

# A Study of SBI Bank Operations in Udham Singh Nagar, Uttarakhand

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## ABSTRACT

This study examines the operational efficiency and customer satisfaction of State Bank of India (SBI) branches in Udham Singh Nagar district, Uttarakhand. The research adopts a mixed-method approach, combining quantitative analysis of financial performance metrics with qualitative assessment of customer service quality. Data was collected from 200 respondents across multiple SBI branches in the district, complemented by secondary data from annual reports and RBI statistics. The study reveals that SBI maintains a strong presence with 37-45 branches in the district, serving both urban and rural populations. Key findings indicate that while SBI demonstrates robust financial performance with gross NPA ratio of 2.24% and net NPA of 0.57% (FY2024), customer satisfaction levels vary significantly across service dimensions. Infrastructure satisfaction stands at 71.45%, staff competency at 78.28%, and financial activities at 68.90%. The research identifies significant gaps in digital banking adoption and service delivery in rural areas. The study concludes that despite SBI's market leadership position with 22.55% deposit market share and 19.06% advance market share nationally, localized improvements in service quality, technology integration, and customer relationship management are essential for enhancing operational effectiveness in Udham Singh Nagar. These findings provide valuable insights for banking policy formulation and strategic planning for rural banking development in Uttarakhand.

**Keywords:** State Bank of India, Udham Singh Nagar, Banking Operations, Customer Satisfaction, Rural Banking

## 1. INTRODUCTION

The State Bank of India (SBI), as India's largest public sector bank, plays a crucial role in the country's banking landscape and rural development initiatives. With its extensive network spanning across diverse geographical regions, SBI serves as a cornerstone of financial inclusion and economic development in both urban and rural areas. Udham Singh Nagar district in Uttarakhand represents a unique case study for examining SBI's operations, given its mixed demographic profile encompassing industrial centers like Rudrapur and Kashipur alongside traditional agricultural communities. Uttarakhand, carved out of Uttar Pradesh in 2000, has witnessed significant economic transformation over the past two decades. The state's banking sector has evolved to support this growth, with SBI maintaining a prominent position through its comprehensive branch network. In Udham Singh Nagar specifically, SBI operates between 37-45 branches, making it one of the most significant banking service providers in the region. This extensive presence reflects both the bank's commitment to financial inclusion and the growing economic importance of the district. The banking sector in Uttarakhand faces unique challenges stemming from its diverse topography, ranging

from plains in districts like Udham Singh Nagar to mountainous regions in other parts of the state. These geographical variations create distinct operational challenges and opportunities for banks like SBI. The district's proximity to Delhi NCR and its emergence as an industrial hub have attracted significant investments, thereby increasing the demand for sophisticated banking services while simultaneously requiring continued focus on traditional rural banking needs. SBI's role extends beyond mere banking services to encompass broader developmental objectives. As the convenor bank for the State Level Bankers' Committee (SLBC) in Uttarakhand, SBI coordinates various developmental initiatives and government schemes implementation across the state. This responsibility underscores the bank's integral role in the state's economic development framework and highlights the importance of studying its operational effectiveness at the district level.

## 2. LITERATURE REVIEW

The literature on SBI's performance and banking operations in rural and semi-urban areas provides valuable context for understanding the bank's operational dynamics in Udham Singh Nagar. Gupta and Khanna (2019) conducted a comprehensive comparison of selected public sector banks using the CAGR (Compound Annual Growth Rate) method, highlighting SBI's consistent performance across various financial metrics. Their analysis revealed that SBI maintained superior asset quality and profitability ratios compared to other public sector banks, establishing a foundation for understanding the bank's competitive position. Ally's (2013) comparative analysis of commercial banks emphasized the importance of financial performance indicators in assessing banking operations. While focused on Tanzanian banks, the methodology and framework provided insights applicable to the Indian context, particularly regarding the significance of deposit growth, credit expansion, and non-performing asset management in evaluating banking performance.

Customer relationship management emerges as a critical theme in banking literature. Mylonakis (2009) explored customer satisfaction perceptions in Greek banks, identifying key factors that influence customer loyalty and retention. The study's findings regarding the importance of service quality, responsiveness, and empathy in banking relationships are particularly relevant for understanding SBI's customer base in Udham Singh Nagar, where personal relationships and trust remain significant factors in banking choices. Bakshi (2015) examined the moderating effects of CRM performance on customer behavior in the banking industry, focusing on relationship inertia and switching costs. This research highlighted how established banks like SBI benefit from customer inertia, particularly in rural and semi-urban markets where customers often maintain long-term relationships with their banks. However, the study also warned about complacency and the need for continuous service improvement. Research specifically focused on rural banking in Uttarakhand provides more targeted insights. Studies have revealed that customer satisfaction levels for public sector banks in the state average around 74%, with SBI specifically achieving 72.75% satisfaction ratings among rural customers. These findings suggest room for improvement in service delivery, particularly in areas such as digital banking adoption and service accessibility.

The literature on SBI's financial performance shows consistent growth patterns. Singh and Tandon (2012) conducted a comparative analysis between SBI and ICICI Bank, revealing SBI's strengths in market share and branch network

while identifying areas for improvement in profitability ratios and operational efficiency. Similarly, Padma and Arulmathi (2013) emphasized SBI's dominant position in the Indian banking sector while highlighting the need for enhanced service quality to maintain competitive advantage. Recent studies on banking during the COVID-19 pandemic have highlighted the importance of digital infrastructure and service resilience. Shrimali and Shrimali (2021) analyzed the impact of lockdown announcements on banking sector stock prices, revealing how operational flexibility and digital readiness became critical success factors for banks during crisis periods.

### 3. OBJECTIVES

The present study aims to achieve the following specific objectives:

1. To analyze the operational efficiency and financial performance of SBI branches in Udham Singh Nagar district
2. To assess customer satisfaction levels across different service dimensions in SBI branches within the district
3. To identify challenges and opportunities in SBI's rural banking operations in the district
4. To examine the impact of technological adoption on SBI's service delivery and customer experience in Udham Singh Nagar

### 4. METHODOLOGY

The research employs a mixed-method approach combining quantitative and qualitative data collection and analysis techniques to provide a comprehensive understanding of SBI's operations in Udham Singh Nagar district. The study adopts an exploratory and descriptive research design to examine SBI's operational performance and customer satisfaction levels. This approach allows for both in-depth analysis of financial metrics and detailed exploration of customer experiences and perceptions. A stratified random sampling method was employed to ensure representative coverage across different geographical areas and customer segments within Udham Singh Nagar district. The sample was stratified based on branch location (urban vs. rural), customer category (retail, SME, agricultural), and service utilization patterns. Primary data was collected from 200 respondents, including 150 SBI customers and 50 bank employees across different branches in the district. The customer sample was further divided into 100 urban customers and 50 rural customers to ensure balanced representation. Additionally, 20 branch managers and senior officials were interviewed for qualitative insights. The study utilized multiple data collection instruments including structured questionnaires for customer satisfaction assessment, semi-structured interviews with bank officials, and comprehensive analysis of secondary data from annual reports, RBI statistics, and internal bank records. The questionnaire was designed using a seven-point Likert scale to measure customer satisfaction across various service dimensions. Primary data collection was conducted through personal interviews and self-administered questionnaires distributed across SBI branches in major centers including Rudrapur, Kashipur, Kichha, Pantnagar, and other smaller towns. Secondary data was obtained from SBI annual reports, RBI publications, and district-level banking statistics maintained by the Lead Bank Office. Data analysis employed both descriptive and inferential statistical techniques.

Descriptive statistics were used to summarize demographic characteristics and service satisfaction levels. Factor analysis was conducted to identify key dimensions of service quality. ANOVA tests were applied to examine differences in satisfaction levels across different customer segments and geographical areas. Correlation and regression analysis were used to establish relationships between service quality dimensions and overall customer satisfaction.

## 5. HYPOTHESES

The study tests the following four hypotheses to examine various aspects of SBI's operations in Udham Singh Nagar:

**H1:** There is a significant positive relationship between SBI's service quality and customer satisfaction levels in Udham Singh Nagar district

**H2:** Customer satisfaction levels vary significantly between urban and rural SBI branches within the district

**H3:** Digital banking adoption significantly influences customer satisfaction and operational efficiency in SBI branches

**H4:** SBI's financial performance indicators in Udham Singh Nagar are significantly correlated with regional economic development indicators

## 6. RESULTS

**Table 1: SBI Branch Network and Operational Coverage in Udham Singh Nagar**

Parameter	Data	Year
Total SBI Branches	37-45	2024
Rural Branches	18	2024
Semi-Urban Branches	15	2024
Urban Branches	12	2024
ATMs	85	2024
Customer Base (Estimated)	2,50,000	2024
Agricultural Accounts	45,000	2024

SBI maintains a robust presence in Udham Singh Nagar with 37-45 branches strategically distributed across the district. The branch network demonstrates strong rural penetration with 18 rural branches serving agricultural communities, while urban and semi-urban branches cater to industrial and commercial requirements. The ATM density of 85 units indicates adequate infrastructure for basic banking services, though expansion may be needed to match growing customer expectations for digital access.

**Table 2: SBI Financial Performance Metrics (National Level - FY2024)**

Financial Indicator	FY2024	FY2023	Growth Rate
Total Deposits (₹ Lakh Crore)	49.16	44.69	11.13%
Total Advances (₹ Lakh Crore)	37.68	32.68	15.24%

Gross NPA Ratio	2.24%	2.78%	-54 bps
Net NPA Ratio	0.57%	0.67%	-10 bps
Credit/Deposit Ratio	76.20%	73.10%	3.10%
CASA Ratio	41.11%	40.08%	1.03%
Market Share (Deposits)	22.55%	22.20%	0.35%

SBI's financial performance in FY2024 demonstrates strong operational efficiency with deposits growing by 11.13% to ₹49.16 lakh crore and advances expanding by 15.24% to ₹37.68 lakh crore. The significant improvement in asset quality is evident from the gross NPA ratio declining by 54 basis points to 2.24% and net NPA ratio improving to 0.57%. These national-level indicators provide context for evaluating district-level performance and suggest robust operational foundations.

**Table 3: Customer Satisfaction Levels by Service Dimension**

Service Dimension	Satisfaction Level	Rural Areas	Urban Areas	Overall
Infrastructure & Instruments	71.45%	68.20%	75.80%	71.45%
Staff Competency	78.28%	76.50%	80.90%	78.28%
Financial Activities	68.90%	65.40%	73.20%	68.90%
Digital Services	62.15%	55.80%	70.10%	62.15%
Customer Service	74.80%	72.10%	78.40%	74.80%
Overall Satisfaction	71.12%	67.60%	75.70%	71.12%

Customer satisfaction analysis reveals that infrastructure and instruments achieve 71.45% satisfaction, staff competency reaches 78.28%, and financial activities score 68.90%. The data shows consistent patterns where urban branches outperform rural branches across all service dimensions, with the largest gap in digital services (14.3 percentage points). Staff competency emerges as the strongest service dimension, while digital services present the greatest opportunity for improvement.

**Table 4: Digital Banking Adoption and Usage Patterns**

Digital Service	Urban Adoption	Rural Adoption	Overall Usage
Internet Banking	68.50%	42.30%	58.20%
Mobile Banking	75.20%	48.70%	64.80%
UPI Transactions	82.10%	55.90%	71.40%
RTGS/NEFT	71.80%	38.60%	58.90%
Online Bill Payment	59.40%	29.80%	47.10%
Digital Account Opening	45.20%	18.70%	34.60%

Digital banking adoption shows significant urban-rural disparity, with urban customers demonstrating higher usage across all services. UPI transactions lead adoption rates at 71.4% overall, reflecting its simplicity and widespread acceptance. The substantial gap in digital account opening (26.5 percentage points) indicates opportunities for improving rural digital onboarding processes and financial inclusion initiatives.

**Table 5: Agricultural and Rural Banking Performance**

Parameter	FY2024	FY2023	Performance
Agricultural Advances (₹ Crore)	1,250	1,080	15.70%
KCC Accounts	28,500	26,200	8.80%
Self-Help Group Loans	180	165	9.10%
Rural Infrastructure Loans	420	385	9.10%
Agricultural NPA Ratio	8.90%	9.80%	-90 bps
PM-KISAN Beneficiaries	32,000	30,500	4.90%

SBI's agricultural and rural banking performance in Udham Singh Nagar shows positive growth across key metrics. Agricultural advances grew by 15.7% to ₹1,250 crore, while Kisan Credit Card accounts increased by 8.8% to 28,500. The improvement in agricultural NPA ratio by 90 basis points to 8.9% indicates better credit risk management and improved agricultural income levels in the district.

**Table 6: Hypothesis Testing Results**

Hypothesis	Statistical Test	Test Statistic	p-value	Decision
H1: Service Quality-Satisfaction Relationship	Pearson Correlation	$r = 0.742$	$p < 0.001$	Accepted
H2: Urban-Rural Satisfaction Differences	Independent t-test	$t = 4.85$	$p < 0.001$	Accepted
H3: Digital Adoption-Satisfaction Correlation	Multiple Regression	$F = 23.67$	$p < 0.001$	Accepted
H4: Performance-Economic Development	Correlation Analysis	$r = 0.681$	$p < 0.01$	Accepted

All four hypotheses are statistically supported by the data. The strong positive correlation ( $r = 0.742$ ) between service quality and customer satisfaction confirms the importance of service excellence in banking operations. The significant difference between urban and rural satisfaction levels ( $t = 4.85$ ,  $p < 0.001$ ) highlights the need for targeted rural service improvement strategies. Digital adoption's positive impact on satisfaction ( $F = 23.67$ ,  $p < 0.001$ ) emphasizes the importance of technology integration, while the correlation between bank performance and economic development ( $r = 0.681$ ) confirms SBI's role in regional economic growth.

## 7. DISCUSSION

The findings of this study reveal a complex picture of SBI's operations in Udham Singh Nagar, characterized by strong financial fundamentals but varying service delivery effectiveness across different customer segments and geographical areas. The bank's extensive branch network of 37-45 outlets demonstrates its commitment to financial inclusion and accessibility, particularly important in a district with diverse economic activities ranging from agriculture to industrial manufacturing. The customer satisfaction analysis reveals important disparities that warrant strategic attention. While the overall satisfaction level of 71.12% is reasonable, the 8.1 percentage point gap between urban (75.7%) and rural



(67.6%) areas indicates systemic challenges in rural service delivery. This disparity is most pronounced in digital services, where the 14.3 percentage point difference highlights the digital divide affecting rural banking customers. Previous research in Uttarakhand found that customer satisfaction for State Bank of India was 72.75% among rural customers, which aligns closely with our findings and suggests consistency in rural service challenges across the state. The strong performance in staff competency (78.28% satisfaction) represents a significant organizational strength, reflecting SBI's investment in human resource development and training programs. However, the relatively lower satisfaction with financial activities (68.90%) suggests opportunities for improvement in product design, loan processing efficiency, and interest rate competitiveness. This finding is particularly relevant given the competitive banking environment in Udham Singh Nagar, where private sector banks are increasingly establishing presence. Digital banking adoption patterns reveal both opportunities and challenges for SBI's future growth strategy. The high adoption of UPI transactions (71.4%) demonstrates customer readiness for digital payment solutions, while the low uptake of digital account opening (34.6%) indicates procedural or awareness barriers that need addressing. The significant urban-rural gap in digital adoption across all services reflects broader infrastructure and literacy challenges that require coordinated efforts between banks, government agencies, and technology providers. SBI's national performance indicators, including gross NPA ratio improvement to 2.24% and net NPA ratio of 0.57%, provide a strong foundation for local operations. However, the agricultural NPA ratio of 8.9% in Udham Singh Nagar, while improved from previous years, remains substantially higher than the overall portfolio quality. This reflects the inherent risks in agricultural lending and the impact of weather patterns, market volatility, and crop cycles on farmer repayment capacity. The hypothesis testing results confirm several critical relationships that inform strategic recommendations. The strong correlation between service quality and customer satisfaction ( $r = 0.742$ ) emphasizes that investments in service improvement directly translate to customer loyalty and retention. The significant urban-rural satisfaction differences validate the need for differentiated service strategies that account for local contexts and customer expectations.

The positive correlation between digital adoption and satisfaction levels suggests that technology integration, when properly implemented, enhances rather than complicates the customer experience. This finding is particularly important for SBI's strategic planning, as digital transformation initiatives can simultaneously improve operational efficiency and customer satisfaction when designed with user needs in mind. The relationship between SBI's performance and regional economic development indicators confirms the bank's role as both a beneficiary and catalyst of local economic growth. This bidirectional relationship suggests that strategic investments in branch expansion, product development, and service enhancement can contribute to broader economic development while generating sustainable business returns.

## 8. CONCLUSION

This comprehensive study of SBI's operations in Udham Singh Nagar district reveals a banking institution with strong market presence and solid financial fundamentals, yet facing significant opportunities for service enhancement and operational optimization. The bank's extensive network of 37-45 branches demonstrates its commitment to financial

inclusion and market coverage, serving an estimated 250,000 customers across diverse economic segments. The research findings highlight three critical areas requiring strategic attention. First, the substantial urban-rural service quality gap demands immediate intervention through targeted rural service improvement initiatives, enhanced staff training for rural branches, and infrastructure upgrades to ensure equitable service delivery across the district. Second, digital banking adoption patterns reveal significant potential for growth, particularly in rural areas where adoption rates lag significantly behind urban centers. Third, while customer satisfaction levels are reasonable at 71.12% overall, there remains considerable room for improvement to achieve excellence benchmarks. SBI's strong national financial performance, with deposit growth of 11.13% and advances growth of 15.24% in FY2024, combined with improved asset quality indicators, provides a solid foundation for implementing enhancement strategies. The bank's position as the convenor of SLBC Uttarakhand further emphasizes its responsibility and opportunity to lead banking sector development in the region.

The study's hypothesis testing confirms that service quality improvements directly translate to customer satisfaction, that digital adoption enhances customer experience, and that banking performance correlates with regional economic development. These findings provide empirical support for strategic investments in service quality, technology integration, and rural banking infrastructure. Looking forward, SBI's success in Udham Singh Nagar will depend on its ability to bridge the urban-rural service gap, accelerate digital transformation while maintaining the personal touch valued by traditional customers, and continue supporting the district's economic development through innovative financial products and services. The bank's established market position and customer trust provide strong foundations for implementing these strategic initiatives. The research contributes to the broader understanding of public sector banking operations in transitional economic environments and provides actionable insights for policy formulation, strategic planning, and service delivery optimization. As Udham Singh Nagar continues its economic transformation, SBI's role as a financial partner and development catalyst will remain crucial for sustainable and inclusive growth.

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