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3.1 INTRODUCTION

Before embarking upon the profile of the banks it is wise to have a discussion in brief about the evolution and journey of Indian banking industry.

The Indian Banking Industry began its journey in the year 1870 when Bank of Hindustan was set up as the first bank of India. However the foundation of modern banking was laid when the three presidency banks viz. Bank of Calcutta, Bank of Bombay and Bank of Madras was established under the Presidency Banks’ Act 1876. In 1921 all the presidency banks were amalgamated to form Imperial Bank of India which started performing limited functions of central bank of India.

Formation of Reserve Bank of India (RBI) under the Reserve Bank of India Act 1934 and promulgation of Banking Regulation Act 1949 were important stepping stones in the evolution/history of Indian banking system. The Reserve Bank of India was brought under Government Regulation vide the latter act which empowered it "to regulate, control, and inspect the banks in India."

The independent Government of India adopted a mixed economy and started playing an active role in controlling the financial activities of the country. As a part of this role the banks were nationalized and brought under the direct supervision of the government. The Imperial Bank of India was brought under the control of RBI in 1955 and renamed as State Bank of India (SBI). In 1959 SBI took control over eight private banks floated in erstwhile princely states. The nationalization of Indian banks in 1969, with an aim of allowing them to play a catalytic role in the growth of India, was the next revolution in the banking scenario. In 1969, fourteen Indian banks having deposits over 50 crores were taken over, and further in 1980 six more banks having deposits over 200 crores were acquired.

In order to increase the outreach of the banking sector successive Central Governments appointed several committees to propose structural changes. The Committee on Financial Sector Reforms (Chairman: Shri M. Narasimham), 1991; the Committee on Banking Sector Reforms (Chairman: Shri M. Narasimham), 1998; the Committee on Fuller Capital Account Convertibility (Chairman: Shri S.S. Tarapore), 2006; and the Committee on Financial Sector Reforms (Chairman: Shri Raghuram G. Rajan), 2009; have dealt extensively about the need for structural reforms in the Indian banking system. While the suggestions of these Committees may
vary in nature, the distilled wisdom behind the recommendations is unambiguous. The Expert Committees opined in favour of consolidation of Indian Banking Structure.

The change/reform as mentioned earlier becomes more visible in the activities of the banks. Historically there has been a close association between banks and some traditional industries, e.g., cotton textiles in the Western India and jute textiles in the Eastern India etc. and there have been concentration of the joint-stock banks in large commercial areas to the virtual neglect of non-commercial regions due to the preference of banks for trading activities and traditional industries. But liberalization has brought about a huge change in the concept of the banks, which have traditionally been unwilling to venture into the new fields of financing. Banks today in addition to acceptance of deposits and loaning of funds is venturing into other non-conventional activities. They are increasingly catering to the needs of industrial and agricultural sectors. From short-term financing, commercial banks have been gradually shifting to medium-term or even long-term lending. Apart from well established large industrial and business houses, banks are positively assisting small and medium enterprises, small farmers, artisans and other hither-to neglected groups in the country. Besides these, the banks are also being encouraged to diversify their activities and venture into areas like setting up of merchant banking divisions, floating up of mutual funds, taking up retail banking as an attractive market segment with opportunities for growth and for profit, offering the customers to enjoy the benefit of insurance (known as Bankassurance), providing the opportunity to take the advantage of alternative banking channel through Automated Teller Machines (ATMs), credit card facilities, transfer of funds, holding of dematerialised accounts, phone banking, introduce facilities like utility bill payment and other regular periodical payments, investment and financial services, etc. In fact traditional banking is dying and with aforementioned activities the banks are entering into an era of counterless, branchless, borderless, paperless and bank-less-banking. To sum up, customers today need banking and not just banks.

The structural reform in the banking scenario in India has also forced the entry of private and foreign banks that have helped extend the horizon of the banking landscape. The influx of private and foreign banks has completely revolutionized not only the banking industry but also the expectation of the customers.

In the wake of changing dynamics, the banks are facing an uphill task of acquiring new customers, building customers’ confidence and finally retaining old customers. Whatever may be the area of operations opened to the nationalized as well as private sector banks, there is no
denying the fact that their success/failure, to a very large extent, depend on establishing, developing and maintaining relational bond with the customers which help them to not only attract new customers but also retain old ones. The bank management has started realizing that so long they can retain the customers and provide valued services to them, the banks will survive as it has to be kept in mind that trust, confidence and creditworthiness are the principal qualities sought for by the average customers, be they daily wage-earners or corporate czars, while choosing, dealing, continuing and finally retaining their business with the banks.

Having gone through the above discussion the researcher finds it necessary to have discussion on the opportunities and challenges of the present scenario of the banking industry.

3.2 OPPORTUNITIES AND CHALLENGES OF THE INDIAN BANKING INDUSTRY

The Indian banking sector has over the years made rapid strides in reforming and aligning itself to the new and competitive business environment and has reached at an exciting stage in its evolution. The stage represents a spectrum where at one end there are millions of prospective customers who still do not have the chance to use the service of a banking branch, while at the other end there are customers who are more at ease in using ATMs, e-banking, internet-banking and mobile-banking facilities and are inclined towards a cashless or less-cash economy. And this shows the immense opportunity for market expansion, including opportunities to develop new ways of working, to improve efficiency and to deliver higher levels of customer service that is available to the banks.

**Opportunities**

Some of the specific opportunities available to the sector are:

**Indian Consumer**

Indian consumers of 21st century characterized by the demographic shifts in terms of age and income levels coupled by the cultural shifts in terms of lifestyle aspiration, is one of the greatest opportunities in front of the Indian banking industry as they will be one of the key drivers of economic growth in the ensuing years. Their twin aim of financing both the current desires and securing future dreams/aspirations can to a large extent be fulfilled by the products and services of the banks. The consumers today need loans to finance his dream house, an auto loan for his car, a credit card for daily purchases, a long term investment to finance his future plans, an education loan for himself/herself or for his/her child, a pension plan for his/her
retirement, a life insurance policy etc. And such a consumer is present not only in cities and towns but also in villages. It is for the banks to tap this huge market and make most of the opportunity and deliver time-bound solutions. The demand of the consumers for a competitive, sophisticated and updated retail banking service is growing at an exponential rate.

**Revolution in information technology**

The Indian banks today are under a huge pressure to fulfill the wishes and aspirations of a large spectrum of consumers spread over a vast and enormous geographical periphery in a target oriented and time-bound manner. The revolution in information technology, which is helping the banks move towards the age of virtual banking, has presented a great opportunity in dealing with the aforementioned pressure.

Technology today is instrumental in offering conveniences to retail customers. The increasing sophistication, flexibility, complexity of products and service offerings makes the use of technology imminent and critical for delivering time-bound, effective and efficient service. Technology aided services like ATMs, Point of sale devices, Smart cards, Internet and mobile banking are being used by the banks to a maximum possible extent to deliver and maintain high quality of service and efficiency standards while remaining cost-effective and dispensing sustainable returns to shareholders. The Indian banking sector particularly the public sector banks must take steps for early adoption and managing technology in order to capitalize the opportunities available in terms of market expansion and gaining competitive advantage through it.

**Financial inclusion**

The nationalization of Indian banks marked a paradigm shift in the focus of banking from ‘class banking’ to ‘mass banking’. However there is a large section of people in India who are still out of the ambit of banking services. It is not only a challenge but also an opportunity to the Indian banks to reach out to the underprivileged and unbanked sections of the society. Therefore as part of business strategy and Corporate Social Responsibility the Indian banks need to promote the Government policy of financial inclusion of marginalized sections of the society. The banks today are utilizing non-governmental agencies (NGOs/SHGs), microfinance institutions, Banking Correspondents and other civil society organizations as intermediaries in providing financial and banking services to the marginal sections of the society through the use of business facilitator and business correspondent models. The programme of financial inclusion
though at present may not seem to be profitable but will hopefully emerge as a commercially viable option for the Indian banks.

**Globalisation**

The process of integration of the Indian economy with that of the world through globalization started in the year 1991. Today it is virtually impossible for Indian financial system, of which Indian banks are an integral part, to exclude itself from the world economic order. Globalisation has opened vistas of opportunities for the Indian banks in the areas of retail banking, rural banking, investment banking, internet banking etc.

It is estimated that banking, financial services and insurance together account for 38-40 per cent of India’s outsourcing industry. Mckinsey and NASSCOM reported that India has the potential to process 30 per cent of banking transactions in the US. Outsourcing to India in this sector is expected to grow at an annual rate of 30-35 per cent. Further the numerous mergers and acquisition deals by the Indian corporates have made Indian investment banking revenue surge to a height, and make it one of the largest in Asia-Pacific region.

The Indian banks can today venture into the territories which so long remained out of bound for them, like the opening of foreign branches by the public sector banks. As quid pro quo the 43 foreign banks ([www.ibef.org](http://www.ibef.org)) can now expect a level playing field while operating in India.

**Rural market**

The rural sector has always played and is still playing an important role in India in terms of contribution to the growth and development of this country. It is estimated that about 70 percent of India’s population live in rural areas. But even after 69 years of independence, the reduction in the levels of poverty in the rural areas have been typically slow and low, the reason being the sluggish development in these areas in spite of new opportunities coming up in the post liberalization era due to better rural-urban and agricultural-nonagricultural linkages. The rural population needs to be empowered with necessary information, entrepreneurial skill and most importantly easy, adequate and timely capital.

The last of the above three can only be provided by the financial institutions of which banks are a vital part. Provision of services along with credit will not only help borrowers increase their production but also the productivity. It is for the banks to exploit the huge, untapped and at times unexplored market as revealed by the following facts, and help improve
the growth trajectory of Indian economy. As per the Indian Brand Equity Foundation, a trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India:

- Of the 600,000 village habitations in India only 5 per cent have a commercial bank branch
- Only 40 per cent of the adult population has bank accounts
- Debit card holders constitute only 13 per cent of the population and only 2 per cent have a credit card
- 51.4 per cent of nearly 89.3 million farm households do not have access to any credit either from institutional or non-institutional sources.
- Only 13 per cent of farm households are availing loans from the banks in the income bracket of <USD 1000.

Challenges

In order to capitalize on these opportunities multiple and concurrent challenges awaits the banking sector for which a comprehensive process of change and restructuring needs to be undertaken by the banks.

Among the multiple and concurrent challenges faced by the sector are:

**Risk management**

Banks are in the business of taking risks. In the present global scenario the risk-taking of banks have increased manifold considering the following factors:

(i) Greater exposure to global economy due to the process of LPG (liberalization, privatization, globalization).
(ii) New and innovative methods of transactions through internet and cellphones.
(iii) Widening and deepening regulatory norms through BASEL accord.
(iv) Rising customer expectations about swift and secured transaction
(v) Evolving and advancing technology.
(vi) New and emerging risks like cyber-security risks etc.
(vii) Increasing pressure of cost saving.

In order to meet this challenge the banks today need to distinguish between measured risk taking and recklessness and hence indulge in risk management. Risk management would involve knowing the risk, measuring it and finally controlling it within the risk appetite of the bank using
appropriate methods. One such step is passing of Insolvency Act and Bankruptcy Act 2016 by the Government on 5th May 2016.

**Development of knowledge and skills of the human resources**

Bank has always been and will always be “People Business”. The success of the banking sector has been and will in future depend on management of its human resources or employees as they are the one interacting with the customers who are the mainstay of the business and whose satisfaction will determine the future course of the business. Those who do not meet the customer expectation will find survival difficult. It is not a secret that skilled manpower, which is precious for an organization to achieve customer satisfaction, is in short supply in India. Hence this precious and scarce resource which is undoubtedly the most valuable possession of any organization needs to be managed efficiently. Thus investment on human resources especially in a competitive sector like bank is not only necessary but inevitable which would help them keep pace with the fast-changing environment at home and abroad. The focus of recruitment, training and redeployment must shift from generalist orientation to specialist orientation. Banks will have to plan:

- A steady, carefully calibrated recruitment programme i.e., acquiring right people. The recruitment test should focus on psychological abilities of candidates to ensure that only aspirants with right attitude are selected. Lateral recruitment to induct specialist is the need of the hour.
- As rapid technological changes can transform business-continuous skill upgradation of the employees is necessary. In this “Knowledge age” people work for “Empowerment” and that is the best way to upgrade employees.
- A fair, transparent and objective mechanism for performance management is a pre-requisite today for a bank to succeed.
  - The employees should be treated as associates
  - They should not be managed but led
  - They need to be empowered

(Inaugural address by Dr K C Chakrabarty, Deputy Governor of the Reserve Bank of India, at the HR Conference of Public Sector Banks, Mumbai, 1 June 2012)
**Product Innovation**

The challenge being faced by the Indian banks from foreign banks, financial institutions, mutual funds, NBFCs, provident funds, pension funds and newly introduced payment banks have made product innovation of utmost importance. The banks will have to leverage technology for innovative product development including sophisticated financial product. Today as the customers are insisting on tailor-made products for themselves, banks are forced to opt for product innovation in order to hang on to their precious client base. Moreover the demographic shifts resulting from changes in age profile and the change in income level have made the Indian consumers more demanding in terms of service quality from banks. This would possibly help in further product innovation and creation of a new differentiated market positions through new business opportunities and by providing a unique set of customer packages.

**Brand building and management**

Brand building and brand management today are major challenges for the Indian banks considering the competitive atmosphere prevailing in the country. The competition has increased manifold with recent decision of the Government of India allowing the opening of payment banks and permitting the Department of Post to function as banks. The experts are thus of the opinion that the banks, in order to fight off the identity crisis, apart from focusing on the financial figures should also concentrate on image building, image development and image maintenance. They should contemplate strongly on building a powerful brand having high brand equity as it will help the banks develop brand loyalty among the customers. Thus a huge investment of resources—both in terms of time and money is required to build a brand and maintain it.

**Customer retention**

According to Rosenberg & Czepiel, 1984, it costs less to retain a customer than to compete for a new one. And studies have indicated that in this era of hyper competition and technological revolution when customer turnover is high due to easy access and swift availability of competitors, marketers are more concerned with customer retention which is a better way of achieving sustainable competitive advantage. The marketers are realizing that a critical factor for success of an organisation is not a single transaction but long term enduring relationships with the customers. Thus the concept of Customer Relationship Management which is a narrow concept of Relationship Marketing is being adopted by them in order to establish, maintain, enhance and finally retain relationship with the customers.
From the discussion made so far it appears that the banking sector in India not only has offered various opportunities to the Indian customers but has also experienced various challenges in marketing their products. As a corollary of this discussion it is necessary to have a brief discourse on the evaluation and growth of marketing strategies of the banks in India. From below one can have an idea of the same.

3.3 EVOLUTION AND GROWTH OF MARKETING STRATEGIES OF BANKS IN INDIA

The banks today are virtual ‘Financial Supermarkets’ rather than mere purveyors of credit with products ranging from retail banking to home loan, car loan, personal loan, bancassurance, mutual fund, credit card etc. allowing the customers to choose the product/service of his/her choice. Hence the banks today are forced to be conscious of their corporate image and its projections among the people/customers.

Banking undoubtedly is and has always been a personalized service oriented industry and bankers are obliged to anticipate, identify, reciprocate (by designing and delivering customer-centric services) and satisfy customers’ needs, wants and demands by providing services effectively, efficiently and profitably.

The aforementioned activities of banks viz. fulfillment of obligation and/or image projection is nothing but creating, communicating and delivering of value to the customers which is synonymous to marketing.

But bank marketing as a part of service marketing is inimitable, demands special care and attention and has a history of its own as revealed by the following literature review:

G L Shostack (1977) in one of the pioneering articles on emergence of service marketing titled “Breaking free from product marketing” published in Journal of Marketing in April 1977 wrote “Service marketing, to be effective and successful, requires a mirror-opposite view of conventional ‘product’ practices”. Christian Gronroos (1978), Robert Gummesson (1979) and Leonard Berry (1980) were also of the same opinion as Shostack.

Service marketing is indeed different and challenging from product marketing in respect of four basic characteristics referred to as IHIP or Intangibility, Heterogeneity, Inseparability and Perishability which have been the staples of research in services for the last two decades.
Intangibility is one of the most basic characteristic of services as it cannot be seen, touched, smelled or tasted before being consumed. The fact that services cannot be protected with patents makes it even more unique. Further because of intangibility, services cannot be readily displayed or easily communicated and thus pricing decisions are one of the toughest to make.

The services are heterogeneous in character as there are no two services which are alike. Heterogeneity is a challenge considering the fact that the quality and essence of service can vary from, not only between two customers but also between two producers.

It is also not unknown today that services have to be simultaneously produced and consumed because of the characteristic of inseparability. And it is because of this characteristic that the customers are present during the production process which makes mass production difficult.

Further services are also perishable as it cannot be stored for reuse at a later date, sold or returned. The characteristic of perishability makes synchronization of supply and demand difficult for the producers. The inventory planning is a challenge for them and requires strong recovery techniques for service failures.

Bank marketing has been defined in similar lines by S Kuppuswami (1986) in the following words, “Creation and delivery of financial services suitable to meet the customer’s need at a profit to the bank”. The definition not only stresses on the universal concept of customer satisfaction but also underlines the importance of profit to the bank.

Deryk Vander Weyer of Barclays Bank, who became Senior General Manager and Deputy Chairman rising from the rank of a junior clerk, calls marketing strategy as “…a process consisting of identifying the most profitable markets now and in future; assessing the present and future needs of the customers; setting business development goals and making plans to meet them; and managing various services and promoting them to achieve the plans—all in the context of a changing environment in the market” (B Subbaiah, 2012).

Rajeev K Seth (1997) in his book perceives marketing orientation in a way which is basically an attitudinal disposition of a banker. It enables him to anticipate customers’ needs and also inspires him to satisfy that need.

The marketing approach of banking activities includes the following components or activities (Bettinger, 1985):
- Determining in a rational, informed, and strategic manner, the desired customer base
- Identifying the current and future needs of desired customer and customer prospect segments
- Creating need-satisfying benefits that respond appropriately and profitably to customer needs and which positively differentiate the organization from its competitors.
- Communicating and delivering these benefits effectively and efficiently to the marketplace
- Converting the employees of the organization into a well-informed, disciplined, and professional force committed to the organisation’s values and objectives

In Indian context the primary activities involve

- Increase deposits
- Improve the quality of customer service
- Develop bank’s image
- Report marginal profit

Achieving the aforesaid activities requires adopting comprehensive, responsibility-oriented approaches/strategies by the banks keeping in mind the economic, political, cultural and social environment/circumstances prevailing in and around the country.

It was not until mid 1950s that the need for marketing was felt by the bankers. The early bankers (pre 1950s) felt it was unnecessary and wasteful on their part to try and sell their services as the traditional relationships and quality of products were sufficient to attract the customers. The importance of a bank was reminded by the bank building modeled as a Greek Temple. The interior was austere as the tellers rarely smiled and the bankers hardly thought of maintaining friendliness. The concept of marketing in the banking industry was introduced in the western world in late 1950s with the emergence of advertising and promotion concept. The attitudinal change of the bankers during this time led to the rise in importance of customers’ satisfaction and flourished in 1960s and became an integral part of banking services in the 1970s.

Marketing in Indian Banking sector also came in late 1950s when it was realized that activities much more than smiling and friendly tellers are required to reach out to the customers. Till 1950 personal selling was a forbidden concept in banking industry so much so that the function of customer contact was termed as ‘business development function’.
The journey/evolution of marketing strategy of Indian Banking sector can be subdivided in three major/distinct phases (http://shodhganga.inflibnet.ac.in). They are

(i) Traditional banking period (Pre-nationalisation era upto 1969)
(ii) Development banking period (Post-nationalisation period from 1969 upto mid 1980)
(iii) Bank marketing period (After mid 1980s)

A brief description of each period is given below

(i) Traditional banking period (Pre-nationalisation era upto 1969)

The attainment of freedom in 1947 made it imperative for the Indian Government to adopt planned economy with the aim of removing economic, social and regional imbalances. The private banks prevailing and operating during this period failed not only to curb the role of moneylenders exploiting the farmers but also could not reach the large marginalized sections of the unbanked society. Banking was conservative, inward looking, concerned with the accounting of transactions and profit generation. Meticulous maintenance of rulebooks and accounts books was more important than maintaining good relations with people. Security provided by the customer for availing loan was more important than the need of the customer. The customers were presented with pre-designed and standard banking products with the option of “take it or leave it”. The services offered were limited to current accounts, term deposit account, savings bank account, collection of outstation cheques, executing standing instructions of the clients, locker facility etc and all these for select few customers. The period can overall be classified as an era of “Class banking” rather than “Mass banking” (Rajeev k Seth, 1997). The need for marketing was never felt necessary.

The nationalization of banks in 1969 (14 Indian banks having deposits over 50 crores were taken over in 1969 and in 1980 further 6 banks having deposits over 200 crores were taken over) turned a new leaf in the history of bank marketing.

(ii) Development banking period (Post-nationalisation period from 1969 upto mid 1980)

The act of nationalization of banks was inspired by a socio-economic intention of the Government of the day. The large scale branch expansion during this period was aimed at providing financial assistance to the weaker sections of the society like agriculturists, small traders and a significant but sizeable section of the society. Though the bankers came out of the ivory towers and started connecting with masses but still could not get rid of the orientation of “take it or leave it”. At best they adopted a selling stance. The concept of customer satisfaction
came into being during 1970s largely due to the efforts of State Bank of India as they started recognizing the fact that customers are the mainstay of any business organization. Four major segments were created viz. small industries and small business, agriculture, commercial and institutional, personal and service segment, which initiated an era of customer orientation and thus began the journey of discipline of bank marketing (Rajeev K Seth, 1997). As far as 4Ps (Product, Price, Place, Promotion) are concerned, the banks had the limited freedom as the control was in the hands of the Government.

(iii) Bank marketing period (After mid 1980s)

The beginning of this era was mired with the ill effects of frantic branch expansion, erratic loan/credit disbursement, failing communication efforts with remotest bank branches, rising customer dissatisfaction and the dwindling interest of bank staff towards developmental work. However the period was also characterized by technological innovations like electronic fund transfer system, automated teller machines (ATM), direct deposit of payrolls, dial a draft facility, credit cards, pay by phone system, tele-banking, online banking etc. which gave a thrust to bank marketing. The financial sector reforms initiated during the early 1990s acted as a major catalyst in the process of creating, communicating and delivering value to the customers. The entry of private and foreign banks in the scenario led to increase in competition which forced the Government owned banks to adopt innovative strategies as the demands and expectations of the customers were almost sky high. Moreover, the initiatives of the Non Banking Financial Companies, Post Office savings scheme, Mutual fund schemes, company fixed deposits, introduced or popularized during this period hastened the process of financial disintermediation and posed a serious threat to the existence of banks. The bankers thus resorted to bank marketing which would give them ammunition to not only survive but thrive in the financial sector. The banks started equipping their staff with skills of reaching, attracting and growing customers through internal and external training facilities.

The bankers freedom to influence the 4Ps (Product, Price, Place, Promotion) not only increased during this period but the concept of marketing mix underwent a serious reframing as far as service marketing is concerned. This was a period which saw the enlarging of the ambit of marketing mix from 4Ps to 7Ps (Product, Price, Place, Promotion, People, Process, Physical evidence).
The following diagram from an established source of literature reveal the major marketing orientations of the bankers since the days of independence to the present days.

Figure 7: Evolution of bank marketing in India

Source: Rajeev K. Seth, Marketing of Banking Services
A diagram showing the different phases and the marketing orientations since 1950s is depicted in the figure given below.

**Figure 8: Different phases and the marketing orientations of banks in India since 1950s**

- **Serving the customers**
  - 1950s to 1960s

- **Satisfying the customers**
  - 1960s to 1980s

- **Pleasing the customers**
  - 1980s to 1990s

- **Delighting the customers**
  - 1990s to 2000s

- **Retaining the customers**
  - 2000s and beyond

3.4 PROFILE OF THE BANKS SELECTED FOR THE STUDY

3.4.1 United Comercial Bank- a brief profile

SOURCE: https://www.ucobank.com

Ownership pattern

Established in the year 1943 by one of the leading industrialist and businessman of British India Late G D Birla, and subsequently brought under Government ownership in July 1969, United Commercial Bank (UCO) has metamorphosed into one of the leading Public Sector Banks in India.

The bank founded as a proprietary concern is today a joint stock company with Government being the majority shareholder. The Shareholding Pattern of the bank as on 31st March 2015 is as below:

Table 2: The Shareholding Pattern of UCO bank as on 31st March 2015

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shareholders</th>
<th>No. of Shares held</th>
<th>% of equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Promoter/Promoter Group-Government of India</td>
<td>1</td>
<td>783333288</td>
<td>72.83</td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Mutual Funds</td>
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<td>928564</td>
<td>0.09</td>
</tr>
<tr>
<td>Financial Institutions/Banks</td>
<td>15</td>
<td>1392824</td>
<td>0.13</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>18</td>
<td>156388166</td>
<td>14.54</td>
</tr>
<tr>
<td>Foreign Institutional Investors</td>
<td>75</td>
<td>40550264</td>
<td>3.77</td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodies Corporate</td>
<td>1740</td>
<td>13213933</td>
<td>1.23</td>
</tr>
<tr>
<td>Individuals holding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Nominal share capital upto 1 lac</td>
<td>303881</td>
<td>67188889</td>
<td>6.25</td>
</tr>
<tr>
<td>(ii) Nominal share capital above 1 lac</td>
<td>267</td>
<td>9991604</td>
<td>0.93</td>
</tr>
<tr>
<td>Trust</td>
<td>19</td>
<td>363596</td>
<td>0.03</td>
</tr>
<tr>
<td>Clearing Members</td>
<td>142</td>
<td>509373</td>
<td>0.05</td>
</tr>
<tr>
<td>Non-Resident Indians</td>
<td>1278</td>
<td>1731211</td>
<td>0.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>307447</strong></td>
<td><strong>1075591712</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Annual Report 2014-15

And thus the Board of Directors includes representatives from Government of India and Reserve Bank of India who assists and advices on the operation of the bank. The bank also receives expert guidance from eminent professionals like accountants, management experts, economists, businessmen who are part of the board.
**Vision statement**

To emerge as the most trusted, admired and sought-after world class financial institution and to be the most preferred destination for every customer and investor and a place of pride for its employees.

**Mission statement**

To be a top-class bank to achieve sustained growth of business and profitability, fulfilling socio-economic obligations, excellence in customer service, through upgradation of skills of staff and their effective participation making use of state-of-the-art technology.

**Geographical spread**

The pan India presence of the bank is evident from the geographical spread of its circle offices, zonal centres and branch network in 29 states and 7 Union Territories. The bank has 10 circle offices, 48 Zones and 3020 branches as on 31st March 2015.

The commitment of the bank to increase its spread in rural, semi-urban, urban and metro areas is evident from the following table which reveals the population category wise break-up of branches:

<table>
<thead>
<tr>
<th>SLNO</th>
<th>LOCALITY</th>
<th>NUMBER</th>
<th>%</th>
<th>LOCALITY</th>
<th>NUMBER</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RURAL</td>
<td>1063</td>
<td>37%</td>
<td>RURAL</td>
<td>1106</td>
<td>37%</td>
</tr>
<tr>
<td>2</td>
<td>SEMI-URBAN</td>
<td>747</td>
<td>26%</td>
<td>SEMI-URBAN</td>
<td>805</td>
<td>27%</td>
</tr>
<tr>
<td>3</td>
<td>URBAN</td>
<td>568</td>
<td>19%</td>
<td>URBAN</td>
<td>591</td>
<td>19%</td>
</tr>
<tr>
<td>4</td>
<td>METRO</td>
<td>512</td>
<td>18%</td>
<td>METRO</td>
<td>514</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Source: Annual Report 2014-15*

In addition to above the bank also had as on 31st March, 2015, 6 Flagship Corporate branches, 15 Mid-Corporate branches, 23 Service branches, 7 Asset Management branches and one Integrated Treasury Management Branch at Mumbai. The bank continues to have 29 Retail Loan Hubs, 2 SME Hubs and 78 City Back Offices as on the above date.

To reach out to 2.5 crore customers (as on 31.03.15), the bank has joined National Financial Switch (NFS) which enables customers to access more Automated Teller Machines (ATM) across the country. There are 2096 ATMs as on 31st March, 2015, of which 1524 were onsite and 572 were offsite. The number of ATM-cum-Debit cards issued by the bank till March 2015 is 61,12,218.
The bank’s overseas ambition is evident by the fact that it has four foreign branches opened at the two business hubs of the world viz. Singapore and Hong Kong. The bank has two extension counters as on the same date.

**Services offered**

The bank offers its customers regular facilities like opening of Current Deposit/Savings Deposit/regular Recurring Deposit Accounts. The depositors are also provided with a number of customized deposit schemes, not only to serve the present needs of the customers but also to maximize their future benefits. The bank provides loans to customers according to their requirement whether for purchasing a house or a car, or for financing education. The customers can avail internet banking facility for bill payments, air and rail ticket booking, on line shopping, inter-bank and intra bank fund transfer. The number of e-banking users as on 31st March 2015 are 3,84,524. The bank is also providing services like balance enquiry, account statement, transaction related SMS alerts, payment of indirect taxes, direct taxes among others. The aforementioned banking activities like balance enquiry, account statement, mobile recharge, intra and inter-bank fund transfer can also be performed through their mobile handset using SMS/GPRS modes of connection. The number of customers using mobile banking facility stands at 41,803 for the year ending March 2015. UCO Bank, apart from its Core Banking activities, has entered into the bancassurance business or the business of marketing insurance products, with the objective of offering a variety of services and products to its customers.

The customer of the bank includes not only individuals but also business organisations be it large, medium or small. The bank is committed to meet both the long term and short term financial requirements of the merchant firms. The requirements may be for domestic or foreign markets. UCO Bank has tied up with Export Credit Guarantee Corporation Ltd (ECGC) for marketing of credit insurance products. ECGC is offering various credit insurance products to Indian exporters to protect them from risk of loss involved in export trade.

UCO Bank offers innovative solutions to the business customers for restructuring their needs with clear cut strategies and instruments for sourcing additional funds for operations and rehabilitation or refinancing existing debt. SME Finance takes care of the funding needs of Micro & Small Entrepreneurs. Keeping in view the specific requirements of these units, UCO Bank has introduced a large range of products at attractive rates of interests. The Bank also provides collateral free loans upto Rs 100 lakh for SMEs.
The bank is also providing international banking services in India for the benefit of Indian customers, corporates, NRIs, Overseas Corporate Bodies, Foreign Companies/Individuals as well as Foreign Banks etc.

**Internalising Relationship Marketing Strategy**

UCO bank have been adopting marketing strategies marking the shift from transaction based to relationship based one. The bank is banking on the long term strategy of establishing, maintaining, and enhancing relationships with customers with an aim to retain them through its various initiatives.

UCO mBanking is the mobile banking solution that allows a customer to access his/her account using a mobile device. It is a convenient menu driven application where the customers can view account related information, transfer funds, pay bills and enjoy all the online banking features with increased online security.

UCO Bank’s Visa Debit Card gives the customers opportunity to enjoy the convenience of anywhere, anytime banking, tension-free shopping, bill payments, dining out, online tickets booking and transfer of money. In addition the bank also has a loyalty programme for all valued customers viz. UCOBank Rewardz. The customers earn UCO points every time they use Debit card, which can be conveniently redeemed by them in categories like merchandise, movie, bus and air travel, hotels etc.

UCO Bank’s Unified Payment System (UPI) under the guidance of NPCI (National Payments Corporation of India) is a step towards India’s vision of migrating towards a “less-cash” and more digital society. The UPI works on the idea of “virtual payment address” which the customers need to share to pay/collect the money. The scheme helps the customers with the following features:

- It enables to make a payment seamless and instant by needing the payee to only remember a virtual payment address (VPA).
- It allows making payments directly from bank account, so one need not to pre-load money in wallets that does not pay interest on the balances.
- It allows paying different merchants without the hassle of typing card details or net banking credentials.
- Money is transferred instantly between accounts with different banks.
• Money transfer with UPI is secured with two factor authentication (2FA)-the first factor being the phone and the mobile PIN the second.
• It is capable of peer-to-peer transfers as well as peer to merchant transactions including the option for merchants/service providers to ask for money.

UCO Bank in addition to its core banking activities has started Bancassurance business with the object of offering a variety of insurance services and products to its customers who visit its bank branch. UCO Bank is the Corporate Agent of Life Insurance Corporation of India, National Insurance Corporation of India and Reliance General Insurance Company Ltd and offers its customers various life and non-life products.

In addition to above the following services/activities are proof enough to show that UCO Bank today is interested in developing a strategic partnership with its customers that would give the bank a competitive advantage over its peers/competitors.

- IMPS or Immediate Payment Service is a fast scheme to transfer fund anywhere, anytime (24 x 7 x 365) between customers even on weekends and bank holidays.
- Spend high, Fly higher is a scheme where the customers can use RuPay Card and win Indigo Flight vouchers worth Rs 15,000/-. The top 25 spenders on PoS and mCommerce websites each month get rewarded.
- UCO missed call alert is another scheme of the bank where a present/prospective customer can give a missed call and avail information related to Home loans, Car Loans and Account balance/Mini Statement through SMS on his/her mobile phone.
- UCO Bank Retail Loan Hubs is a single window approval of Retail Proposals through 38 Retail Loan Hubs across India. The Loan hubs deal with Car Loan, Education Loan, Traders Loan, Personal Loan, Two Wheeler Loan, Doctors’ Loan, Securities Loan, Gold Loan, Home Loan etc.
- UCO Mobile Banking App can be used by the customers to book tickets in Flights, bus and rooms in hotels

Conclusion

The bank has contributed to the growth and development of Indian economy for over seven decades in all the sectors including agriculture, infrastructure, service, housing etc. The bank has over the decades put in serious efforts to become one of the most trusted and admired
The trust and admiration has helped UCO bank win many awards and accolades for its performance in last few years. It has been awarded 1st prize in the category of “Best Bank for Operational Performance” for 2014. It was the second best bank under the category of best bank amongst large banks for the year 2014. State Forum of Bankers Club awarded UCO bank with Banking Excellency Award 2013-14. It won the first prize for Highest Average loan to Self Help Groups in West Bengal State during the year 2013-14 under Commercial bank category. UCO Bank also received prestigious SKOCH AWARD for Excellence in Banking in Financial Inclusion and Deeping 2014.

3.4.2 United Bank of India- a brief profile


Ownership pattern

United Bank of India ltd (UBI) the predecessor of United Bank of India was formed in the year 1950 by merging four other banks viz. Comilla Banking Corporation ltd. established in 1914, Bengal Central Bank ltd. which came into existence in 1918, Comilla Union Bank ltd set up in 1922 and Hooghly Bank ltd launched in 1932. Subsequently, other banks namely, Cuttack Bank Limited, Tezpur Industrial Bank Limited, Hindusthan Mercantile Limited and Narang Bank of India Limited were merged with the Bank. The Head Office of the Bank was set up at 4 Clive Ghat Street (presently known as N. C. Dutta Sarani, Kolkata 700 001) which was shifted to its present location at 11 Hemanta Basu Sarani, Kolkata – 700001 in 1972 for operational efficiency. The bank was nationalized on July 19, 1969 under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and brought under the control of Government of India to participate in the nation building process of independent India.

The ownership pattern of the bank has changed since the days of its inception and as on March 31, 2015 the pattern of Equity Shareholding is as follows:
### Table 4: The pattern of Equity Shareholding of UBI

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>NO. OF SHARES</th>
<th>SHAREHOLDING %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Promoters’ holding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of India</td>
<td>688430610</td>
<td>82.003</td>
</tr>
<tr>
<td>B. Non-Promoters’ holding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Mutuals Funds &amp; UTI</td>
<td>8963331</td>
<td>1.068</td>
</tr>
<tr>
<td>(b) Banks/Financial Institutions</td>
<td>198600</td>
<td>0.024</td>
</tr>
<tr>
<td>(c) Insurance Companies</td>
<td>103400951</td>
<td>12.317</td>
</tr>
<tr>
<td>(d) FIIs</td>
<td>574055</td>
<td>0.068</td>
</tr>
<tr>
<td>C. Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Bodies Corporate</td>
<td>6499364</td>
<td>0.773</td>
</tr>
<tr>
<td>(b) Clearing Members</td>
<td>1120824</td>
<td>0.134</td>
</tr>
<tr>
<td>(c) Indian Public</td>
<td>27845011</td>
<td>3.316</td>
</tr>
<tr>
<td>(d) NRIs</td>
<td>961489</td>
<td>0.115</td>
</tr>
<tr>
<td>(e) NRN</td>
<td>198396</td>
<td>0.024</td>
</tr>
<tr>
<td>(f) Trusts</td>
<td>52100</td>
<td>0.006</td>
</tr>
<tr>
<td>(g) Office Bearers</td>
<td>1171403</td>
<td>0.140</td>
</tr>
<tr>
<td>(h) Foreign National</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>(i) Hindu Undivided Family</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>(j) Foreign Port Folio Investor</td>
<td>99712</td>
<td>0.012</td>
</tr>
</tbody>
</table>
| TOTAL                          | 839515951     | 100.00         

*Source: Annual Report 2014-15*

**Vision statement**

Our Vision is to emerge as a dynamic, techno savvy, customer-centric, progressive and financially sound premier bank of our country with pan-India presence, Sharply focused on business growth and profitability with due emphasis on risk management in an environment of professionalism, Trust and transparency, observing highest standards of corporate governance and corporate social responsibilities meeting the expectations of all its stake holders as well as the aspirations of its employees. Essentially Pursuit of Excellence is going to be core philosophy and driving force for the bank.

**Geographical reach**

The well spread out Branch Network of the bank across the country shows the commitment of the bank to serve the common people. The total number of branches stands at 2004 as on 31.03.2015. Out of the total 2004 branches, 884 (44.11%) are located in 85 Minority Concentration Districts (MCDs) throughout the country. The bank has 35 regional offices across the country. The bank has 4 Extension Counters & Regional offices across the country.
The Population group-wise Composition of Total Branch Network is given below:

**Table 5: The Population group-wise Composition of Total Branch Network of UBI**

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NUMBER OF BRANCHES (% OF TOTAL)</th>
<th>31.03.2014</th>
<th>31.03.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>METROPOLITAN</td>
<td>332</td>
<td>16.59%</td>
<td>330</td>
</tr>
<tr>
<td>URBAN</td>
<td>461</td>
<td>23.04%</td>
<td>463</td>
</tr>
<tr>
<td>SEMI-URBAN</td>
<td>409</td>
<td>20.44%</td>
<td>411</td>
</tr>
<tr>
<td>RURAL</td>
<td>799</td>
<td>39.93%</td>
<td>800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2001</td>
<td>100%</td>
<td>2004</td>
</tr>
</tbody>
</table>

*Source: Annual Report 2014-15*

The Geographical location-wise composition of Total Branch Network is given below:

**Table 6: The Geographical location-wise composition of Total Branch Network of UBI**

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NUMBER OF BRANCHES (% OF TOTAL)</th>
<th>31.03.2014</th>
<th>31.03.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EASTERN REGION</td>
<td>1168</td>
<td>58.37%</td>
<td>1169</td>
</tr>
<tr>
<td>NORTH EASTERN REGION</td>
<td>351</td>
<td>17.54%</td>
<td>352</td>
</tr>
<tr>
<td>WESTERN REGION</td>
<td>85</td>
<td>4.25%</td>
<td>85</td>
</tr>
<tr>
<td>NORTHERN REGION</td>
<td>125</td>
<td>6.25%</td>
<td>123</td>
</tr>
<tr>
<td>SOUTHERN REGION</td>
<td>118</td>
<td>5.90%</td>
<td>121</td>
</tr>
<tr>
<td>CENTRAL REGION</td>
<td>154</td>
<td>7.69%</td>
<td>154</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2001</td>
<td>100%</td>
<td>2004</td>
</tr>
</tbody>
</table>

*Source: Annual Report 2014-15*

The Bank has 149 Specialised Branches which are as follows:

**Table 7: 149 Specialised Branches of UBI**

<table>
<thead>
<tr>
<th>SNO</th>
<th>CATEGORIES OF SPECIALISED BRANCHES</th>
<th>NO OF BRANCHES (AS ON 31.03.2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MSME</td>
<td>87</td>
</tr>
<tr>
<td>2</td>
<td>ASSET RECOVERY MANAGEMENT</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>RETAIL HUB</td>
<td>26</td>
</tr>
<tr>
<td>4</td>
<td>MSME LOAN PROC HUB</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>CORPORATE FINANCE BRANCH</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>SERVICE BRANCH</td>
<td>19</td>
</tr>
<tr>
<td>7</td>
<td>WOMEN BRANCH</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>TREASURY BRANCH</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>CENTRAL PENSION PROCESSING CENTRE</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>CASH MANAGEMENT SERVICE HUB</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>149</td>
</tr>
</tbody>
</table>

*Source: Annual Report 2014-15*
The bank pays special attention to the rural market. The bank has four sponsored Regional Rural Banks namely Assam Gramin Vikas Bank (AGVB) in Assam, Bangiya Gramin Vikas Bank (BGVB) in West Bengal, Tripura Gramin Bank (TGB) in Tripura and Manipur Rural Bank (MRB) in Manipur operating in 53 districts with total numbers of 1162 branches as on 31.03.2015.

The bank has an international presence in form of representative office at Dhaka, Bangladesh established in 2010, and in Yangaon, Myanmar. The bank’s international operation is supported by wide network of more than 616 Correspondent relationships opened with overseas banks.

**Services offered**

The bank offers services for its Retail customers in various forms and shapes. It offers a range of deposit schemes to its customers. The scheme can be for earning interest, save tax, or assure future income. The bank’s customers can avail different types of loans like housing loan, education loan, car loan, personal loan etc. The customers can also utilize Automated Teller machines (ATMs) to withdraw cash anytime anywhere. The total number of ATMs in the country and abroad is 1912. United International Debit card allows hassle free access to the money for customers as, when and where they need. The total number of debit card issued stands at 50.40 lacs as on 31.03.2015. The bank has a facility of remittance of current income like rent, dividend, pension, interest etc to and from India by Non Resident Indians and Persons of Indian Origin. It even allows the customers the safe keeping of their valuables in the safe deposit lockers. Internet banking and mobile banking are two digital age facilities the bank is offering to their customers. The customers can use the internet and mobile banking facility for bill payments, booking air and rail ticket, on line shopping, inter-bank and intra bank fund transfer among others. Bank is also providing services like balance enquiry, account statement, transaction related SMS alerts, payment of indirect and direct taxes among others. The total number of customers using internet banking and the mobile banking facility is 2.25 lac and 0.55 lac respectively.

UBI provides term loans to fund industrial units for capital expenditure for setting up new units, expansion and modernization projects, under Infrastructure and non-Infrastructure sectors. Working capital of the industrial units is also funded by the bank. UBI offers both pre and post shipment credit to Indian exporters in Indian as well as in foreign currency. The exporters on fulfilling required credit norms can avail export credit facilities from UBI provided they have...
export orders or letter of credit (LC) from a recognized bank. The bank also offers financing by way of bill discounting of export bills to provide post shipment finance to the exporters.

UBI is one of the major public sector banks in India having a strong presence in foreign exchange market, has representative office at Dhaka in Bangladesh and the only bank assigned to facilitate Indo Myanmar trade in India. The bank has a large network of authorized branches for catering to the foreign exchange needs of its clientele engaged in export and import trade. Even the Indian importers who are customers of the bank can have their import LCs established through UBI and advised by the correspondents spread over the globe. The bank deal in all the major international currencies i.e., US$, Euro, Yen as well as other currencies and deals with treasury related activities like Foreign Exchange Interbank Placements/ borrowings, sale & purchase of currency on behalf of customers, forward cover bookings, cross currency swaps, interest rate swaps etc. The bank also extends valuable and useful services for the Non Resident Indians. The bank not only finances the corporate giants but is equally sensitive towards the micro small and medium enterprises. The loan is available for setting up doctor’s chamber, pathological laboratory or diagnostic centre, for small scale industries like cottage and village industries, for purchase of transport vehicles of small businessman and also to encourage and empower women entrepreneurs engaged in micro enterprise sector. Under its 100% Financial Inclusion programme, UBI offers convenient option to un-banked and weaker sections of the society. The people under above categories can open an account with the bank through Banking Correspondent agent and get benefits like Smart Card with photo and biometric identification, no frills bank account, small loan/overdraft, money transfer facilities, insurance services, payment of wages under NREG scheme, payment of social security pension etc. The bank is also committed to provide depository services to the bank’s customers on the CDSL platform under the umbrella of “United Demat” which aims at providing hassle-free, fast and accurate transaction under depository environment. United Bank of India deals with the distribution of various Mutual Fund Schemes of various Asset management Company (AMCs) like UTI Mutual Fund, HDFC Mutual Fund, Franklin Templeton Investments, Reliance Mutual Fund etc. The bank is acting as a platform to sell life and non-life products. The bank has signed a MOU with LIC to sell its existing and future policies through its branches. The bank also has an agreement with Bajaj Allianz Insurance Company to promote and sell its products through its branches. The banks helps the pensioners collect their pension and also help the students of IIEST (former BESU) to deposit their fees online.
Internalisation of Relationship Marketing Strategy

The following paragraphs will prove beyond doubt that United bank of India is today looking at establishing enduring bonds/relation with the customers as a part of an inimitable strategy which would give them sustainable competitive advantage against their peers/competitors.

UBI mBanking facility is an application based mobile banking service in application based mobile banking. The services include banking services like balance enquiry, viewing mini statement, cheque status enquiry, service outlet locator, intra-bank fund transfer and many more.

UBI has also signed Memorandum of Understanding with Life Insurance Corporation of India for selling its existing and new policies through all its branches across India to all its present and prospective customers. The bank has also teamed up with Bajaj Allianz to offer car insurance, two wheeler insurance, travel insurance and health insurance to the customers.

Internet Banking Service e-banking United Online is another service offered by the UBI. It is a highly secured service as it uses 256 bit SSL encryption for the data transmission through internet. It allows the customers on-line, real-time access (24 x 7 x 365) to all banking services. The services include obtaining individual detail of accounts, fund transfer, tax payments, SMS alerts, service of Relationship Managers via e-mails etc.

In addition to above the bank has adopted a number of schemes to strengthen its relationship with the customers.

- Introduction of RuPay Debit card with offers like upto 5% cash back, accidental insurance cover, zero fuel surcharge, heavy discounts etc.
- United e-passbook with facilities to access multiple accounts on a single window, view transaction in offline mode, receive account statement on e-mail etc.
- U-connect trio a 3-in-1 account for operating savings account, Demat account and a trading account.
- Spend high. Fly higher-where top 25 spenders on PoS and e-commerce website using RuPay Debit card are rewarded with Indigo flight vouchers worth Rs 15,000/-. 
- United Wallet for utility bill payments, DTH recharge, mobile recharge etc.
- United Fund Transfer to transfer fund to bank account using mobile number only.
- IMPS or Immediate Payment Service helping in interbank fund transfer in simple, fast and easy way using internet banking and mobile banking.
**Conclusion**

The bank actively participated in developmental activities particularly in the rural and semi urban areas to fulfill the objective with which it was taken over by the government i.e., build an economically strong and vibrant nation. The bank was designated as Lead Bank in recognition of its aforementioned role and is at present the Lead Bank in 30 districts in the states of West Bengal, Assam, Manipur and Tripura. The bank is also the convener of the State Level Bankers’ Committees (SLBC) for the states of West Bengal and Tripura.

UBI played a significant role in spreading banking activities in different corners of the country particularly Eastern and North-Eastern parts by expanding its branch network. The bank has significant contribution in rural development. UBI has sponsored 4 Regional Rural Banks (RRBs) one each in West Bengal, Assam, Manipur and Tripura. These RRBs together have over 1000 branches. UBI has contributed 35% of the share capital/additional capital to all the four RRBs in four different states. The bank established two floating mobile branches on motor launches in order to provide banking services to not so easily accessible areas of Sunderbans. The motor launches moved from island to island on different days of the week until the opening of full-fledged branches in these islands.

United Bank of India is also known as Tea Bank because of its age-old association with the financing of tea gardens and has been the largest lender to the tea industry.

The bank is equally serious with its overseas activities and has three full fledged overseas Branches one each at Kolkata, New Delhi and Mumbai with fully equipped dealing room and swift terminal. The operations of all these branches have been computerized and Electronic fund transfer system has been implemented in bank branches across the country.

The bank’s service has been recognized with a number of awards. In the year 2006 it won National Award for the second best performance in financing small scale units instituted by Ministry of Small Scale Industries, Government of India. It won the Golden Jubilee Award for the best bank in north east zone for excellence in the field of Khadi and village industries in 2007 from Ministry of MSME, Government of India. TATA AIG awarded the bank with Best Bancassurance partner for the year 2007-08. The National Award for the best bank for the excellence in field of Khadi and village industries for east and north east zones was awarded to the bank by the Ministry of MSME, Government of India in 2008. United bank of India won the Pinnacle Partner of the year 2008-09 from TATA AIG. In the same year TATA AIG honoured the bank with the award of Highest contributor to lives. Ministry of MSME, Government of India rewarded the bank with the National Award under Prime Minister Employment Guarantee.
Programme in north east zone in the year 2009. UBI has bagged the ‘Award of Excellence’ for outstanding performance under different key parameters of Pradhan Mantri Jan Dhan Yojana presented on 25th March, 2015.

3.4.3 Allahabad Bank - a brief profile

SOURCE: https://www.allahabadbank.in/english/home.aspx

Ownership pattern

A group of Europeans founded Allahabad bank on 24th April 1865 at the confluence city of Allahabad and is today the oldest joint sector bank of India aging more than 150 years. The bank operated from the city for over 50 years until in 1923 when its Head Office was shifted to Kolkata (then Calcutta).

The second phase of the bank’s history began as the bank was taken over by the Government of India on July 19, 1969 when it had 151 branches, trusted with the deposit of Rs 119 crores, and advances of Rs 82 crores. Allbank’s asset value and the business expanded when United Industrial Bank ltd founded at Kolkata (then Calcutta) in 1940 having 145 branches merged with it in October 1989.

The restructuring process was initiated in 1991 marking the beginning of third phase of the bank’s journey. As a part of the structural adjustment programme Allbank Finance ltd a wholly owned subsidiary merchant banking which provide services like Placement of Commercial Papers, Loan Syndication, Issue Management, Trusteeship Services, Distribution of Financial Products, Techno Economic Viability Study, Project Appraisal etc. was instituted in 1991. Furthering the aforesaid process the bank came out with two consecutive public offers. The bank made an Initial Public Offer (IPO) of 10 crores shares of face value of Rs 10 in October 2002 which reduced the Government shareholding to 71.16%. The Follow on Public Offer of 10 crores equity shares of face value of Rs 10 each with a premium of Rs 72 was made on April 2005. This resulted in reducing Government shareholding to 55.23%.

Vision statement

To put the bank on a higher growth path by building a strong customer-base through Talent management, induction of State-of-the-art Technology and through Structural Re-organisation.
Mission statement

To ensure anywhere and anytime banking for the customer with latest state-of-the-art technology and by developing effective customer centric relationship and to emerge as a world-class service provider through efficient utilization of Human Resources and product innovation.

Geographical reach

The commitment of the bank to provide best services to the customers is visible by the fact that the bank today has 3107 domestic branches all over India. Of these, 1257 are at rural, 689 at semi-urban, 636 at urban and 525 at metropolitan centre. The effort of the bank to reach out to the customers is also demonstrated by the fact that 310 new branches have been opened during the financial year 2014-15, out of which 126 are at rural, 97 at semi-urban, 61 at urban and 26 at metro centres. The bank has also been trying to reach out to the unbanked areas by opening 82 branches.

The bank opened a Representative office at Shenzen in China marking the transcending of national boundary in June 2006. The process of venturing into overseas market took a firmer shape in February 2007 when the first overseas branch of the bank was opened at Hong Kong.

Services offered

The bank’s services include internet banking, mobile banking, personal banking, corporate banking, social banking, and international banking among others. The bank provides housing loan, car loan, commercial vehicle loan, education loan, trade loan, rent loan etc. Among other services the bank provides Insurance Repository Services in association with Central Insurance Repository limited (CIRL) which is new scheme of Insurance Regulatory and Development Authority wherein existing and new policies of customers can be converted and stored in e-insurance account (e-IA). Allahabad Bank is pioneer in this field giving Insurance Repository Services as “Approved Person” of CIRL. The bank has tied-up with Life Insurance Corporation of India for promotion and distribution of life insurance products. The bank also has its own health insurance and group insurance schemes. Allahabad bank desires to become a financial super-mart wherein the customers shall be able to purchase a wide range of quality financial products under one roof including mutual funds. Allahabad bank is the oldest bank in India offering Automated Teller Machine (ATM) services to its customers in 110 cities and towns all over the country having 1208 such machines providing round the clock services. The bank is a member of VISA and NFS networks thereby enabling the customers to access a wide network of ATMs in India and abroad.
A new chapter in customer service was written when the first branch under Core banking Service (CBS) was rolled out in October 2006 and all the branches came under the aforesaid service in March 2011.

**Internalisation of Relationship Marketing Strategy**

Allahabad Bank has embraced a marketing philosophy expressed in terms of “retention marketing” or “zero defection” marketing where the focus is on preserving/retaining every customer through mutual exchange and fulfillment of promise via the following schemes/plans.

Ezeewill System is an online service of data submission through a computerized platform for “Will Preparation” that Allahabad Bank is offering in association with NSDL e-Governance Infrastructure Limited (NSDL e-Gov) and Warmond Trustees. It is a value added service to the customers and is a simple and convenient way to secure wealth distribution. The will is drafted by experienced professional lawyers with assured confidentiality and reliability of personal data.

AllBank online banking is another utility of the bank which helps the customer utilize the bank’s service to the maximum. The benefits include

- Fund transfer within bank
- Fund transfer to other bank round the clock via IMPS or Immediate Payment Service
- To enquire/cancel transactions scheduled to future dates
- To enquire status of NEFT/RTGS transactions
- To open RD/FD online
- To close accounts opened through Internet Banking
- Issue Standing instructions
- Etc.

AllBank e-trade online Trading Facility via 3-in-1 account viz. saving/current account and Demat account is a unique concept to help the customers avail the investment opportunities of the equity market. The account is linked with online trading account offered by Aditya Birla Money Ltd which is a SEBI registered stock broker and a corporate member of both National Level Stock Exchange; NSE and BSE.

AllBank online bill payment facility can be utilized by the customers to instantly pay mobile bills, book online tickets, credit card bill payments, make donations, online shopping etc.

In addition to above, the bank provides the following opportunities to the customers in order to develop a strong bond.

- AllBank ties up with goibibo.com to offer its customers great discounts and promo codes on flights and ticket bookings
✓ Spend high. Fly higher—where top 25 spenders on PoS and e-commerce website using RuPay Debit card are rewarded with Indigo flight vouchers worth Rs 15,000/-.

✓ AllBank in association with Aditya Birla Money offers a 3-in-1 account for operating savings/current account, Demat account and a trading account.

**Conclusion**

Global banking has changed rapidly and Allbank has worked hard to adapt these changes. Allbank, with years of dedicated service to the Nation through active financial participation in all segments of the economy—Agriculture, Industry, trade & Commerce, Service Sector, Infrastructure Sector etc., is keeping pace with the changing environment and has marched into the 21st Century matched with dynamism and growth. The bank looks forward to the future with excitement and a commitment to bring greater benefits to the customers both present and future.

### 3.5 SUMMARY

The chapter has dealt with the evolution, emergence and growth of the banking sector over the last two centuries. There is no doubt over the fact that the banking sector as a part of the financial sector plays a key role in India and the challenges faced by them have to met by the opportunities available in an effective and efficient manner. The banks today have to be market savvy in order to make a bigger impact in the financial sector of not only India but of the world. The section of the chapter dealing with the evolution of marketing strategies of the banks since independence is thus appropriate. And finally the profiles of the banks under study viz. United Commercial bank, United bank of India and Allahabad Bank portray the growth and their current marketing strategies.
3.6 **BIBLIOGRAPHY:**


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