FORMULATION OF MARKETING STRATEGIES IN STATE BANK OF INDIA

Pawan Kumar, Dr. Shiv Ram Singh Jhajharia

Research Scholar, SJJT University, Jhunjhunu, Rajasthan,India

Lecturer Selection Scale N.D.B. Government College Nohar HMH Rajasthan,India

Abstract –

State Bank of India (SBI) is a multinational banking and financial services company based in India. It is a state-owned corporation with its headquarters in Mumbai, Maharashtra. As at December 2012, it had assets of US$501 billion and 15,003 branches, including 157 foreign offices making it the largest banking and financial services company in India by assests. [2]

The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. Bank of Madras merged into the other two presidency banks—Bank of Calcutta and Bank of Bombay—to form the Imperial Bank of India, which in turn became the State Bank of India. The Government of India nationalized the Imperial Bank of India in 1955, with the Reserve Bank of India taking a 60% stake, and renamed it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. SBI has been ranked 285th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2012.[1]

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 14 regional hubs and 57 Zonal Offices that are located at important cities throughout the country.

SBI is a regional banking behemoth and has 20% market share in deposits and loans among Indian commercial banks

History–

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesigned as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the

Bank of Bengal. These three banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27 January 1921.

An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of independent India, in 1951. The Plan aimed at serving the Indian economy in general and the rural sector of the country, in particular. Until the Plan, the commercial banks of the country, including the Imperial Bank of India, confined their services to the urban sector. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee recommended the formation of a state-partnered and state-sponsored bank.

The All India Rural Credit Survey Committee proposed the take over of the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. Subsequently, an Act was passed in the Parliament of India in May 1955. As a result, the State Bank of India (SBI) was established on 1 July 1955. This resulted in making the State Bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the State. Later on, the State Bank of India (Subsidiary Banks) Act was passed in 1959. The Act enabled the State Bank of India to make the eight former State-associated banks as its subsidiaries..

Marketing strategies-

The formulation of business policies is substantially influenced by the emerging trends in the national and international scenario. The GDP, per capita income, expectation, the rate of literacy, the geographic and demographic Considerations, the rural or urban orientation, the margins in economic systems, and the spread of technologies are some of the key factors governing the

Development plan of an organization, especially banking organization. In ours developing economy, the formulation of a sound marketing mix is found a difficult task. The nationalization of the Reserve Bank of India (RBI) is a Landmark in the development of Indian Banking system that have paved Numerous paths for qualitative-cum quantities improvements in true sense.

Subsequently, the RBI and the policy makers of the public sector commercial Banks think in favor of conceptualizing modern marketing which would bring a Radical change in the process of quality up gradation and village to village Commercial viability. Banking Industry is one of the most important service industries which touches the lives of inillions of people. Its service is unique both in social and economic points of view of a nation. Earlier the attitude of banking service was that it was not professional to sell one's services and was unnecessary in the sense that traditional relationships and quality of products were sufficient to carry forward the tasks. Before the mid 1950's the banks had no understanding or regard for marketing. The bank building was created in the image of a Greek Temple to impress the public about the importance of a bank. The interior was austere and the teller rarely smiled. Bankers maintained austere dignity and they hardly maintained friendliness. It was in the late 1950's that marketing in banking industry emerged in the west. It emergence was in the form of advertising and promotion concept. At that time, personal setting could not get a significant place. (.3radually there was a change in the attitude of bankers, probably in time with the attitudinal change in customers. The

idea of customers' satisfaction began in the late 1950's, flourished in1960's and became an integral part of the banking services in the 1970's.

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