



A Study on Retail Banking with Special Reference to Yes Bank

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Abstract:

Banking in India has come a full circle from the time when you had to wait in a queue to collect cash to getting it delivered at your doorstep at no extra cost. Add to those services like phone banking, Internet banking, 24-hour ATM, draft delivery at home, etc. Though the contemporary banks' services have changed a lot over the last few years, the core function has remained the same. Banks handle deposits and withdrawal of money, provide loans, pay a part of the surplus as interest and the rest is kept back for the smooth functioning of the bank and profit making.

Keywords: Bank, Statement, ATM, Cash, Payment

Statement of the Problem:

As there are immense opportunities of the retail banking in India. This project is on the issues and challenges in the retail banking because of the competition of the various banks and the customer satisfaction of the services which the banks are providing and at the same time to solve the complaints of the customer and maintaining the sound relationship for the future and by this way to estimate the future growth of the retail banking.

Objectives of Study:

1. To study the issues and challenges in retail banking
2. To study the recent trends in retail banking
3. To ensure high satisfaction level and reduce percentage of complaints of customer in retail banking.
4. To estimate the future growth of Indian retail banking.
5. To understand Optimization of retail banking channels.
6. To suggest strategies for improvement in Customer Service.

Data Collection:

There are several Approaches of data collection. The primary sources of data collection are done through –

- ✓ Observation
- ✓ Questionnaire

Questionnaire:

Questionnaire is the method of data collection, which is very much popular, particularly in big cities. Different modes of questions are put up on the paper and the particular universe, on which the research is conducted, are asked to fill their responses

The Secondary source includes data collection through:

- ✓ Magazines
- ✓ Company Website.

Sampling Technique

a. **Sampling Unit:-** Walk in customers and the company database of high ended customer.

b. **Sample Size:-**

Sample size for this project was restricted to 50 respondents. Since it was not possible to cover the whole universe in the available time period, it was necessary for me to take a sample size of 50 respondents.

c. **Sampling Method: -**

There are three methods of sampling:-

1. Probability Sampling:
2. Non-Probability Sampling:
3. Quota

For this research work Non- Probability Convenience Sampling has been chosen because time limit for the completion of the work is limited and also managers and employees were not available all the time.

Area of Study- Saswad
Duration- 3 month

Data Collection Method:

1) Primary Data:

The data are collected directly from the universe by conducting interviews, etc. these are the original sources from which the researcher directly gathers data which are not previously referred. All the people from different profession were personally visited and interviewed. They were the main source of primary data. The method of collection of primary data was personal direct interview through a structured questionnaire.

The primary data was collected by means of survey. Questionnaires were prepared and customers of YES bank were approached to fill up these questionnaires. The filled up information was later analyzed to obtain the required information.

2) Secondary Data:

The data are collected from the secondary sources such as magazines, journals, etc. These sources consist of already variable data in the form of statements, and reports, which may include sensory reports, financial statements of the company, reports of governments departments, etc.

It was collected from internal sources. The secondary data was collected on the basis of organizational file, official records, newspapers, magazines, management books, preserved information in the company's database and the website of the company.

Both Primary and Secondary sources was used for data collection.

- **Primary source, Questionnaire was used.**
- **Secondary source Internet, Magazines, and Newspaper etc were used.**

Plan of Analysis:

The data obtained from the structured questionnaire was interpreted and recorded. The table and graph were constructed using data from the questionnaire through simple techniques like average, percentage, ratios etc. which was then used for analyzing the acquired data.

Limitations:

1. Designing own and new financial products is very costly and time consuming for the bank.
2. Customers now-a-days prefer net banking to branch banking. The banks that are slow in introducing technology-based products, are finding it difficult to retain the customers who wish to opt for net banking.
3. Customers are attracted towards other financial products like mutual funds etc.
4. Though banks are investing heavily in technology, they are not able to exploit the same to the full extent.
5. A major disadvantage is monitoring and follow up of huge volume of loan accounts inducing banks to spend heavily in human resource department
6. Long term loans like housing loan due to its long repayment term in the absence of proper follow-up, can become NPAs.
7. The volume of amount borrowed by a single customer is very low as compared to wholesale banking. This does not allow banks to exploit the advantage of earning huge profits from single customer as in case of wholesale banking.

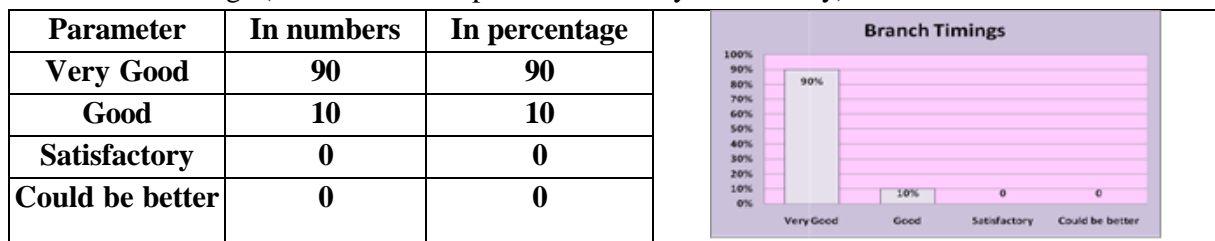
Data Analysis & Interpretation:

Profile of Respondents:

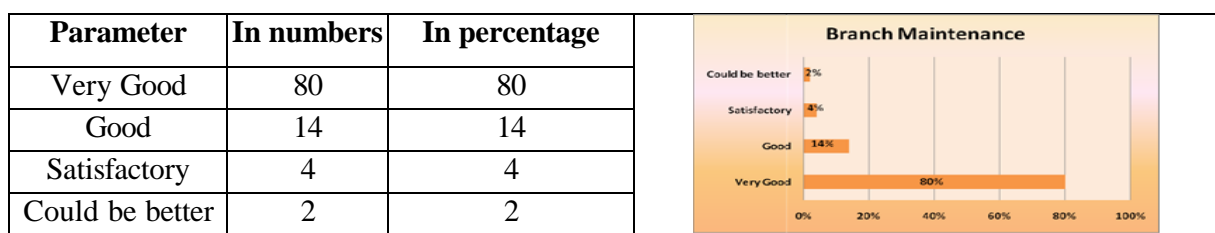
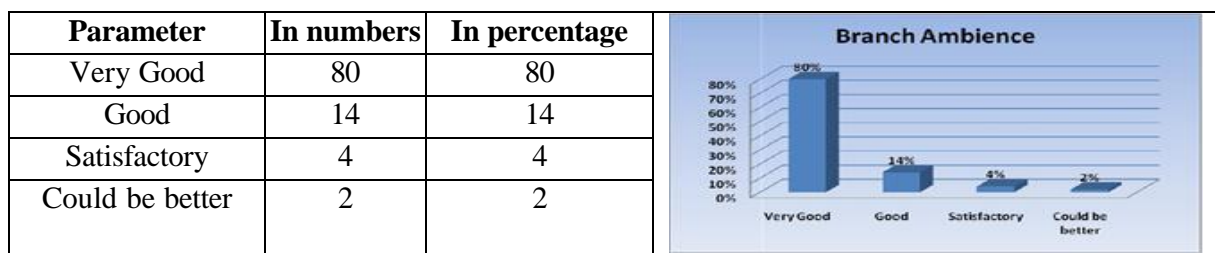
Respondents were the customers of YES bank of Ghaziabad city of age group 25-40 years

A) Opinion on Branch experience.

The Branch timings (9:30 am to 6:30 pm from Monday to Saturday) are convenient



The purpose of this question is to know the whether the bank timings are convenient for the customer,90% of respondents opinioned that bank timings are very good and 10% of respondent opinioned that timings are good. None of the customers have any problem with respect to timings.



80% were of the respondent opinioned that Branch ambience is very good, 14% were of the opinioned that branch ambience is good while 4% opinioned satisfactory & just 1% opinioned that it could be better. that it is

Inference: As 80% of respondents say branch ambience is very good, so not too many respondents like the branch ambience

80% were of the respondent opinioned that Branch cleanness is very good, 14% were of the opinioned that branch cleanness is good while 4% opinioned satisfactory & just 1% opinioned that it could be better. that it is

Inference: As 80% of respondents say branch cleanness is very good, so not too many respondents like the branch cleanness.

Opinion of the customer regarding Branch personnel?

The Branch personnel have listened to me patiently and have been able to respond to my queries and clarifications

Parameter	In numbers	In percentage
Very Good	76	76
Good	14	14
Satisfactory	6	6
Could be better	4	4

76% of respondents opinioned that branch personnel listened patiently & have been able to respond to their queries, 14% of respondents opinioned it is good. While only 6% of respondent opinioned that it is satisfactory and 4% said it could be better.

Inference: As only 76% of respondents say branch personnel listens Patiently and have been able to respond to queries and clarifications, so not too many respondents are satisfied.

The Branch personnel have been very helpful and courteous

Parameter	In numbers	In percentage
Very Good	74	74
Good	16	16
Satisfactory	6	6
Could be better	4	4

74% of respondents opinioned that branch personnel have been very helpful and courteous, 16% of respondents opinioned it is good. While only 6% of respondent opinioned that it is satisfactory and 4% said it could be better.

Inference: As only 74% of respondents say branch personnel have been very helpful and courteous, so not too many respondents are satisfied.

The branch personnel have done a 'Need Analyses' & 'Risk Assessment' before recommending any investment option

Parameter	In numbers	In percentage
Very Good	72	72
Good	20	20
Satisfactory	6	6
Could be better	2	2

72% of the respondents opinioned that risk assessment before recommending any investment is very good, 20% of respondents opinioned that it is good, 6% of respondents opinioned that it satisfactory and only 2% said it could be better.

Inference: As only 72% of respondents say branch personnel does a 'Need Analyses' & 'Risk Assessment' before recommending any investment option, so not too many respondents have positive response.

The branch personnel were aware of Product and Services and responded to your queries.

Parameter	In numbers	In percentage
Very Good	86	86
Good	6	6
Satisfactory	6	6
Could be better	2	2

86% respondents opinioned that branch personnel responded to their queries and is verygood, 6% says to be good & 6% satisfactory. Only 2% said it could be better. Inference:As 86% of respondents say branch personnel were aware of Product and Services and responded to customer queries,so not too many respondents are satisfied.

Customer's opinion of transacting in Branches? The waiting time at the Teller



80% of respondent opinioned that waiting time is minimum at teller counter and it is very good, 10% of respondent opinioned that it is good,8% its satisfactory and 2% said it could be better.

Inference: As 80% of respondents say waiting time at teller counter was minimal not too many were satisfied with transaction.

Financial Statements Balance Sheet:

	Mar ' 24	Mar ' 23	Mar ' 22	Mar ' 21	Mar ' 20
Sources of funds					
Owner's fund					
Equity share capital	296.98	295.79	280	270	200
Share application money	-	-	-	-	-
Preference share capital	-	-	-	-	-
Reserves & surplus	1,327.24	1,023.13	507.06	302.69	17
Loan funds					
Secured loans	-	-	-	-	-
Unsecured loans	16,169.42	13,273.16	8,220.39	2,910.38	663.03
Total	17,793.64	14,592.08	9,007.45	3,483.07	880.03
Uses of funds					
Fixed assets					
Gross block	194.88	133.01	86.66	36.24	17.59
Less : revaluation reserve	-	-	-	-	-
Less : accumulated depreciation	64.15	35.73	17.38	6.81	1.25
Net block	130.73	97.28	69.28	29.43	16.34
Capital work-in-progress	0.39	3.89	1.59	5.29	3.3
Investments	7,117.02	5,093.71	3,073.12	1,350.14	394.86
Net current assets					
Current assets, loans & advances	1,326.86	729.7	376.88	155.01	49.66
Less : current liabilities & provisions	2,918.10	1,404.13	1,228.68	214.72	28.4
Total net current assets	-1,591.24	-674.42	-851.8	-59.71	21.26
Miscellaneous expenses not written	-	-	-	-	-
Total	5,656.90	4,520.45	2,292.20	1,325.16	435.77
Notes:					
Book value of unquoted investments	-	-	-	-	-
Market value of quoted investments	-	-	-	-	-
Contingent liabilities	43,481.94	68,874.54	52,061.58	17,524.20	6,522.22
Number of equity Shares outstanding (Lacs)	2969.79	2957.9	2800	2700	2000

Ratio Analysis:**Calculation of the Ratios:**

Particulars	Mar ' 24	Mar ' 23	Mar ' 22	Mar ' 21	Mar ' 20
Calculation of Owners Fund (Equity Base)	1,624.22	1,318.92	787.06	572.69	217
Calculation of Net Profit for the Year	304.11	516.07	204.37	285.69	17
Operating Balance of Net Profit	1023.13	507.06	302.69	17	0
Return on Net Worth	0.19	0.39	0.26	0.50	0.07834
Total Fixed Assets	130.73	97.28	69.28	29.43	16.34
Earning Per Share (Rs.)	0.45	0.35	0.18	0.112107	0.0085
Current Assets	1,326.86	729.7	376.88	155.01	49.66
Current Liabilities	2918.1	1404.13	1228.68	214.72	28.4
Current Ratio	0.45	0.52	0.31	0.72	1.74859
Loan	16169.42	13273.16	8220.39	2910.38	663.03
Capital +Net Profit	1,624.22	1,318.92	787.06	572.69	217
Debt Equity Ratio	9.96	10.063658	10.44443	5.081947	3.05544
Working Capital	-1,591.24	-674.42	-851.8	-59.71	21.26
Net Profit for the Year	304.11	516.07	204.37	285.69	17
Return on Working Capital	-0.19	-0.77	-0.24	-4.78	0.79962

Ratios:

- Return on NetWorth = Net Profit / Owners Fund
- Earning Per Share = (Net Profit + Operating Balance of Net Profit) /Net Worth
- Current Ratio = CurrentAsset / CurrentLiabilities
- Debt Equity Ratio = Total Debt / Equity.
- Return on Working Capital = Net Profit for the year / WorkingCapital
- Working Capital = Current Asset – Current Liabilities.

Interpretations:

- 1) Return on Net Worth is low its shows that bank is getting less rate of return on the invested funds,
- 2) Earning per share is continuously increasing which could be helpful to attract more number of customers,
- 3) The Current Ratio is adverse because it is lower than 1. Its means the bank has more current liabilities than current asset,
- 4) The Debt Equity Ratio is adverse because it is more than Net Worth, more Debt is not good for bank,
- 5) Return on working capital is slightly increasing as compare to previous years but it is still need to be more,
- 6) Company has current liabilities more than current asset which is not good foe the viability of the bank it is not beneficial for short and long term and it is showing is negative sign.

Findings:

- 1) With reference to table no.1, 90% of customers are happy with the bank timings & they opinioned that it is very good.
- 2) With reference to table no. 2, 80% of respondents like the branch ambience &

Dr. Nitve Dnyandev Laxman & Dr. S. M. Gaikwad

- layout & find it friendly with reference to table no.3,80% of respondents said branch was clean and well maintained.
- 3) With reference to table no.4,76% respondents view that Branch personnel had listened to them patiently and have been able to respond to their queries and clarifications.
 - 4) 74% of respondent responded that Branch personnel had been very helpful and courteous with reference to table no.5.
 - 5) With reference to table no. 6,72% of respondents opined that branch personnel does 'Need Analyses' & 'Risk Assessment' of customer savings before recommending any investment option to them.
 - 6) With reference to table no.7,86% of respondent that branch personnel are aware of Product and Services and responded to your queries.
 - 7) With reference to table no 8,80% of respondents opined that waiting time at the Teller Counter is very good.
 - 8) With reference to table no.9,90% of respondent opined that transactions are smooth and error free& is very good.
 - 9) With reference to table no. 10,82% of respondent responded that Yes Bank looks into the feedback & is very good.
 - 10) With reference to table no.11, 80% of respondent opined that they are happy with the TAT post request is very good.
 - 11) With reference to table no.12, 45% of respondent are in favour of Money Monitor feature of the YBL Savings account.
 - 12) With reference to table no.13,74% of the respondent opined that YES COMMUNITY EVENTS are very good.
 - 13) With reference to table no. 14,78% of the respondent opined that information in bank statement is clear, easy & adequate and is very good.
 - 14) With reference to table no 15,90% of respondent opined that they will most definitely recommend YES BANK to their friends &relatives. Overall the response of the bank customer is good.

Suggestions:

- 1) The Branch personnel should listen to customer patiently and should be able to respond to their queries and clarifications because some customer are new to some of the bank services and until and unless they will come to know about those services they will be not be satisfied.
- 2) With reference to table no.5 as not many respondent opined that Branch Personnel are helpful and courteous, so I will suggest that Bank personnel should be helpful & courteous towards maximum number of customers.
- 3) With reference to table no. 6, larger number of branch personnel should do 'Need Analyses' & 'Risk Assessment' before recommending any investment option to customer.
- 4) With reference to table no.7,more branch personnel should be aware of Product and Services and responded to customer's queries.
- 5) With reference to table. 10, YES bank should look into the feedback provided by customer and takes necessary action wherever required.
- 6) With reference to table no. 12,bank should focus on Instant FD facility &E- cheques as small 10% of customer likes this.
- 7) Some time the customer has to wait at the Teller Counter, the service should be improve by appointing more staff, with reference to table no.11.
- 8) Information in the Bank Statement should be more clear, easy to understand and adequate.
- 9) Along with customer satisfaction employee's participation must be kept active by appraising their salary as they'll as their work.

- 10) Frequently customers must be kept delighted by providing them regards and by maintaining customer relationship so that their interest can be kept maintained.
- 11) The YES bank should focus on business and service portfolio for a reputation of being niche players in the industry.
- 12) The bank should concentrate on few reliable high net worth companies and individuals rather than cater to the mass market
- 13) As 10% customer response is not good for the clarification of the queries response towards them so bank personnel should improve this issue because customer is a source through which business can be increase and satisfy customers is a source to create more customers,
- 14) As it is only 10% respondent said that sometime there was a error in the transaction happened so to avoid these kinds of errors should be avoided because it is unnecessarily results in wastage of time for both staff members and service rendered,
- 15) Their should increase in the number of events organize by bank because it is a opportunity for the bank to introduce new products and services and at the same time it is a open opportunity for the customer to come forward and suggest its views which might prove to add the values for the bank because 10% customer still not have a good response,
- 16) Communication with the customer should improve and increase so bank can easily response towards them and in result the customer would be satisfy and no question that they will recommend the YES Bank to their friends and relatives because 2% customer are no responding it in a positive manner.

Conclusions:

The project aims to study the retail banking operations of YES BANK. The study was very fruitful, it yielded the desired results, helped me understand the retail banking. The study also helps in what are the customer opinions towards operations of bank & its various product and services.

Any serious discussion of the future of the retail banking industry eventually raises a basic question: will future customers still need retail banks? The answer, it turns out, depends on banks themselves. With technology and nonbank businesses providing new options for safeguarding and managing their finances, customers will continue to depend on banks only as long as banks can provide service and value that cannot be found anywhere else.

The need to become highly customer focused has forced the slow-moving public sector banks to adopt a fast track approach. The unleashing of products and services through the net has galvanized players at all levels of the banking and financial institutions market grid to look a new at their existing portfolio offering. Conservative banking practices allowed.

Indian banks to be insulated partially from the Asian currency crisis. Indian banks are now quoting at higher valuation when compared to banks in other Asian countries (viz. Hong Kong, Singapore, Philippines etc.) that have major problems linked to huge Non Performing Assets (NPAs) and payment defaults. Co-operative banks are nimble footed in approach and armed with efficient branch networks focus primarily on the 'high revenue' niche retail segments.

The Indian banking has finally worked up to the competitive dynamics of the 'new' Indian market and is addressing the relevant issues to take on the multifarious challenges of globalization. Banks that employ IT solutions are perceived to be 'futuristic' and proactive players capable of meeting the multifarious requirements of the large customer's base.