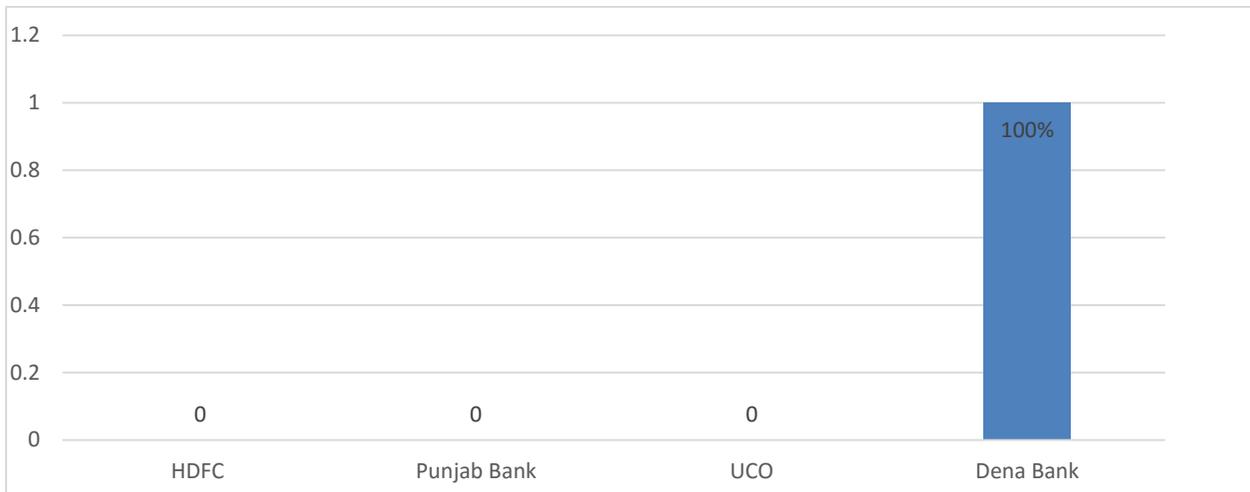


Figure 4. Respondents Preferences for Regular Transactions towards Dena Bank

Likewise other banks, Dena Bank also offers a various types of products such as saving accounts, current accounts, fixed deposits, recurring deposits, loans, etc. So, from Figure 5, it can be observed that out of all the products offered by the Bank majority of the respondents i.e. 39% are having saving’s account with the bank, 7% are having current accounts, 10% are having fixed deposits, 9% are having recurring deposits, 12% have taken the loan from the bank itself only.

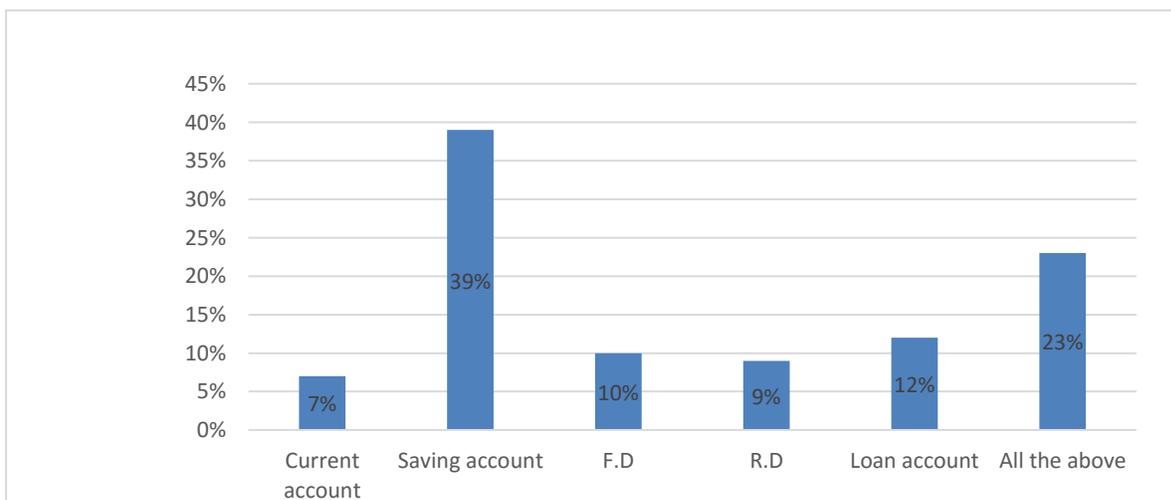


Figure 5. Types of Financial Products Provided by Dena Bank

In fact, it has also been found by the study that there are 23% of people who have all the above mentioned financial products from Dena bank only.

The researcher asked that what kind of services are being used by the respondents largely and it can see from Figure 6 that 72% respondents revealed that they use ATM services more in comparison to mobile, demand draft and other facilities. The respondents have opined that the life has really become easy due to a good ATM network of Dena bank ATMs in Chandigarh city.

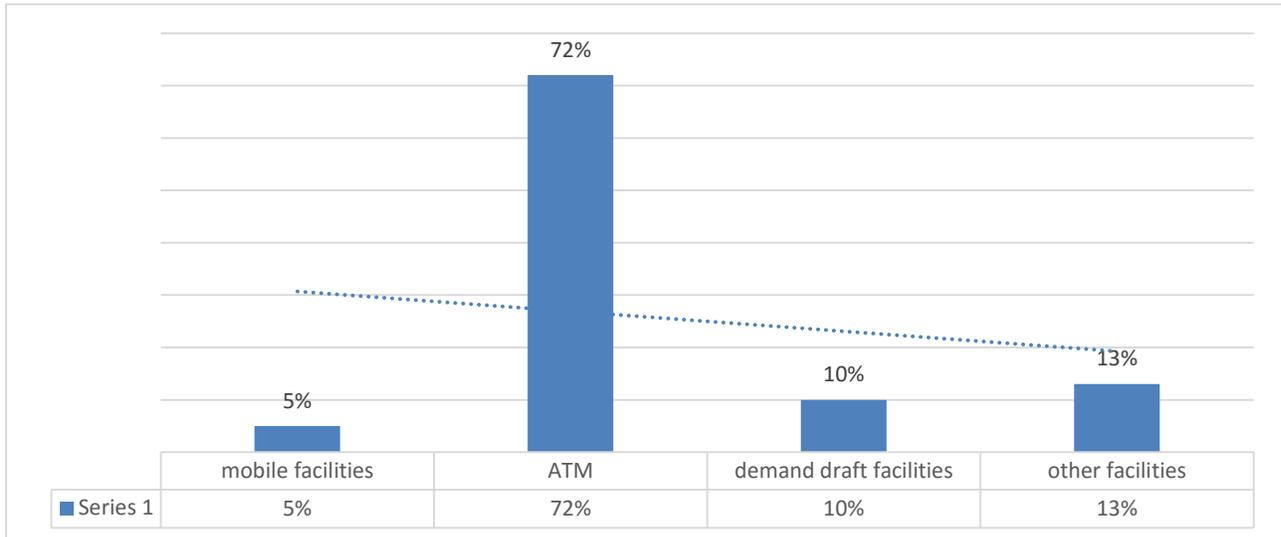


Figure 6. Most Preferred Product by the Respondents

The present era is a digital era and people are so busy to visit the branches. On the other side, people are also afraid of hacking of their accounts while they use internet banking. They really want to have secure online transactions with privacy of their online transactions. The 62% respondents (Figure 7) have revealed that they are satisfied with the online transaction platform of Dena bank as such it maintains the security of their online transactions in a complete format till date.

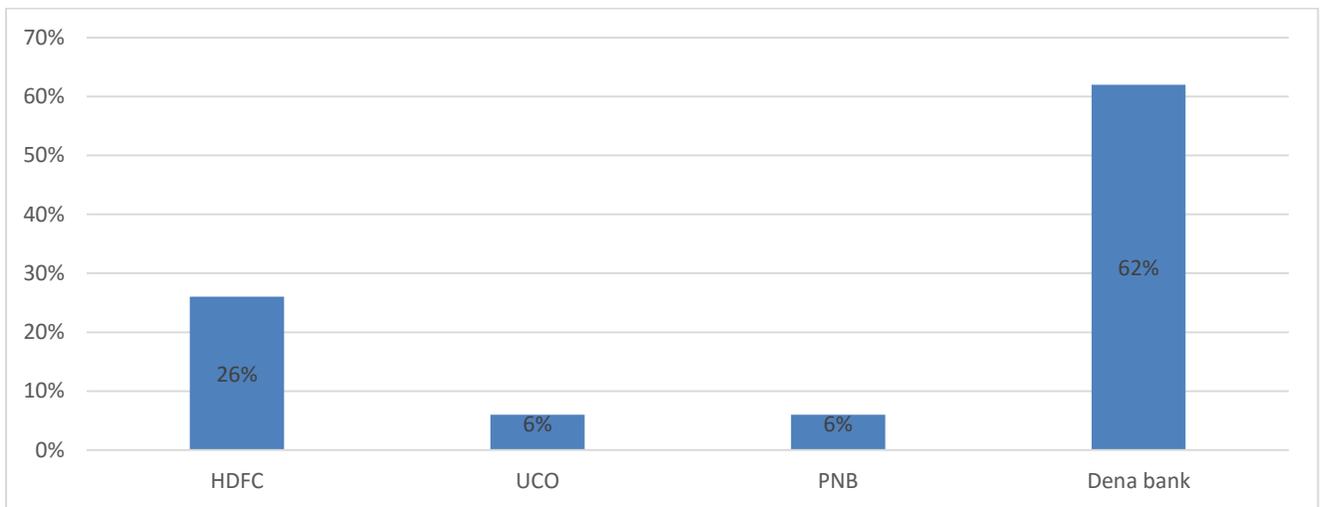


Figure 7. Respondents' Satisfaction Level towards Dena Bank Online Transactions Platform

It is very important for every bank to know whether its customers are satisfied with the products and services provided by the bank so that further courses of action can be planned accordingly. As shown (Figure 8), 84% respondents have clearly mentioned that they are satisfied with the services being provided by Dena bank overall whereas only 2% respondents are not satisfied with the bank’s services.

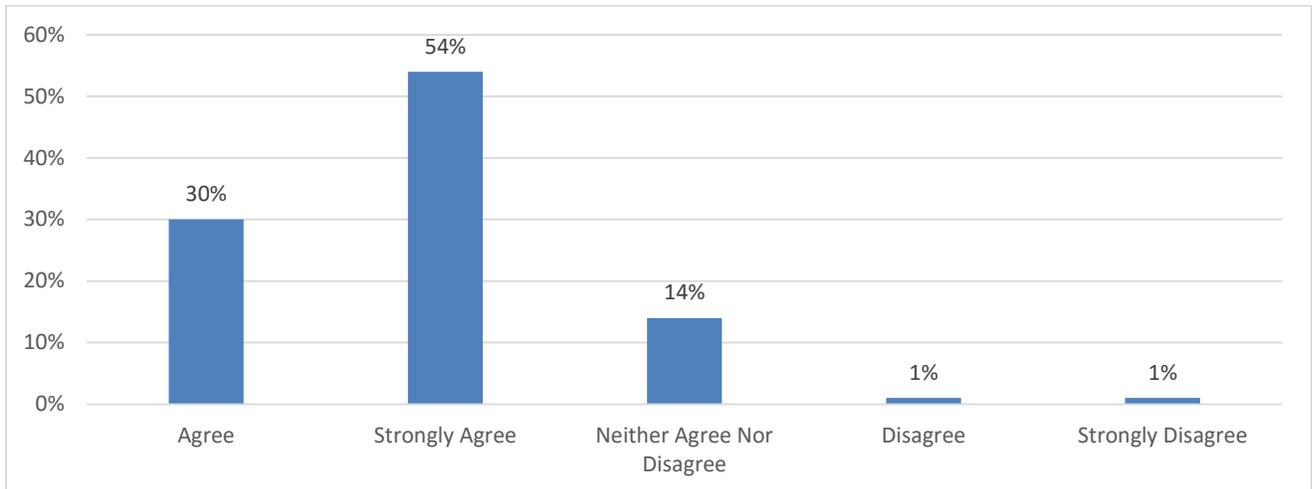


Figure 8. Satisfaction Level of Dena Bank Respondents towards Dena Bank Services

It is very common in countries like ours, people do not feel comfortable to use online platforms because they find it difficult to connect themselves with the interface. They are the people who believe to have physical presence of the bank staff around them while carrying out any financial transaction. The respondents have revealed that they have been trained on these aspects often as and when they visit the branch in a very simple and professional approach by Dena bank. Similarly, it becomes very important to know that which feature attract the respondents to use online banking. As per the data shown (Figure 9), it is found that 52% of the respondents are using online banking because they feel convenience after being trained by Dena bank staff.

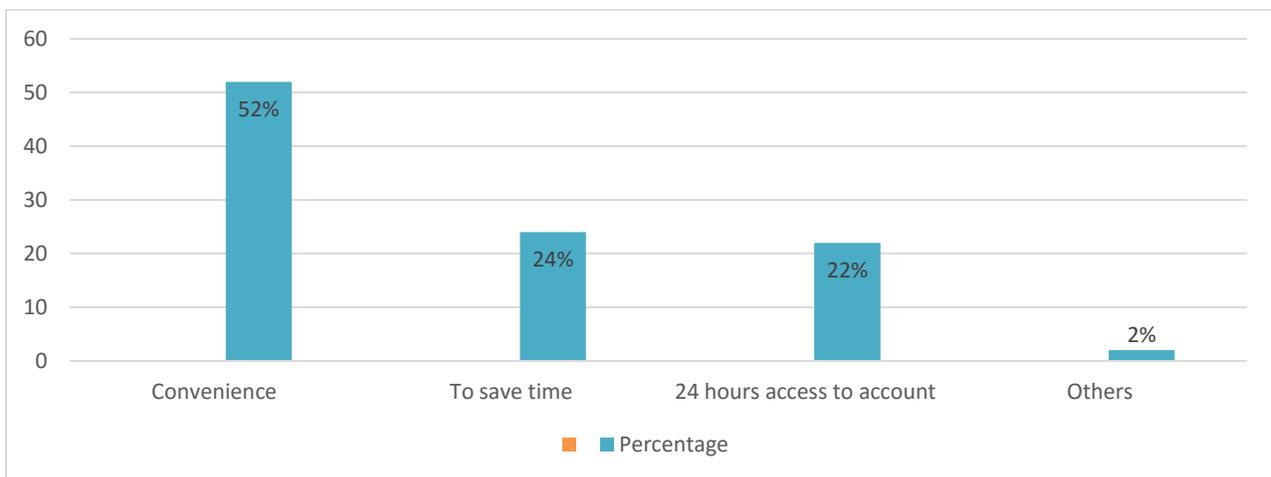


Figure 9: Reason for Respondents to use Dena Bank Online Banking

The next graph depicts the frequency of using online banking in a week by the respondents. It has been found that 40% respondents use (Figure 10) online banking transactions twice in a week.

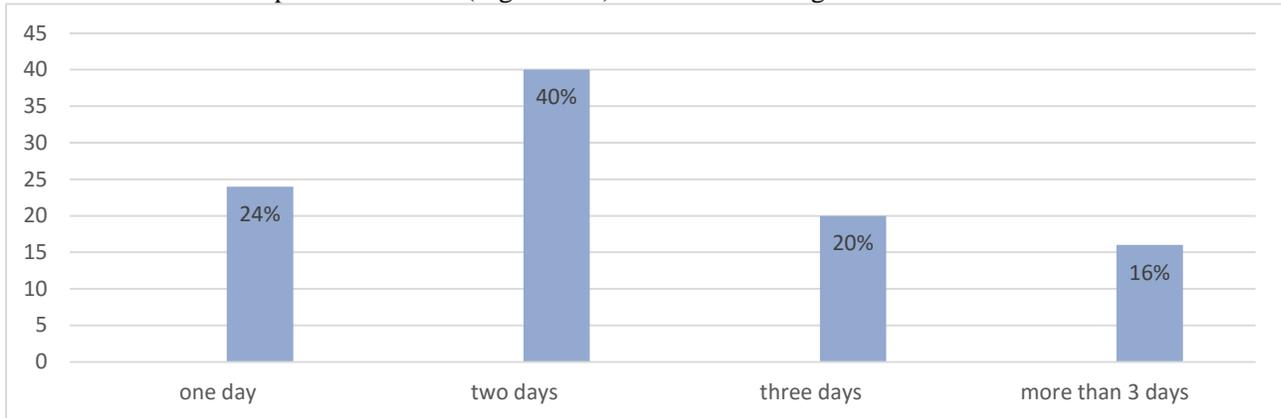


Figure 10. Respondents’ Online Baking Usage in a week

The study has also revealed that 68% respondents (Figure 11) are using mobile banking of Dena bank whereas 32% respondents in Chandigarh city are still to be brought on the online platform by Dena bank.

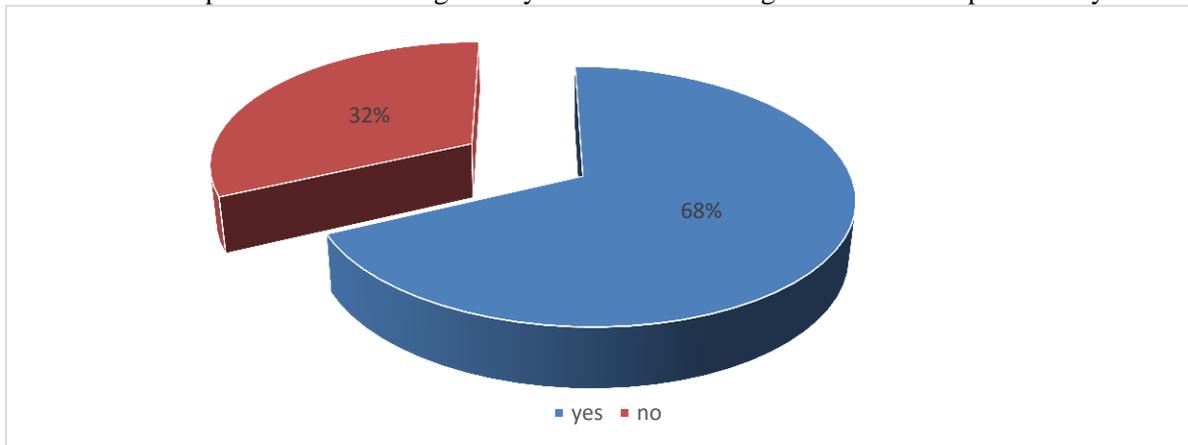


Figure 11. Respondents’ Mobile Banking Usage

Mobile banking is very upcoming these days and almost everybody in Indian urban cities use it these days to perform banking transactions. The 50% respondents have revealed that they primarily use mobile banking to check account balance on regular basis.

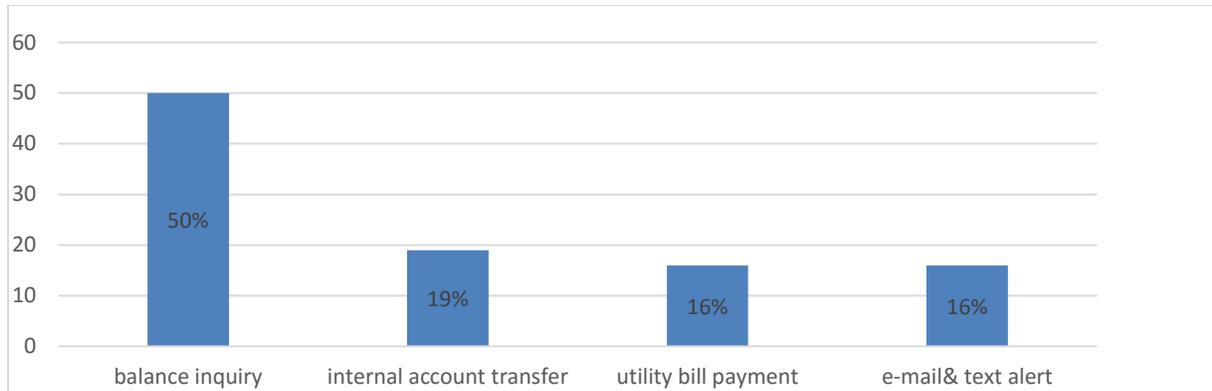


Figure 12. Most Commonly Used Feature by the Respondents through Mobile Banking

6. Recommendations

Although, the present study has revealed that in most of the aspects, respondents are aware of the various products and services being offered by Dena bank but still Dena bank can increase its promotional schemes in order to create the awareness of its products. It can be done through local newspaper advertisements etc. to reach the remaining five percent. Loans are not very aggressively sold by the bank, it needs quiet an improvement. Dena bank must train its sales staff through regular functional/technical training. Also, behavioural training sessions can be of added advantage in order to boost the sales of Dena bank. Dena should adopt aggressive loan selling approach in order to be at par with its competitors.

As far as online banking platform aspects are concerned, it should promote and design the interface very friendly so that people should use its online banking as a need along with convenience. It maintains good security but card cloning and account hacking has become very common these days. It should further strengthen its security systems so that customers do not use it for balance enquiry rather they use it often for other services such as money transfers, bill payments etc.

Usage of online and mobile banking can be further increased by increasing the demonstration sessions for its customer who visit bank irrespective of their visit reason.

Dena bank can work on these parameters to increase its reach although most of the respondents are satisfied with the services and products being offered but still it can work on the above suggestions for further penetration of its products and services. Only 50% respondents have opined that they will recommend Dena bank to their social networks, it is not a very good situation for the bank. Therefore, it needs to improve its services in multidimensional aspects.

7 Conclusion

The present study has found out that the customers are aware about the products and services provided by the Dena Bank. Almost 39% of the respondents have their saving's account with the bank and respondents are aware about its various products and services. More than 50% of the respondents are satisfied with the services provided to them and the reason to use online banking is convenience provided to the respondents. There are 68% of respondents who use mobile banking which shows that bank created a good awareness regarding its mobile banking operations. Dena Bank has to improve its services further because only 50% respondents would like to recommend its products and services to the outer world.

References

- [1] Aparna, Mishra, Kamini Tandon. (2011). A Customer Centric Approach Towards Retail Banking Services: A Glimpse. Zenith International Journal of Multidisciplinary Research, 1 (4), 184-194 Asian Journal of Management Research Online Open Access Publishing Platform For Management Research
- [2] Chaisomphol Chaoprasert & Dr. Barry Elsey (2011). Service Quality Improvement in Thai Retail Banking and its Management Implications, International Journal Of Multidisciplinary Research vol.1 Issue 4, August 2011, ISSN 2231 5780
- [3] Mishra and Tandon (2011). Retail Banking Services: A Glimpse, International Journal of Multidisciplinary Research Vol.1 Issue 4, August 2011, ISSN 2231 5780
- [4] K. Phanindra Kumar; B. Parashuramulu (2013). Indian Retail Banking Industry: Opportunities and Challenges, Asian Journal of Multidimensional Research 2 (5), ISSN 2278-4853
- [5] Shilpan Yyas (2012). E-commerce and E-banking, Diffusion of Innovation theory, Hofstede's dimensions, Published in IJCSI Journal, Volume 9, Issue 3, No 2, May 2012
- [6] Varsha Kuchara (2012). A Study on Customers' perception towards Internet Banking at Ahmedabad City, Volume : 1 | Issue : 9 | September 2012 ISSN - 2250-1991
- [7] Patrick and Hunter (2000). Retail Banking, Studies in Competitive Advantage, can be accessed online at https://books.google.co.in/books?id=ZlabAgAAQBAJ&pg=PT191&dq=banking+Patrick+and+Hunter,+2000&hl=en&sa=X&ved=0ahUKEwiChbPtts_dAhWQfysKHeLWAUgQ6AEIJAA#v=onepage&q=banking%20Patrick%20and%20Hunter%2C%202000&f=false

Websites:

www.denabank.co.in

www.indiabankassociation.org.in

www.smetoolkit.org

www.economicstimes.com