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A Theoretical Analysis of Marketing Mix Strategies and Customer Satisfaction in Banking: Insights from the state Bank of India in Punjab

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Abstract
This paper attempts to theoretically classify the impact of marketing mix strategies on customer satisfaction with special reference to State Bank of India (SBI) in Punjab. Satisfaction is an essential key success parameter to the highly competitive Indian Banking Industry; and it determines by the four P's of marketing mix- Product, Promotion, Pricing, and Place which have crucial influences upon customer perception and retaining as a loyal consumer. This paper analyses the effects of the marketing mix activities on customer satisfaction by using a theoretical framework based on renowned theories as the SERVQUAL model. In this way, we will scrutinize literature to explore the relationship between all ingredients of marketing mix and customer satisfaction through a case on of Punjab state particularly at SBI. Building on these insights, the paper additionally weaves a theoretical analysis combining established models to explore how well SBI's present marketing practices meet customer satisfaction goals. The study reveals a gaping difference in theoretical expectations and the real application of strategies by SBI in Punjab that represents valuable insights for bank executives and policy makers. This discussion enhances the current knowledge related to the relationship with customer's satisfaction been offered new research conceptual model between marketing mix strategies and in view of the holistic perspective called for a comprehensive customer-based interpretation in the banking sector. The research makes some preliminary suggestions for potential future research paths and suggests that further work be done to enhance tactical marketing strategies in a way that would increase customer satisfaction.

Keywords: Marketing Mix Strategies, Customer Satisfaction, Banking Sector, State Bank of India (SBI), Punjab

1. INTRODUCTION

In the last few decades, India banking industry has witnessed a multitude of changes that have occurred because of competition, privatization and liberalization. In India there are 2 types of banks that can be broadly be classified, one as the scheduled bank and other as non-scheduled, Scheduled Bank are again broken into public, private sector banks and foreign branches. The market has hey-day to public sector banks including State Bank of India (SBI), owning significant deposits and advances to their end.

The largest public sector bank in India, State Bank of India (SBI) is a huge player in the Indian banking system. Established in 1955, SBI is the pioneer in introducing new banking technologies, expanding its branch network and offering a wide range of financial services and products. The success of the bank's high standards of governance is the result, said Chilumuri (2013), the 'powerful' performance, resilience and growth that have all defined its history. The ongoing improvement in service quality and the adjustments in accordance with shifting market dynamics have also enabled SBI to retain its exalted position in an evolving banking landscape in India (Sharma & Bansal, 2024). With a large branch network, massive customer base and wide range of services, SBI continues to be the key driver for market share in its category, even though it is facing increased competition from private sector banks. The bank has also excelled in findings from recent publications concerning financial inclusion, customer satisfaction and digital banking initiatives (Kumar, 2022). With its creativity and adaptability, SBI is an integral part of the Indian banking system, which enables financial stability and economic activity in India.

1.1 Research Objective: The purpose of this research paper is to theoretically find out the impact digital marketing mix elements on consumer satisfaction in Punjab-State Bank of India.

2. CONCEPTUAL FRAMEWORK AND THEORETICAL BACKGROUND

2.1 Marketing Mix: An Overview

McCarthy (1964) developed the “4Ps” framework, or marketing mix, which is recognized as one of the foundations in the historical development of marketing. Each of these dimensions imposes on a bank's customers' overall impression with its products, and hence their satisfaction in ways that vary from the many-reaching to the distinctively specific.

- **Product:** This term in banking relates to the types and quality of financial services provided like credit cards, savings accounts, loans, insurance or online banking facilities. Customer delight will be achieved only when we can deliver and offer so many products to match each individual’s requirements (Kaura, 2013; Awan & Bukhari, September 2011). Al-Tamimi and Al-Amiri (2003) found that the uniqueness and personalization of banking products could serve as a key to client retention / loyalty.
- **Promotion:** Promotional activities are important to create awareness, build brand identity and influence the perception of consumers. A bank uses digital marketing, public relations, personal selling approach, advertising and sales promotions methods to communicate the value propositions of a bank with its target market (Lovelock & Wirtz, 2011; Ruchi & Tiwari, 2019). Saxena, P., Khandelwal, M. (2010) Targeted Promotional Strategies by SBI — Digital Engagement campaigns and Localised advertising help boost Customer Awareness in Punjab.
- **Pricing:** In the banking industry, price includes interest rates (for loans and deposits), service fees and other costs of products. Competitive pricing is critical to drive the new business and retain existing clients-in particularly cost-sensitive markets like India (Choudhury, 2014; Vyas & Raitani, 2014). According to empirical evidence, fair and transparent pricing practices have a positive impact on consumer satisfaction and trust (Jain & Gaur, 2020).
- **Place:** The term place refers to the channels of distribution through which banking services are delivered, these can include digital platforms, ATMS and branch networks. Consumer satisfaction is guided by another two variables which are convenience and accessibility (Mehta et al., 2000; Kaur & Kiran, 2015). The online banking products available are complemented by support from SBI's extensive branch network in the state of Punjab, helping improve customer accessibility (Kumbhar, 2011).

2.2 The SERVQUAL Model in Banking and Its Applicability to Marketing Mix

The SERVQUAL model provides a detailed model of service quality based on five dimensions: tangibility, reliability, assurance, responsiveness and empathy. Developed by Parasuraman, Zeithaml and Berry in 1988 these are the primal stages in any analysis of adequacy and adaptedness of the services provided by a bank, A question well-known in banking disputants denotation with (Siddiqi, 2011; Gupta & Dev, 2012). Once the impacts of these are known, it will be clearer whether or not this model can also be applied to the mixture strategies and client satisfaction in Punjab branch of the state bank of India (SBI) through a test on 4Ps i.e. Product, Promotion, Pricing and Place.

Tangibility: The way the place looks, how it's set up, and what the staff wears. The latter includes tangible product and the price of the same. As both sales point as well as grievance redressal points of interactions with clients located here; so this will fall under any definition one may choose for "tangibility" in case of SBI in Punjab dimensions Mehta et al. According to Fernando (2000) and Kaura (2013), through customer satisfaction the perceived quality of bank services will improve this can be seen from maintenance of bank branches, mobile applications are good as well as neat dress sense with an attractive appearance by the bank staff.

Reliability: Reability described as the entity of the ability to deliver on promises made, and to do this accurately and consistently part of 'product', in a marketing mix. For SBI, the state of Punjab carries significant importance as far as trust and satisfaction building with customers is concerned, which demands for delivery of reliable services in terms of transaction processing accuracy, timely information dissemination to customers and fee clarity (Seth et al., 2005; Choudhury, 2014).

Responsiveness: Closely-related to the promotion and place is responsiveness, the willingness to help customers and give prompt service. This means not only better response but also timely customer service such as accessible digital channels, effective marketing campaigns or branch. A bank that is seen as more responsive by its customers, a 2016 study by Verma and Sharma discovered, will simply be the one where customers have better satisfaction. SBI considers Responsiveness as a proactive client servicing on social media and in digital marketing platforms where it makes the customers feel valued and their voices are heard (Roy & Lahiri, 2016).

Assurance: Employee expertise, politeness, and capability of building confidence and trust. Here, the human resource affects both "product" and 'promotion" strategy such that staff is well aware of what they are promoting. Level of Assurance: Evidence suggests that assurance significantly influences the satisfaction of banking customers, particularly when confidence in the competence and trustworthiness of service providers is present (Gupta & Dev, 2012; Joseph et al., 2019).

Empathy: Empathy can be defined as having a considerate arm in which you wrap around your clients, giving them the proper attention they need. Although this dimension is linked to each and every element of the marketing mix, it can be most closely associated with "place" and "promotion," as they demonstrate how effectively the bank knows its customers' unique preferences. Service and promotional drive should have a touch of consumer centricity catering to the different customer segments existing in Punjab, it would certainly improve empathy as well as overall satisfaction with SBI (Jain & Gaur, 2020; Goyal & Chhabra, 2015).

By applying the SERVQUAL model to analyse SBI's marketing mix strategies it is apparent that each dimension of service partly or wholly impacts customer satisfaction. Taking into account the aforesaid points, SBI must aim to deliver superior service quality across all SERVQUAL dimensions and take care of its marketing mix to be rooted in the customer focus and expectations of local market while formulating strategy for Punjab. This management in a competitive banking scenario is anticipated to enhance customer satisfaction, loyalty and image consequently bringing about the sustainable development (Caruana 2002; Shankar and Jebarajakirthy 2019).

3. RESEARCH METHODOLOGY: In order to determine whether SBI is fulfilling its customer satisfaction goals, this paper attempt to map the theories from available literature onto a simple conceptual model such as SERVQUAL (Parasuraman et al 1988). This paper seeks to provide practical recommendations for bank administrators and other decision makers in the banking industry, by exploring this relationship.

4. ANALYSIS OF SBI'S MARKETING MIX STRATEGIES IN PUNJAB

This study once again validates the attempted use of a general marketing mix strategy for customer satisfaction and loyalty within an immensely dynamic banking industry prevalent in Punjab by State Bank of India (SBI). The following table provides an overview of the main components of SBI's pricing, place, product, and promotion strategies in Punjab.

Table 4.1: SBI's Marketing Mix Strategies in Punjab

Element	Strategy	Details	References
Product Strategy	Diverse Range of Products	Savings and current accounts, home loans, agricultural loans, SME loans, digital products (YONO app), NRI banking services.	Singh & Kaur (2021); Narang & Arora (2020); Sharma & Gill (2023); Bhattacharya & Patel (2019); Kumari & Devi (2022)
	Tailored Financial Services	Customized services for different segments, such as loans for SMEs, NRIs, and the agricultural sector.	Garg & Singh (2021); Bhattacharya & Patel (2019)
Pricing Strategy	Competitive Interest Rates	Attractive interest rates on deposits and loans, reduced rates for agricultural loans, flexible repayment options.	Mehta & Gupta (2023); Shankar & Jebarajakirthy (2019)
	Special Pricing Schemes	Seasonal discounts, lower loan processing fees, special offers for women entrepreneurs.	Garg & Singh (2021); Mehta & Gupta (2023)
	Financial Inclusion Initiatives	No-frills accounts with minimal or zero balance requirements to cater to the underbanked population.	Bhattacharya & Patel (2019)
Place Strategy	Extensive Branch Network	Over 700 branches across Punjab, covering both urban and rural areas.	Raman & Aithal (2020)
	Wide ATM Network	More than 2,500 ATMs across Punjab to enhance accessibility.	Patel & Bhatt (2021)

	Digital Channels	Internet banking, mobile banking, YONO app providing 24/7 services and access to remote areas.	Mukherjee & Dutta (2022)
	Business Correspondents (BCs)	Using BCs to reach rural customers where branches are not feasible.	Sharma & Gill (2023)
Promotion Strategy	Traditional Advertising	Print media, television, and radio ads targeting older customers and rural populations.	Garg & Singh (2021)
	Digital Marketing	Social media campaigns, search engine marketing, online content aimed at engaging younger, tech-savvy customers.	Kumar & Mishra (2022)
	Localized Campaigns	Regional language campaigns, cultural themes, sponsorship of local events like Baisakhi and Lohri.	Malhotra & Bansal (2022); Sharma & Gill (2023)
	Customer Reward Programs	Cashback offers, loyalty points for frequent transactions, incentives for digital banking.	Narang & Arora (2020)
	Corporate Social Responsibility (CSR) Initiatives	Financial literacy programs, community development projects to build trust and enhance brand image.	Roy & Lahiri (2016)

Source: Based on literature

5. ALIGNMENT WITH THE CUSTOMER EXPECTATIONS

Depending on the complexities of their clients, State Bank of India (SBI) in Punjab sends out mixed signals what essentially suggests a blend of competitive pricing with a fair diversity and measured spreads that mirror the marketing mix strategies. There are still areas where customer expectations are not fully met though, such as in digital experience, pricing transparency and quality of service even though these measures have accomplished a lot. This way, even a greater client satisfaction and loyalty treatment could be achieved.

Following table offers a comprehensive view of how SBI's current marketing mix strategies align with customer expectations in Punjab, identifying key gaps and suggesting improvements to better meet those expectations and enhance customer satisfaction.

Table 4.2: SBI’s strategies and customer expectations in Punjab

Marketing Mix Element	Current Strategies	Customer Expectations	Identified Gaps	Suggested Improvements	References
Product	Diverse product portfolio including savings accounts, loans (home, agricultural, SME), digital products (YONO app), NRI banking.	Expect wider range of personalized products, more focus on digital innovation, and niche offerings for specific customer segments like NRIs.	Limited customization of products for niche segments, digital products need enhanced features and usability.	Introduce more personalized and niche banking solutions, enhance digital product features (user-friendly interfaces, added functionalities).	Singh & Kaur (2021); Bhattacharya & Patel (2019); Sharma & Gill (2023)
Pricing	Competitive interest rates, low service charges, special pricing schemes (discounts, lower loan processing fees).	Transparent pricing and clear communication about all fees and charges.	Perceived lack of transparency in service charges and fees, occasional hidden costs associated with specific services.	Implement clearer communication on fees and charges through digital platforms and in-branch signage; regular customer education initiatives.	Mehta & Gupta (2023); Shankar & Jebarajakirthy (2019)
Place	Extensive branch network, wide ATM network, robust digital banking channels, business correspondents for rural outreach.	Expect seamless accessibility through both physical branches and digital channels; reliable digital banking infrastructure and support.	Inconsistent digital experience, particularly in remote areas; need for improved digital infrastructure and customer support for online services.	Strengthen digital banking infrastructure, improve customer support for online channels, expand branch presence in underserved areas.	Patel & Bhatt (2021); Mukherjee & Dutta (2022); Sharma & Gill (2023)
Promotion	Traditional advertising (print, TV, radio), digital marketing (social media campaigns), localized campaigns, customer rewards programs.	Expect more interactive and personalized digital marketing efforts; culturally relevant promotions; incentives that are meaningful and valuable.	Limited interactive digital campaigns, lack of personalization in promotions, and some reward programs perceived as lacking real value.	Develop personalized digital campaigns using AI and customer data analytics, offer more culturally relevant promotions, refine rewards to enhance value.	Garg & Singh (2021); Kumar & Mishra (2022); Narang & Arora (2020)

Service Quality	Focus on service quality through various channels, leveraging the SERVQUAL dimensions: tangibility, reliability, responsiveness, assurance, and empathy.	Expect high responsiveness, reliability, and empathy in service delivery across all touchpoints, especially digital platforms.	Service delivery gaps in responsiveness and reliability, especially on digital platforms; need for improved empathy and personalized service experience.	Train staff for improved customer engagement; introduce AI chatbots for instant query resolution; enhance digital service quality using advanced technology.	Gupta & Dev (2012); Seth et al. (2005); Siddiqi (2011)

Source: Based on literature

6. CONCLUSION AND FUTURE IMPLICATIONS

6.1 Conclusion:

The State Bank of India's (SBI) marketing mix strategies in Punjab are thoroughly examined in this paper. Their customer expectations based assessment Product diversification, aggressive pricing, an extensive distribution network and regional promotions ensured that SBI met the wide range of needs of its clientele. One thing this analysis does show is the pro-consumer shortcomings such as a limitation on digital product modifications for cost, obscure pricing levels, and a variety of service quality across digital platforms. While SBI has done much to adapt its tactics for the local market, the numbers suggest that there is still more work to do. Bridging these gaps will increase customer satisfaction and brand loyalty which will help SBI compete more effectively in the banking market of Punjab.

6.2 Future Implications:

Making progress towards alignment with customer expectations, SBI needs to work more on broadening and enhancing the platform functionality, as well as improving customer support, of its digital banking offering. This range can widen especially if dealers are able to demonstrate transparency in how dealer fees, rate incentives, or MSRP impacts final transaction price. More sympathetic and more responsive service will pay off when money is spent on training, as well as the most advanced technologies for improving service quality. Customization of the product to cater to specific customer needs and marketing strategies that are personalized and culture-appropriate, will play a role in driving both engagement and loyalty. By addressing these challenges, SBI can become more competitive, appealing to their customer base and enabling long-term growth.

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