

**STUDY OF MARKETING OF BANKING SERVICES IN INDIA
DURING POST LIBERALIZATION PERIOD WITH
EXTRAORDINARY REFERENCE TO ICICI BANK AND HDFC BANK**

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Abstract

Bank" is gotten from the Greek word "Banque which means seat. The Jews, who were viewed as the early brokers, executed their business on seats in the market. According to a few financial expert, the word bank has been gotten from the German word "Banc" which means Joint Stock Firm, while other say it is gotten from the Italian word "Banco" which means pile or mound."There is no unanimity among business analyst about the beginning of the word banks. Accordingly, it is hard to say which definition is more correct. Conversely, the view that the word bank begun from the word Banc or Banco, is by all accounts really persuading, as it is utilized in the foundation of the Bank of Venice, which should be the most old bank. In India, banking can be followed back to Vedic period. This can be affirmed by the way that the extraordinary legal adviser Manu has expounded on store propels furthermore, interest. During Mughal period, the native investors helped in the advancement of exchange and trade. These native brokers financed dealers by loaning cash. Afterward, during the times

of East India Company, the banking business was taken over by the office houses. In 1947, at the hour of India's autonomy the nation had a well set up business banking framework. The establishment of business banking was laid in Indian during the early piece of the nineteenth century with the foundation of three administration banks -Bank of Bengal in 1806, Bank of Bombay in 1840 and Bank of Madras in 1846. With the foundation of Presidency Banks, the office houses which were doing banking business as well as exchanging lost their financial job. By the start of the 20th century, there were 9 Joint stock banks, what's more, their stores were Rs. 314.5 millions as it were. At the point when India achieved freedom, it had 584 Joint stock banks and 531 Co-employable banks in expansion to the Imperial Bank of India, which was shaped by blend of three administration banks. With this, the need was felt to have a precise development of banking in India. To accomplish this evenhanded, the Reserve Bank of India which, was set up in 1935, as a private investors bank, was nationalized in 1949.

INTRODUCTION

Scheduled and non-scheduled commercial banks make up India's commercial banking system. Scheduled banks are commercial banks that meet the requirements of the Reserve Bank of India Act 1934's second schedule to be included in the second schedule. The following requirements must be met by a commercial bank:

i) It must have a minimum paid-up capital of Rs. 5 lakhs and a total reserve of Rs.

ii) It must be a corporation, a company formed by, or under any law in effect in any country outside India, or an institution designated by the Central Government in this regard, or a State cooperative Bank, as specified in Section 3 of the Indian Companies Act, 1956.

iii) It must also meet the requirements. The Reserve Bank of India has said that its operations do not jeopardise the interests of its depositors.

India's banking system has grown to play a major role in the country's economy. Since the nationalisation of major banks in 1969, it has played a key role in bringing about social and financial reforms. The network of branches grew from 8262 in 1969 to 67118 in June 2004, reducing the population served per business bank branch from 66,000 to 16,000 people.

In India, there are subtleties in important indicators such as resources and sections of business banks. The time period covered is from March 2001 until March 2002. This includes

all types of booked commercial banks, including public bank banks, private bank banks, and unknown banks.

Public Sector Banks

In India, the private bank played a crucial role in the establishment of joint-stock banks. During the first half of the twentieth century, private commercial banks sprang like mushrooms. Following that, in 1951, each of the 566 private bank banks had 474 no-booked accounts and 92 booked accounts. However, there was not a single public bank commercial bank in the area at the time. Despite this, the government of India only joined the banking industry in 1955, when it established the State Bank of India as the first open bank commercial bank. The nationalisation of 14 major commercial banks on July 19, 1969, marked the beginning of the growth of public banks in the banking sector. On April 15, 1980, six additional private bank businesses that managed an account with a balance of above Rs. 200 crore were nationalised, expanding the scope of state bank banking. In the post-nationalized years, the structure of business banking has completely altered due to the growth of public bank banks in the Indian economy.

Private Sector Banks

We have had private bank banks in India for more than a century at this time. India's financial condition has altered after the 1991 financial change- The new private bank banks are attempting to replicate the model by rapidly expanding their product offerings to include the whole range of retail goods. It's important to remember that before the Reserve Bank of India was established in 1934, the Royal Bank of India was the country's largest private bank, handling all of the government's commercial and depository operations.

The ability to access complete financial data at the touch of a PC key is referred to as monetary automation. The current trend is to use ATMs to attract new customers and retain existing ones by providing a variety of services.

In 1998, private bank banks went to great lengths to establish a competent retail banking organisation. In only four years, the four major private banks HDFC, UTI, IDBI, and ICICI have cleaned up approximately Rs. 67, 688 crores in assets, accounting for 6% of all assets in the Indian financial system. The following banks make up India's private bank banks::

Research Paper

- a. Old age private banks
- b. New age private banks
- c. Unfamiliar banks in India
- d. Planned Co-usable Banks
- e. Non-planned Banks

Emergence of Private Banks in Banking Sector

"Indian banking has fared better than many emerging-market financial systems in terms of survival and robustness," says B.D.Narang.

Banks have an important role to play in a country's monetary development. Their pledges to turn-of-events efforts are usually based on how banking methods are presented. Banking in the private sector thrived from ancient times through the Mughal era, as well as from British rule to India's independence in 1969. The old private as well as unfamiliar banks were functioning in a coordinated monetary sector at the time of bank nationalisation, and cash moneylenders and local banks were providing financial administrations to the general public in a chaotic monetary sector. Between 1969 and 1994, no new private banks were allowed to open under Indian financial legislation.

Individuals were given banking privileges as a major goal of nationalisation. It also aided in the expansion of the store's customer base. India's banking system has grown to play a major role in the country's economy. Since the nationalisation of major banks in 1969, it has played a key role in bringing about social and monetary reforms. The number of branches increased from 8,262 in 1969 to 67,118 in June 2004, reducing the population served per business bank branch from 66,000 to 16,000 people. There are now 290 banks operating in the country, including 27 public sector banks, 30 private sector banks, 32 foreign banks, 196 territorial banks, and 5 nonscheduled neighbourhood banks. Private sector banks account for 8.5 percent of the branch network, with 5,737 locations, 50 percent of which are in metropolitan and metro urban areas. Public sector banks own more than 90% of the country's branches, with 70% of them located in rural and semi-rural areas. As of March 31, 2004, the resource base of projected business banks was Rs. 19, 75,020 crores. Their entire stock was Rs. 15,

75,143 crores, including Rs. 8,64,000 crores in advances. One reliable indicator of a bank's growth rate is its market share in the industry.

Despite this impressive list of accomplishments, the banking system was characterised by a lack of productivity and poor profit. The poor capital basis of Indian public sector banks was a significant problem, as was the belief that administrative proprietorship should not be concerned with a low capital base. Client administrations of poor quality were unable to fulfil the needs of customers with changing demands. Every one of these factors contributed to the need for a more efficient and quick financial structure. The table below shows the proprietorship's share of the pie in terms of resource, store, advancements, and venture.

MARKETING OF ICICI BANKING SERVICES

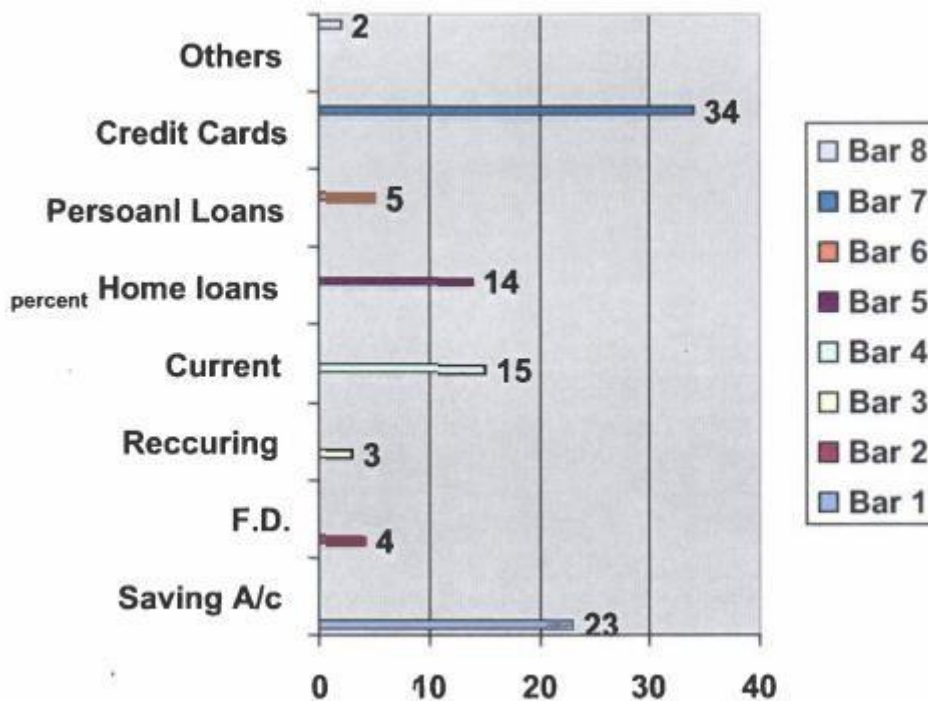
To examine the issues looked by the advertising staff of ICICI Bank in promoting the financial administrations, test of 100 advertising staff were regulated with survey to discover their reactions. While examining the reactions of the field staff of ICICI Bank, who are associated with the real execution of showcasing approaches, for example, promoting leaders' immediate deals partners, and so forth were reached to discover their reactions. On investigation of the reactions the accompanying monetary items were distinguished by the analyst through promoting of banking administrations. These items promoted by ICICI Bank advertising staff is introduced in the table.1.

Financial products marketed by ICICI Bank

Sr.No.	Financial Product	Percent
1	Saving A/C	23
2	Fixed Deposit A/C	4
3	Recurring Account	3
4	Current Account	15
5	Home Loans	14
6	Personal Loans	5
7	Credit Cards	34
8	Others	2
	Total	100

Source: Field Study

Financial products marketed by ICICI Bank



Endeavors were made to incorporate every one of the classifications of administrations showcased by chiefs. The respondents reached for review included showcasing chiefs, direct deals partners and other like ICICI Bank home credit councillors and so on Out of the studied 100 respondents, there were 55 showcasing staff, 39 direct deals partners and 6 were different representatives. The monetary item promoted by these leaders are saving record 23 percent, fixed store account 4%, repeating 3%, home credits 14 percent, current record 15%, individual advances 5%, Visas 34 percent and others 2% which included automobile finance, protection, unfamiliar trade and so forth.

MARKETING OF HDFC BANKING SERVICES

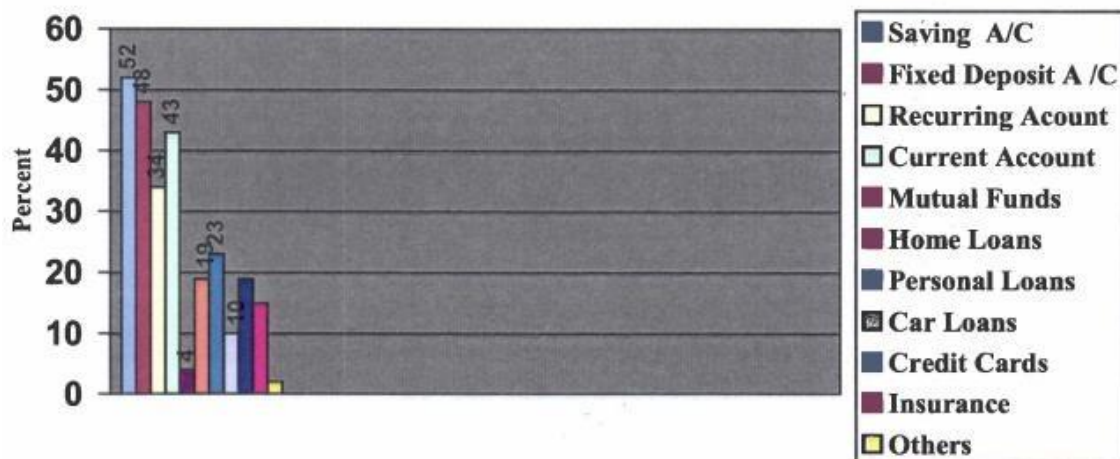
For considering the reactions of the field staff of HDFC Bank, who are engaged with the real execution of advertising strategies, showcasing leaders' immediate deals partners, have been reached to discover their Reponses. The respondents incorporate 70% promoting chiefs, 28%, direct deals partners and 2 percent incorporates others for HDFC Bank.

Financial Product Marketed by HDF C Bank

Sr.No	Financial Product	Percent
1	Saving A/C	52
2	Fixed Deposit A/C	48
3	Recurring Account	34
4	Current Account	43
5	Mutual Funds	4
6	Home Loans	19
7	Personal Loans	23
8	Car loans	10
9	Credit Cards	19
10	Insurance	15
11	Others	2

Source: Field Study

Financial Products Marketed by HDFC Bank.



The respondent marketing executives for above study has experience ranging from 6 months to 5 years.

Conclusion

The endeavor made by scientist to discover reactions of promoting staff of ICICI Bank and HDFC Bank about the fulfillment of clients as seen by promoting staff was fruitful. It was very fruitful endeavor as far as understanding consumer loyalty, promoting of banking administrations of both the banks, the issues looked by promoting staff about promoting the administrations, explanations behind such issues, and so forth.

The advertising staffs were over viewed via polls to discover their perspectives about consumer loyalty. The advertising staffs included advertising leaders, promoting administrator, deals chiefs, councilors with DSA (Direct Sales Associates), field staff. The experience of these advertising staff was between a half year to 5 years or more.

The finish of the advertising staffs overview is as per the following: ICICI Bank's advertising staffs 83% of them feel that ICICI Bank administrations are inventive. About attention to administrations given by ICICI Bank, 58% from the all out example respondents knew about every one of the administrations gave. In instance of data about new administrations, a large portion of the respondents were found sure about it. To the extent attention to changes in charges is concerned 75 percent of the complete respondents were certain about attention to the charges. For changes in financing costs, 77% of the complete respondents feel that ICICI Bank consistently illuminates them about such changes ahead of time.

Opening of new branches is concerned 83% of the all out respondents were certain about it. To the extent answer to client objection is concern, it is tracked down that 58% respondents, said it is palatable or poor, where as 42 percent said great, great and awesome. Around 82% respondents were not content with the financial staff. This plainly shows that ICICI Bank needs to focus on redressal of client protests and banking staff. Another reasons which was risen up out of the clients study of ICICI Bank, is the help charges charged by ICICI Bank. The clients just as advertising staff feel that it is exceptionally high.

Likewise this review was additionally led on advertising staff of HDFC Bank to discover the reactions of promoting staff about consumer loyalty and showcasing staff's fulfillment while promoting the administrations of HDFC Bank.

About answer to clients grumblings just 63% respondents were positive. To the extent creative administrations of HDFC Bank is concerned just about 93% respondents were positive. The scientist needed to discover the attention to clients about new administrations, opening of branches, changes in financing costs, answer to client objections and so forth It was noticed however the scientist that in all the above cases aside from answer to client grumblings in excess of 80% respondents were positive. ICICI Bank and HDFC Bank, both market their items in exceptionally inventive manners, clients are happy with the manner in which both these banks market their administrations. However, these banks additionally deal with certain issue while promoting the administrations. The serious issues which arose out of the examination are high charges, banking staff and answer to client protests. Bank should focus on these three variables which are making disappointment among clients just as advertising staff.

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