Chapter 1 Introduction

Banking Industry has played role of backbone for any country. Financial transactions were performed through banking industry makes country growth significant. Banking sector can make and destroy any country’s economy. While talking about the India has witnessed so many ups, downs and changes over 70 years of Independence. After Independence how to reform Indian economy had been priority for the government and for which Banks played which kind of role was important. Decision was restricted for banking sector to have hold of government for financial transactions. In 1991 Narshima committee had taken very bold steps for banking sector and reform all the policy towards liberalization of financial sector. This step had given significant changed in financial sector and new dimensions to all the previous issues related to banking sector in India. It was progressive transformation for the financial system over the years through legal, financial and institutional reforms (Aryeetey, 2008). The liberalization of the banking industry in India, new rules and regulations had been formed for new banks and easy entrance policies which promotes competition. In addition customers have more choices for bank selection. Banking is the sector where choice is also depended on their trust and past experience. They don’t prefer to switch over easily and for them, it doesn’t make any difference that new policy has been reformed or not.

Customers based decisions were given preferences and monopolistic approach had been changed. Customer centric approaches are considered in policy frameworks also. Customers for bank was earlier like What is more, with growing customer acquisition costs, increased customer expectations from banks as well as government and high rate of customer defection, banks have realized the need to foster closer relationships with their customers in order to ensure customer loyalty and retention for long term gain. (Ndubisi, 2003; Rosenberg & Czepiel, 1983). How to retain customer through different schemes and concepts are given priority. Against this backdrop, staying ahead of the competition and achieving competitive advantage appear to be one of the critical challenges facing many banks in India today. Relationship Marketing has, therefore, emerged as a key business strategic
option for banks in their bid to hold on to their customers. The lure for Relationship Marketing adoption has been bolstered by the fact that, Relationship Marketing has been a subject of academic research and practice in recent times. In view of the fact that there are various constructs of relationship marketing practices and their implementations involve cost, it is important to find out which of the constructs have the most influence. The understanding of the effect of various constructs as well as key mediating variables between Relationship Marketing and brand loyalty would assist banks in reducing cost by concentrating on the most important constructs and mediation variables. However, most of the studies on Relationship Marketing have tended to focus on opinions of customers in order to determine customer loyalty (Cadotte & Turgeon, 1988; Ndubisi, 2003, Ndubisi & Wah, 2005; Narteh, 2009; Dominici & Guzzo, 2010). This study, therefore, sought to explore the relationship between Relationship Marketing and Brand loyalty in the Indian banking industry from the banks’ own perspective by sampling the views of relationship by customers. Specifically to evaluate the impact of Relationship Management constructs and key mediating variables on Brand loyalty.

1.1 History of banking sector

For the past three decades India’s banking system has several outstanding achievements to its credit. The most striking is its extensive reach. It is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian banking system has reached even to the remote corners of the country. This is one of the main reasons of India’s growth process. The government’s regular policy for Indian bank since 1969 has paid rich dividends with the nationalization of 14 major private banks of India.

The first bank of India, though conservative, was established in 1786. From 1786 till today, the journey of Indian banking System is updated by time to time. Some phases which were change the basic definition of bank and add new dimensions. They are as mentioned below:
1.1.1 Indian Banking Industry

The general banking scenario in India has become very dynamic now-a-days. Before pre-liberalization era, the picture of Indian Banking was completely different as the Government of India initiated measures to play an active role in the economic life of the nation, and the Industrial Policy Resolution adopted by the government in 1948 envisaged a mixed economy. This resulted into greater involvement of the state in different segments of the economy including banking and finance banking in India originated in the first decade of 18th century with The General Bank of India coming into existence in 1786. This was followed by Bank of Hindustan. Both these banks are now defunct. The oldest bank in existence in India is the State Bank of India being established as "The Bank of Bengal" in Calcutta in June 1806. A couple of decades later, foreign banks like Credit Lyonnais started their Calcutta operations in the 1850s. At that point of time, Calcutta was the most active trading port, mainly due to the trade of the British Empire, and due to which banking activity took roots there and prospered. The first fully Indian owned bank was the Allahabad Bank, which was established in 1865. There were also some exchange banks and a number of Indian joint stock banks. All these banks operated in different segments of the economy.

1.1.2 Presidency Banks:

In 1806 the bank of Calcutta was established as a joint stock bank with limited liability, which was brought under the royal charter in 1806 and renamed as Bank of Bengal. The presidency banks dominated banking in India. Subsequently, the bank of Bombay of Bombay and bank of Madras were established by East India Company in 1840 and 1843 respectively. The business of the presidency bank was initially confined to discounting of bills or other negotiable private securities, keeping cash accounts, receiving deposits and issuing and circulating cash notes. The major innovations in banking method and organization came with establishment of bank of Bank of Bengal, which included

- Use of joint stock system for raising capital
- Conferring of limited liability on shareholders by means of a charter
• Provision for the note issue which could be accepted for public revenue payments
• General provision for acceptance of deposits from general public
• Imposition of explicit limit on credit and the kind of securities it could accept
• Provision for regulatory changes in the board of directors

By the 1900s, the market expanded with the establishment of banks such as Punjab National Bank, in 1895 in Lahore and Bank of India, in 1906, in Mumbai - both of which were founded under private ownership. The Swadeshi movement in particular inspired local businessmen and political figures to found banks for the Indian community. A number of banks established then have survived to the present such as Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India. The Reserve Bank of India formally took on the responsibility of regulating the Indian banking sector from 1935. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers.

In 1951, when the first Five Years Plan was launched, the development of rural India accorded the highest priority. The all India Rural Credit survey Committee recommended the creation of a State-partnered and state sponsored bank by taking over the Imperial bank of India and integrating with it, the former state owned or state associated banks. Accordingly an Act was passed in the parliament in May 1955. Later, the state Bank of India (subsidiary banks) Act was passed in 1959 enabling the State bank of India to take over eight former state associated banks as its subsidiaries. The period during the First World War (1914-1918) through the end of the Second World War (1939-1945), and two years thereafter until the independence of India were challenging for the Indian banking. The years of the First World War were turbulent, and it took toll of many banks which simply collapsed despite the Indian economy gaining indirect boost due to war-related economic activities. At least 94 banks in India failed during the years 1913 to 1918.
1.2 Nationalisation

By the 1960s, the Indian banking industry has become an important tool to facilitate the development of the Indian economy. At the same time, it has emerged as a large employer, and a debate has ensued about the possibility to nationalize the banking industry. Indira Gandhi, the Prime Minister of India expressed the intention of the Government Of India in the annual conference of the All India Congress Meeting in a paper entitled "Stray thoughts on Bank Nationalisation." The paper was received with positive enthusiasm. Thereafter, her move was swift and sudden, and the GOI issued an ordinance and nationalised the 14 largest commercial banks with effect from the midnight of July 19, 1969. Jayaprakash Narayan, a national leader of India, described the step as a "masterstroke of political sagacity." Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received the presidential approval on 9th August, 1969. A second dose of nationalisation of 6 more commercial banks followed in 1980. The stated reason for the nationalisation was to give the government more control of credit delivery. With the second dose of nationalisation, the GOI controlled around 91% of the banking business of India. After this, until the 1990s, the nationalised banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy.

1.3 Liberalisation

An authoritative step and decision was taken by the Narismha Roa former Prime Minister of India in 1990s and give licenses to the small number Private bank. These banks were known as New Generation tech-savvy banks, which included banks such as UTI Bank(now re-named as Axis Bank) (the first of such new generation banks to be set up), ICICI Bank and HDFC Bank. This move shows the rapid growth in the economy of India and boost up the banking sector in India. All three types of banks have strongly contributed whether it was government banks, private banks and foreign banks.

In 1991, the Narasimham Committee had given the report more comprehensively as the team they were sure with their decision and wanted to stick with reforms of
banking sector. The reform was consisted

(a) An intrusive micro-level intervention over credit decisions toward prudential regulations and supervision through banking sector was shifted.
(b) CRR and SLR were reduced.
(c) Deregulation of entry and interest rate.
(d) Prudential norms were adopted.

Furthermore the Reserve Bank of India issued guidelines in 1992, for income recognition, asset classification and provisioning. The Basle Accord capital adequacy standards were adopted. Under the oversight of reserve Bank of India, government established the board of financial Supervision which had recapitalized public-sector banks. Aim of such recapitalization was to financially strengthen and wanted to gain access to capital markets.

The Reserve Bank of India permitted private entry into the banking sector in 1993. All new banks were well capitalized and technologically advanced, and at the same time prohibited cross-holding practices with industrial groups. The Reserve Bank of India also imposed some restrictions on new banks with respect to opening branches, with a view to maintaining the franchise value of existing banks because without hold new banks cannot be as sufficient as they are in the market. The next stage for the Indian banking has been setup with the proposed relaxation in the norms for Foreign Direct Investment, where all Foreign Investors in banks may be given voting rights which could exceed the present cap of 10%, at present it has gone up to 49% with some restrictions.

The new policy shook the Banking sector in India completely. Bankers, till this time, were used to the 4-6-4 method (Borrow at 4%; Lend at 6%; Go home at 4) of functioning. The new wave ushered in a modern outlook and tech-savvy methods of working for traditional banks. All this led to the retail boom in India. People not just demanded more from their banks but also received more.

As a result of the reforms, the number of banks increased rapidly. In 1991, there were 27 public-sector banks and 26 domestic private banks with 60,000
branches, 24 foreign banks with 140 branches, and 20 foreign banks with a representative office. Between January 1993 and March 1998, 24 new private banks (nine domestic and 15 foreign) entered the market; the total number of scheduled commercial banks, excluding specialized banks such as the Regional Rural Banks rose from 75 in 1991/92 to 99 in 1997/98. Entry deregulation was accompanied by progressive deregulation of interest rates on deposits and advances. From October 1994, interest rates were deregulated in a phased manner and by October 1997, banks were allowed to set interest rates on all term deposits of maturity of more than 30 days and on all advances exceeding Rs. 200,000. While the CRR and SLR, interest rate policy, and prudential norms have always been applied uniformly to all commercial banks, the Reserve Bank of India treated foreign banks differently with respect to the regulation that requires a portion of credit to be allocated to priority sectors. In 1993, foreign banks – which 3 In 1998, the Narashimham Committee II has recommended a convergence of developing financing institutions to with commercial banks or non-bank financial institutions and an adoption of the integrated system of regulation and supervision etc. Representative offices may not be allowed to hold deposits or extend credit. Their main business is to develop business contacts between local firms and their head offices, and collect local information to for their head offices used to be exempt from this requirement while all other commercial banks were required to earmark 40 per cent of credit – were required to allocate 32 per cent of credit to priority sectors.

1.4 Current Situation of Indian Banking Industry

In 2015, banking sector in India has been matured in terms of transactions, controlling money circulation, and many more. Currently banks are not working as only for lending and borrowing financial transactions Banks are becoming a heart of financial sector. Its deals with insurance, mutual fund and different product range. More than that they have upgraded and facilitated their customers with latest technology oriented for all transactions. To capture and cover rural area is always like a challenge for any sector where banks have put their footmarks in rural area. Somehow it is difficult for the private and foreign banks to deal in rural area but banks public banks like state bank of India and others have successfully did this.
In time of recession whole world was suffering, Indian banks performs very well and give the economy a strong base by which Indian economy could survive successfully. In terms of performance of assets and capital adequacy they showed quality, clean, strong and transparent balance sheets. Talking about the reserve bank of India which is an autonomous body and not having any independent structure from government having partially and minimum hold. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate it is difficult also.

Service sector has given the boost to the economy with their performance where the demand for banking services, especially retail banking, mortgages and investment services are expected to be strong. Indian economy has also much of their expectations with M&A’s, takeovers, and asset sales. In March 2006, policies related to increase in stake by the Reserve Bank of India allowed Warburg Pincus to in Kotak Mahindra Bank (a private sector bank) to 10%. This is the first time happened that investor has been allowed to hold more than 5% in a private sector bank since the RBI announced norms in 2005 that any stake exceeding 5% in the private sector banks would need to be vetted by them.

Critics in recent years charged that some non-government owned banks are very harsh in their loan recovery efforts and aggressive too. They have made their efforts in connation with housing, vehicle and personal loans. This is obvious for any non-government bank to fill the debt but the way which were used may not be ethical enough and drawn the defaulting borrowers to suicide as press reports said.

Indian bank Industry is one of major contributor for generating employment for the county. till 2013 the Indian Banking Industry employed 1,175,149 employees. The net profit of the banks operating in India was ₹1027.51 billion (US$16 billion or €13 billion) against a turnover of ₹9148.59 billion (US$140 billion or €110 billion) for the financial year 2012-13.
On 28 Aug, 2014, **Pradhan Mantri Jan Dhan Yojana** (Prime Minister's People Money Scheme) an idea of great visionary prime minister of India, shree Narendra Modi which gave a revolution in Indian history, is a scheme for comprehensive financial inclusion launched and Run by Department of Financial Services, Ministry of Finance, on the of inauguration day, 1.5 Crore (15 million) bank accounts were opened under this scheme. By 10 January 2015, 11.5 crore accounts were opened, with around ₹8698 crore (US$1.4 billion) were deposited under the scheme. All account holders have an option for opening new bank accounts with zero balance and with lots of facilities also.

### 1.5 Types of Bank in India

Likewise variety of Indian population Banks are not behind in that race. Generally banks can be categorized in different types by criteria which is made by the central policy. According to the needs and wants of Indian society such policies has been formed and banks play their role. These criteria’s should be ownership pattern, nature of operations, structure of operations etc. In India the banking sector has been classified into two different categories of commercial banks and cooperative banks. Because of Role of commercial banks are to cater the need of Industry and trade while the cooperative banks have responsibility for financing agriculture and allied activities in rural areas, where trade and services in urban areas are included.

The commercial bank is divided in two different parts such as banks incorporated in India and banks Incorporated outside India. Banks incorporated in India has been further classified as per their ownership pattern. There are public sector banks, private sector banks, regional banks and cooperative banks etc. while commercial banks can be classified in two categories such as schedule commercial banks and Non-schedule commercial bank as per the reserve bank of India Act, 1934. All banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934 are Scheduled Banks. These banks comprises in scheduled commercial banks and scheduled Co-operative banks. If talked about Scheduled commercial banks in India are sub-categorized into five different groups because of having their ownership and nature of operations. These are:
- State Bank of India and its Associates
- Nationalized Banks
- Private Sector Banks
- Foreign Banks
- Regional Rural Banks.

IDBI Bank Ltd. is included in Nationalized Banks because of the nature of operations and working as the Industrial development board of India and promoted small and medium scale businesses in the bank group wise classifications.

Banks have followed the same hierarchy as the national level and state level so for the banks, so Scheduled Co-operative Banks consist of Scheduled State Co-operative Banks and Scheduled Urban Cooperative Banks. In the given figure as per the Reserve Bank of India act, 1934 all arrangements are categorized.

(Fig. 1.1 Classification of Indian Banks)

Source: [http://en.wikipedia.org/wiki/Banking_in_India](http://en.wikipedia.org/wiki/Banking_in_India)

Currently in India total 88 scheduled commercial banks are working in which 28 public bank sector banks with holding stake of Government of India, 29 private banks who might publically listed and traded on stock exchanges. 45 foreign banks are working as per the data updated.

8826 scheduled commercial bank branches were available in December 1969 in India. While in March 1990 it made seven time larger 59,762 and stands at 1,02,343 end of March 2013. Rural Area is not behind in this development where Out of the 102,343 branches of Scheduled Commercial Banks (SCBs), 37,953 (37%) bank branches are in the rural areas and 27,219 (26%) in semi-urban areas. So it can be said that 63 per cent of the total numbers of branches are located in semi-urban and rural areas of the country. As per the latest update these all banks are served with 1,02,343 branches and 1,140,14 ATMS in all over India.

1.6 State Bank of India:
The oldest bank in existence in India is the State Bank of India being established as "The Bank of Bengal" and become the strongest born of Indian economy and boost the financial sector. Originally establishes as a first Indian bank with a name of President bank and then after renamed eventually. State Bank of India (SBI) is a multinational banking and financial services company based in India under the surveillance of Indian government because of government-owned corporation. Headquarter of State bank of India is located in Mumbai, Maharashtra. As per the record till December 2013, State Bank of India had assets of US$388 billion and 17,000 branches, including 190 foreign offices. It is the largest banking and financial services company in India by assets.

State Bank of India (SBI), with a long back history, is the largest commercial bank in India every in terms. State bank of India has largest assets, deposits, profits, branches, customers and employees. The Government of India is the single largest shareholder of this Fortune 500 entity with 61.58% ownership. SBI is ranked 60th in the list of Top 1000 Banks in the world by "The Banker" in July 2012. In India State Bank of India is among Big Four banks with ICICI Bank, Punjab national bank and HDFC bank.
The bank traces its ancestry before 200 years to British India, through the Imperial Bank of India. It was founded in 1806 named as the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. Latterly Bank of Madras merged into the other two "presidency banks" in British India, Bank of Calcutta and Bank of Bombay, to form the Imperial Bank of India, which is known as State Bank of India. Government of India owned the Imperial Bank of India in 1955. Reserve Bank of India (India's Central Bank) took a 60% stake, and renamed the Imperial bank as the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. State Bank of India is having 20% market share in deposits and loans among Indian commercial banks.

In 18th century, the roots of State Bank of India have been founded in first decade while the Bank of Calcutta, later renamed and was established as the Bank of Bengal on 2nd June 1806. Then after Presidency banks was incorporated from Bank of Bengal with other two banks the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843) Which were working as joint stock companies and were the result of royal charters. These three banks had received the exclusive right of issuing paper currency till 1861 when, with the Paper Currency Act, the right was taken over latterly by the Government of India and given to the India's central bank, acquired a controlling interest in the Imperial Bank of India., the Imperial Bank of India was becoming the State Bank of India on 1st July 1955. In 2008, the government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

State bank of India had eight associated bank with it. In 1959, the government passed the State bank of India (Subsidiary Banks) act. All the eight banks were merged one by one and process of consolidation started on 13 September 2008, when the State Bank of Saurashtra merged with SBI. SBI has acquired local banks in rescue and spread the network largely. The first was the Bank of Behar (est. 1911), which was acquired by SBI in 1969 with its 28 branches. The next year SBI had acquired National Bank of Lahore which was established in 1942 had 24
branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, at the time of Maharaja Madho Rao Scindia. The bank had been started as Dukan Pichadi, a small moneylender, owned by the Maharaja himself. In 1985, SBI had acquired the Bank of Cochin in Kerala, which had widest network of having 120 branches. SBI was also the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala. The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets will inch very close to the 10 trillion mark (10 billion long scale). The total assets of SBI and the State Bank of Indore stood at 9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010. The State Bank of India and all its associate banks are identified with very unique blue keyhole logo. The State Bank of India wordmark usually has one standard typeface.

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

1.6.2 Domestic presence and International Presence

Domestic presence
In domestic market SBI has monopoly and it’s difficult to beat. State Bank of India is having 16,000 branches in India presently. Out of 16,000, 9,851(66%) were in Rural area and semi-urban area which is the biggest achievement as they are covering major population of rural Indian people. In the financial year 2012-13, its revenue was INR 200,560 Crores (US$36.9 billion), out of which domestic operations contributed to 95.35% of revenue. Similarly, domestic operations contributed to 88.37% of total profits for the same financial year.

International presence
Till 28 June 2013, the bank had 180 overseas offices which is located in 34 countries. With this it has branches of the parent company in Moscow, Colombo, Dhaka, Frankfurt, Hong Kong, Tehran, Johannesburg, London, Los Angeles, Male in the Maldives, Muscat, Dubai, New York, Osaka, Sydney, and Tokyo. It has also offshore banking units in the Bahamas, Bahrain, and Singapore, with representative offices in Bhutan and Cape Town. It also has an ADB in Boston, USA.

State Bank of India (Canada)’s Canadian subsidiary was established in 1982. It has seven branches four located in Toronto area and three located in the Vancouver area. SBI operates with several foreign subsidiaries or affiliates. In 1990, it established an offshore bank: State Bank of India (Mauritius). SBI (Mauritius) has 15 branches in major cities/towns of the country including Rodrigues. State bank of India had spread their networks in California in 1982 and established 10 branches in different states. Among them nine branches are located in the state of California and one in Washington, D.C. The other eight branches in California are located in Los Angeles, Artesia, San Jose, Canoga Park, Fresno, San Diego, Tustin and Bakersfield. The 10th branch was opened in Fremont, California on 28 March 2011.

In Nigeria, SBI operates as INMB Bank. In 1981 it had begun as the Indo- Nigerian Merchant bank and received permission in 2002 for retail banking. In Nigeria State bank of India has five branches working currently. In Nepal, SBI owns 55% of Nepal SBI Bank, which has branches throughout the country. In Moscow, SBI owns 60% of Commercial Bank of India, with Canara Bank owning the rest. In Indonesia, it owns 76% of PT Bank Indo Monex.

The State Bank of India has a presence in China also and having branch in Shanghai and plans to open one in Tianjin. In Kenya, State Bank of India owns 76% of Giro Commercial Bank, which it acquired for US$8 million in October 2005.

1.6.3 Associate banks

Main Branch of SBI in Mumbai has associated with five associate banks. They all are known as State Bank of India. These all are using State Bank of India’s blue circle logo, Associate Banks are using their named as “State bank of name”,

15
followed by the regional headquarters’ name: The SBI group consists of SBI and five associate banks. The group has very wide network, with over 20000 plus branches in India and another 186 offices in 34 countries across the world. The group had assets worth more than USD 392 billion, with 299 USD of deposits and capital & reserves in excess of USD 23.03 billion. Whole group have commands over 23% share of the domestic Indian banking market.

- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore

At the time of independence it was difficult for the newly formed government to reach rural area directly and cover the same for early development. In finance sector banking sector is the only way to reach them. Rather than develop a new area it was better to reform available so SBI and associated banks were nationalized and acquired with per the government between October 1959 and May 1960. In tune with the first Five Year Plan, the development of rural India, the government integrated these banks into State Bank of India system to expand its rural outreach. There has been a anterior step towards merger of all the associate banks into SBI to create a "mega bank" and streamline the group's operations.

1.6.4 Non-banking subsidiaries
SBI has also associated with non- banking subsidiaries/joint ventures are market leaders in their respective areas and provide wide ranging services. It includes life insurance, merchant banking, mutual funds, and credit cards, factoring services, security trading and primary dealership. All these have made the SBI Group a truly large financial supermarket and India’s financial icon. Through SWIFT , SBI has arrangements with over 1500 various international / local banks to exchange financial messages in all business centers of the world to facilitate trade related banking business, reinforced by dedicated and highly skilled teams of professionals.’
Apart from its five associate banks, SBI also has the following non-banking subsidiaries:

- SBI Capital Markets Ltd
- SBI Funds Management Pvt Ltd
- SBI Factors & Commercial Services Pvt Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI DFHI Ltd
- SBI Life Insurance Company Limited
- SBI General Insurance

For the insurance SBI has jointly ventured with BNP Paribas. 74% of the total capital of SBI, BNP Paribas has capital of 26%. This joint venture life insurance is named as SBI Life Insurance Company Ltd. In 2004, SBI DFHI (Discount and Finance House of India) was founded with its headquarters in Mumbai.

1.6.5 Other SBI service points

State Bank of India has 43,515 ATMs in all over India till 31st March, 2014 and whole SBI group with associated banks has total 51,491 ATMs. In some places they are first who have installed their ATMs. In Jammu & Kashmir kargil region at Drass State bank of India bank has installed first ATM

Logo and slogan

The logo of the State Bank of India is a blue circle with a small cut in the bottom that depicts perfection and the small man the common man - being the center of the bank's business. The logo was designed by the National Institute of Design (NID), Ahmedabad and which was inspired by Kankaria Lake, Ahmedabad.


Listings and shareholding

Government of India has around 58.60% equity shares in SBI as on 31 March 2014. Life Insurance Corporation of India has 14.99% share holding which is the largest non-promoter among others.
SBI is listed in Bombay Stock Exchange where it is a constituent of the BSE SENSEX index, and the National Stock Exchange of India, where it is a constituent of the S&P CNX Nifty. Its Global Depository Receipts (GDRs) are listed on the London Stock Exchange.

**Employees**

SBI is one of the largest employers in the country. More than that SBI is continuously generated opportunity for the employment. SBI has 222,033 employees as on 31 March 2014. 45,132 employees are female employees which is the 20% of total employment and 2,610 (1%) employees with disabilities. Along with that SBI had 42,744 Schedule Caste (19%) and 17,243 Schedule Tribe (8%) employees. In top level management 36% employees are their in middle level management 46% percentage and lower level was 18% respectively. For new expansion and branch network State bank of India hired 1,776 Assistants and 1,394 Officers joined the Bank in FY 2013-14 to mitigate staff shortage, particularly at rural and semi-urban branches. While talking about *Staff productivity* it has mentioned in SBI Annual report for FY 2013-14 that each employee contributed net profit of INR 4.85 lakhs.

**1.6.6 Recent awards and recognitions**

- SBI won the Best Bank award in the ‘ASiAMONEY FX POLL OF POLLS 2014’ for best overall performance as domestic provider of Forex services over the last 10 years.
- SBI was ranked as the top bank in India based on tier 1 capital by The Banker magazine in a 2014 ranking.
- SBI was ranked 298th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2012.
- SBI won "Best Public Sector Bank" award in the D&B India's study on 'India's Top Banks 2013'.
• SBI won National Award for its performance in the implementation of Prime Minister’s Employment Generation Programme (PMEGP) scheme for the year 2012.
• Best Online Banking Award, Best Customer Initiative Award & Best Risk Management Award (Runner Up) by IBA Banking Technology Awards 2010
• SKOCH Award 2010 for Virtual corporation Category for its e-payment solution
• SBI was the only bank featured in the "top 10 brands of India" list in an annual survey conducted by Brand Finance and The Economic Times in 2010.
• The Bank of the year 2009, India (won the second year in a row) by The Banker Magazine
• Best Bank – Large and Most Socially Responsible Bank by the Business Bank Awards 2009
• Best Bank 2009 by Business India
• The Most Trusted Brand 2009 by The Economic Times.
• SBI was named the 29th most reputed company in the world according to Forbes 2009 rankings.
• Most Preferred Bank & Most preferred Home loan provider by CNBC
• Visionaries of Financial Inclusion By FINO
• Technology Bank of the Year by IBA Banking Technology Awards
• SBI was 11th most trusted brand in India as per the Brand Trust Report 2010.

Summary
In this chapter overview of the banking industry has been given. The present study deals with the various aspects of banking sector specially customer relations with regard to services, strategies overall satisfaction, loyalty and relations level in so it is important to know the roots of the cause. The birth of the banking Industry, developments and other concepts had been discussed mainly. Without a sound and effective banking system in India it cannot have a healthy economy. The banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external factors.
References:

- Gkpapers (2010), "Indian Banking Sector 2010: Opportunities & Challenges", May 16, sunday


- Sayuri Shirai, (2007), Assessment of banking sector reforms from the perspective of the Governance of the banking system, drpad publication, ADB Institute, Keio University

Online Resources:

- http://accman.in/images/jan10/indian%20banking.docx
- http://bankingblogs.blogspot.com/
- http://bankingreforms.blogspot.com/
- http://finance.indiabizclub.com/info/indian_banking_industry
• http://financialservices.gov.in/banking/foreign%20banks%20branches%20rep%20offices%20January%202014.pdf
• http://indianbankinghistory.blogspot.com/
• http://medlibrary.org/medwiki/state_bank_of_india
• http://theindiaeconomy.blogspot.com/2008/06/banking-sector-in-india.html
• https://answers.yahoo.com/question/index?qid=20070830082504aafg0qz
• https://in.answers.yahoo.com/question/index?qid=20071229032940aaoql7y
• indiansbibank.blogspot.com/
• www.State Bank of India
• www.answers.com/q/how_many_nationalized_banks_are_there_in_india
• www.bankingawareness.com/banking-gk/state-bank-of-india-sbi-important-points-to-remember/
• www.bankingexamseasy.com/content/state-bank-india-sbi
• www.compexel.com/bank.php
• www.excelinst.org/sbi/
• www.iiste.org/journals/index.php/ejbm/article/view/274
• www.indianmirror.com/indian-industries/banking.html
• www.rbi.org.in/scripts/publicationsview.aspx?id=13080
• www.researchgate.net/publication/237431290_iv._assessment_of_india%27s_banking_sector_reforms_from_the_perspective_of_the_governance_of_the_banking_system
• www.researchgate.net/publication/266586314_relationship_marketing_practices_and_customer_loyalty_evidence_from_the_banking_industry_in_ghana
• www.sbiantwerp.com/home.php
• www.sbical.com/about-us.aspx
• www.sbichicago.com/sbi_aboutsbi.htm
• www.scribd.com/doc/24304830/project-on-state-bank-of-india
• www.slideshare.net/alexanderdecker/relationship-marketing-practices-and-customer-loyalty
• www.slideshare.net/snehsony/sbi-sip-report
• www.statebank.com/abtus.htm
• www.yourarticlelibrary.com/banking/indian-banking-system-3-phases-of-indian-banking-system/23493/
• http://en.wikipedia.org/wiki/indian_banking
• http://infoonbanking.blogspot.com/
• http://nitieim19pomb095.blogspot.com/
• http://mgmtfunda.com/state-bank-of-india/
• http://sbijapan.com/home/index.php?id=1
• www.answers.com/q/list_of_nationalized_banks_in_india
• www.bankingawareness.com/banking-gk/pre-independence-banking-history-in-india/
• www.career-world4u.com/bank-jobs-in-india/
• www.mbaknol.com/managerial-economics/nationalization-of-indian-banks/
• www.finanace.indiabizclub.com/info/Indian-banking Industry
• www.ecs-limited.com
<table>
<thead>
<tr>
<th>Chapter 2. Relationship Marketing and Brand Loyalty: The Conceptual Framework</th>
<th>Page No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 What is Relationship Marketing?</td>
<td>24</td>
</tr>
<tr>
<td>2.1.1 The development of relationship marketing- from transaction to relationship</td>
<td>27</td>
</tr>
<tr>
<td>2.1.2 Definition based on analysis of extant relationship marketing definitions:</td>
<td>30</td>
</tr>
<tr>
<td>2.1.3. Benefits of relationship marketing</td>
<td>33</td>
</tr>
<tr>
<td>2.1.4 Relationship marketing in banking sector</td>
<td>35</td>
</tr>
<tr>
<td>2.2 Dimensions of Relationship Marketing</td>
<td>38</td>
</tr>
<tr>
<td>2.2.1 Trust</td>
<td>38</td>
</tr>
<tr>
<td>2.2.2 commitment</td>
<td>43</td>
</tr>
<tr>
<td>2.2.3 communication</td>
<td>48</td>
</tr>
<tr>
<td>2.2.4 Conflict Handling</td>
<td>51</td>
</tr>
<tr>
<td>2.2.5 Reliability</td>
<td>57</td>
</tr>
<tr>
<td>2.2.6 Switching barrier</td>
<td>57</td>
</tr>
<tr>
<td>2.3 Brand Loyalty</td>
<td>59</td>
</tr>
<tr>
<td>2.3.1 Why is Brand and customer loyalty?</td>
<td>61</td>
</tr>
<tr>
<td>2.3.2 Conceptual framework of brand loyalty</td>
<td>62</td>
</tr>
<tr>
<td>2.4 Loyalty Ladder</td>
<td>69</td>
</tr>
<tr>
<td>2.5 Overall satisfaction</td>
<td>75</td>
</tr>
<tr>
<td>2.6 Relationship Marketing and Brand loyalty</td>
<td>83</td>
</tr>
<tr>
<td>2.7 Relationship Marketing and overall Satisfaction</td>
<td>84</td>
</tr>
<tr>
<td>2.8 Brand Loyalty and overall Satisfaction</td>
<td>85</td>
</tr>
<tr>
<td>2.9 Summary</td>
<td>86</td>
</tr>
<tr>
<td>References</td>
<td>88</td>
</tr>
</tbody>
</table>