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An Empirical Study Of Retail Banking With Respect To JDCC Bank Limited Jalgaon Branch

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Abstract :

A retail bank is a bank that works with consumers, offering basic banking services like checking accounts, savings accounts, loans, and more. Retail customers are members of the general public taking care of personal needs as opposed to organizations such as governments and businesses that might need more complex services. In short, one can say that Retail banking refers to the consumer-oriented services offered by commercial banks. The main aim of this study is to understand the retail banking in detail also to know various facility provided by Jalgaon JDCC Bank in retail banking sector. To study the performance of Jalgaon JDCC Bank in retail banking sector and estimate the future growth of it.

The present study aims to detailing on retail banking, marketing strategies for attracting customers, performance of various types of loan The study also concentrate on the performance of JDCC bank & its estimated growth for the future. Research work also through the light on various points like the facilities provided by the retail banking.

Keyword: Retail Banking, Customer Services, Marketing Strategy, Banking Performance

Introduction

Retail banking is, however, quite board in nature it refers to the dealing of commercial banks with individual customer, both on liabilities and assets sides of the balance sheet. Fixed, Current/Saving accounts on the liabilities side and mortgages, loans on the assets side are the more important of the products offered by banks. Related ancillary services include depository service, debit card. Retail banking refers to provision of banking services to individuals and small number of low value transactions. This is in contrast to wholesale banking where the customers are large, often multinational companies, governments and government enterprise, and the financial institution deal in small numbers of high value transactions. The concept is not new to banks but is now viewed as an important and attractive market segment that offers opportunities for growth and profits. Retail banking and retail lending are often used as synonyms but in fact, the latter is just the part of retail banking. In retail banking all the needs of individual customers are taken care of in a well-integrated manner.

“It refers to banking in which banking Institutions execute transactions directly with consumers. Service offered includes Savings & transactional A/C s, mortgages, personal loan, debit cards, credit cards.”

In retail banking all the needs of individual customers are taken care of in a well-integrated manner. Retail banking refers to provision of banking services to individual & small number of low value of transaction. This is a contrast to wholesale banking where the customer is larger, often multinational companies, government & government enterprises.

Objectives of study:

The purpose of research is to discover answers to questions through the applications of scientific procedures. The main aim of research is to find out the truth which is hidden and which has not been discovered yet. Through each research study has its own purpose, we may think of research objectives as falling in to numbers of following broad grouping:

- To study the retail banking in detail.
- To study the marketing strategy for attracting the customer to the banking services.
- To know the overview of retail banking product.
- To know various facility provided by Jalgaon JDCC Bank in retail banking sector.
- To study the performance of Jalgaon JDCC Bank in retail banking sector and estimate the future growth of it.
- To study the performance of various types of loan.

Literature Review :

Bahia, K and J Nantel (2000) - The paper suggested an alternative scale for measuring service quality in retail banking. The study developed a scale called as Banking Service Quality Scale which contained factors like effectiveness and assurance, access, price, tangibles, service portfolio and reliability. This model was found to be more reliable than SERVQUAL.

Gani A. Mushtaq Bhatt (2003)-The study is conducted to do a comparative study of service quality of commercial banks and its dimensions in commercial banks. SERVQUAL is used and sample size was 800 customers. The study found out that CITI bank and Standard chartered bank are good in tangibility and in reliability also they are good. In responsiveness parameter Indian banks are inferior to foreign banks. In Assurance and empathy Indian banks are inferior.

Navdeep Aggarwal and Mohit Gupta (2003) - This study basically finds out the primary dimensions and sub dimensions of service quality. Informal structured interviews are conducted with branch managers and academicians to formulate a banking service quality model. The study found out that service time and personal interactions are very important along with ambience for service quality.

Mushtaq M Bhat (2005) - This study finds out service quality parameters in bank through SERVQUAL and influence of demographic variables. The study was limited to SBI, PNB, Jammu and Kashmir bank Citi bank and Standard Chartered Grind lay's bank. Sample size was 800 and study found out that foreign banks are better than Indian banks. SBI was found to be relatively poor on reliability and responsiveness. Banks in Delhi were comparatively better in service quality.

Joshua A J, V Moli, P. Koshi (2005) - The study evaluated and compared service quality in old and new banks using sample size of 480. The study found out that customers were satisfied in reliability, empathy and price and for other parameters the difference between expectations and perceptions were smaller than public sector banks.

Mohammad et al(2005)- The study tries to develop a comprehensive model of banking automated service quality taking into consideration unique attributes of each delivery channel and other dimensions which influence service quality.

Raul and Ahmed(2005)-The study investigated customer service in public sector banks in 3 districts in Assam and it was found that customers were dissatisfied with the management, technology and interactive factors along with high service charges. Communication gap was the root cause of poor service and service was different in rural and urban sectors.

Sharma and Sharma (2006)-The study analysed customer delight in urban consumer banking. The study found out that customers were satisfied with loan facilities, bank environment, routine work procedures, location, interest rates etc. and were dissatisfied with loan formalities and promotion through media.

Sharma S. (2007)-The study did a comparison of public and private banks with respect to perceptions of customers regarding service quality. It was found out that service quality is associated with satisfaction and there was significant difference between qualities of services provided by banks. Banks in smaller cities are far behind big cities in this regard.

Tracey Dagger ,Jillian Sweeney (2007)- The study consists of qualitative research to investigate the effect of consumption stage on service quality perceptions and then development of hypothesis. The findings indicate the evidence that customers rely more heavily on attributes that are search based in the initial stages of service experience and in later stages consumption becomes important

Research Methodology:

For the present study the research design is descriptive & exploratory in nature aimed to explore the uncovered areas in retail banking at JDCC bank Ltd.

Scope of Research:

The study covers a period of three years from 2021 to 2022. Bank has undergone rapid changes in the past three years due to many policy decisions relating to capital markets, banking sector & licensing policy.

Data Collection

PRIMARY DATA: - Discussion with branch manager Discussion with project guide. Discussion with other employees of the branch. Interaction with customers of bank. Interaction with small saving agents.

SECONDARY DATA: -
Secondary data is collected from following resources -

- Various books related to Retail Banking & Financial Management.
- JDCC banks annual report 2021 TO 2022
- Web sites were used as the vital information of Retail Services.

Limitation of Research:

This research is limited up to JALGAON Branch only. Authenticity relies on response given by the respondent. The information system is confidential & hence the banks records were not fully disclosed.

Data Analysis & Interpretation:

Deposits of JDCC Bank LTD.(JALGAON Branch)

Deposit	2019-2020	Percentage	2020-2021	Percentage	2021-2022	Percentage
Current	61.88	1.70%	61.64	1.52%	89.60	2.13%
Saving	735.31	20.23%	913.35	22.54%	975.36	23.20%
Fixed	154.40	4.24%	135.41	3.34%	159.81	3.80%
Recurring	29.56	0.81%	37.17	0.91%	40.21	0.95%
Reinvestment	969.53	26.67%	1053.76	26.00%	971.82	23.12%
Short term	1464.87	40.30%	1654.74	40.83%	1723.72	41.01%
Madhusanchay daily scheme	215.42	5.92%	194.12	4.79%	240.73	5.72%
Mature Fixed(MFD)	3.01	0.08%	1.76	0.04%	1.64	0.03%
Credit Bal in Loan and Advance	0.77	0.02%	NIL	NIL	NIL	NIL
Total	3634.75	100%	4051.95	100%	4202.89	100%

120

The above data depicts Deposits of JDCC Bank LTD which indicates the increase in deposits in various accounts current, Saving, Recurring, Reinvestment, Short-Term, MFD.

As the above data shows that there has been a increase in deposit with each passing year which shows that the people are aware about these different types of accounts Retail savings and deposits represent the most stable and typically cheapest form of funding for a bank. They are the basic building blocks of a bank's funding and liquidity profile. Bank deposits help grow the money gradually. They teach the discipline of saving money. One can start with demand deposits money into a savings account to earn interest and gradually create time deposits with the lump sum saved in your account.

COVID-19 will have a significant impact on banking sector or banking business both globally and in India due to which during the year 2019 and 2020 we can see a decrease in the fixed deposits.

Conclusion: Retail banking, also known as consumer banking or personal banking, is **banking that provides financial services to individual consumers rather than businesses**. Retail banking is a way for individual consumers to manage their money, have access to credit, and deposit their money in a secure manner. JDCC Bank helps customers certainly to get the desired services at the concerned portal or branch. In recent years, the growth of **retail banking** has certainly attained a high-level owing to the demand for digital banking services while the JDCC bank has retail banking as the core part of its financial Services.

Future Recommendation: The rising attention in retail banking in the developing economies can be illuminated on account of a few major developments. The first of them is the transitioning of the economies into the intermediate phase. In the early phase of the development of banking, the policymakers focused on ensuring the flow of bank credit to the productive sectors of the economy. But over time, as the credit demand from the basic industrial and infrastructure sectors have somewhat, the regulators have become more accommodating in allowing the banks to lend even for consumption purposes. The additional development that has provided an enhancement to retail banking aspiration of banks is the availability of enabling technology. Since retail banking requires mass production techniques, the advent of technology has enabled the banks to design appropriate technology-based delivery channels. Retail banking has also received a push from the regulators for inclusive growth in the wake of the global financial crisis.

The Governments across the world view banks as the key component in furthering the cause of financial inclusion. India has also been endorsing a bank-led financial inclusion model and views retail mass banking as the stepping stone towards the achievement of universal financial inclusion.

Retail Banking Trends

Removing Friction from the Customer Journey. An optimal customer journey makes every step and touch point in the buying cycle streamlined, efficient, consistent and personalized from the consumer perspective. Financial institutions need to reimagine their core journeys from front to back by addressing key customer pain points, identifying new opportunities to delight customers in differentiated ways.

Increased Use of Big Data & Advanced Analytics. Tapping into huge quantities of dormant, bank-owned data is essential to offering the individualized engagement that customers demand. Despite the vast amount of data available and the industry's formidable resources, most banks and credit unions are still far from realizing big data's full potential.

Expansion of Digital Payments. Despite an increase in awareness of mobile payments, usage continues to remain flat, illustrating the challenges in changing consumer behavior when merchants and issuers can't deliver a strong value proposition. To stimulate mobile payment use, financial institutions will need to test discounts and rewards while improving the consumer experience. The style one is seeing is a change in emphasis from "innovation labs" to real-time testing both in consumer venues and in partnership with FinTech start-ups.

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