6.1 Findings

Upon detailed analysis of primary data collected, the following findings are arrived at:

**Banking Habits**

1) The major reason for selecting the bank whether it may be SBT or Federal Bank is nearness to office. Incentive schemes just by chance follow as the other major reason to choose the respective banks. The urban customers of both the banks cited family tradition as the reason for choosing the banks, whereas nearness to office and incentive schemes were the major reasons for both the rural and semi urban customers.

2) Efficiency, courteous service and familiarity are the major reasons across the banks for continued patronage. A prominent percentage of customers felt the banks were operating professionally and treated customers equally.
3) Although the existing day timings are mostly preferred by the SBT and FB customers, sufficient percentage of customers of the banks prefer to have morning and late evening bank timings due to convenience of employed, non-employed and business and non-business type of customers.

Physical Facilities

1) The customers of FB rated the space available as superior than SBT.

2) The availability of well designed counter in SBT and FB is more or less similar except in urban area where F.B. is better than S.B.T.

3) The sufficiency of furniture is more or less similar in FB and SBT with the exception of urban branches where FB is better than SBT.

4) The availability of fan and drinking water is better in SBT than in FB.

5) There is no significant difference in urban areas.

6) As far as availability of parking space is concerned there is no significant difference between SBT and FB.

7) Higher percentage of customers of FB have the opinion that the staff at bank is adequate.

8) SBT branches are more conveniently located than FB branches.

9) As far as the accessibility of bank to roads/transportation is concerned SBT is better than FB.
Findings, Recommendations and Conclusion

Attitude of Staff

1) There is no significant difference between FB and SBT in the case of cleanliness and upkeep of branch premises.

2) As far as the behaviour of staff is concerned there is no much difference between SBT and FB.

3) The co-ordination among the staff of FB is better than in SBT except in urban areas where the co-ordination is more or less similar.

4) FB is better than SBT in taking personal interest by the staff in solving customer’s problems.

5) FB is better than SBT in urban areas in providing prompt service to its customer though it is somewhat similar in rural and semi urban areas.

Customer Guidance

1) In the matter of displaying boards at counters indicating the type of transaction that particular counter does SBT and FB are more or less similar.

2) In display of time norms SBT is better than FB except in urban regions where it is more or less similar.

3) In providing personal guidance FB is better than SBT with the exception of urban areas where it is more or less similar.

4) In the case of availability and accessibility of managers, SBT and FB are more or less similar.
5) As far as the regular conduct of customer meet is concerned, SBT is better than FB except in urban regions where SBT and FB are more or less similar.

6) As far as display of notice of customer meet is concerned, SBT is better than F.B except in semi urban regions where SBT and FB is more or less similar.

Customer Education

1) The branch manager, advertisement and pamphlets distributed are the prime source of information about the services for both the SBT and FB customers.

2) As far as availability of leaflets/pamphlets on services is concerned SBT is better than FB, but in rural and semi urban regions there is no significant difference between SBT and FB.

Savings Bank Account

1) While all FB customers surveyed have savings account with the bank, SBT customers with an exception of a small group have savings account with their bank.

2) Majority of the customers of SBT and FB consider the photo and PAN necessary for opening an account with the bank.

3) Only a small percentage of the respondents of both SBT and FB felt difficulty in opening the accounts.

4) Even though the time taken for depositing cash in SB a/c at FB is less than that of SBT, the difference is not significant.
5) The customers of FB get money from SB A/c much faster than SBT customers.

6) In the case of issuing new cheque books to the customers, FB is better than SBT by taking lesser time.

7) In the collection of local cheques there is no difference between SBT and FB.

8) Both SBT and FB takes more or less the same days for the collection of outstation cheques.

9) The number of customers of FB giving standing instructions to the bank lesser are than the SBT customers.

10) Both SBT and F.B have executed the standing instruction properly but in the urban region FB is better than SBT.

11) Majority of the SBT and FB customers update their passbook while depositing cash into SB account.

12) Majority of FB customers are more responsible to carry their passbook while withdrawing cash from bank than SBT customers.

13) Majority of the semi-urban customers of both SBT and FB maintain the passbook promptly and up to date.

14) Only a negligible fraction of the customers of both the banks take one year interval for updating the entries in the passbook.

15) A vast majority of the customers of both the banks understand the entries in the passbook very clearly.

16) Majority of both the SBT and FB customers irrespective of area have accounts with multiple banks at different locations.
Current Deposit

1) There is no significant difference in the percentage of current account holders in SBT and FB. There are also no much variations in the three areas under survey.

2) There is no significant difference between SBT and FB in sending delayed statement to their customers of current account.

3) Statement of account of SBT is more user friendly than that of FB.

Term Deposit

1) Only 48% of the customers of SBT and FB have fixed deposit accounts with the bank.

2) FB is better than SBT in intimating its customers before FD matures.

3) SBT has taken lesser time than FB in issuing the receipt for renewal on deposit of Fixed Deposit.

4) Both the SBT and FB take 30 to 45 minutes to encash the fixed deposit for the customers in the rural, semi-urban and urban area.

N.R.E Account

1) 10.36% of the SBT respondents and 5.63% of F.B respondent are having N.R.E account.

2) F.B is giving reasonable rate of interest to N.R.E account holders than S.B.T.

3) FB is better than S.B.T in providing service to N.R.E account holders.
Findings, Recommendations and Conclusion

4) SBT is better than F.B in providing regular statement of accounts to N.R.E customers.

Remittances

1) SBT is most favoured by people of both rural and urban areas, whereas FB in suburban area do better.

2) SBT has remitted more funds than FB through Demand Draft.

3) SBT is better than FB in issuing bank draft in a shorter time duration.

4) The FB customers in general have used mail transfer more than SBT customers as a means of remittance of funds.

Loans and Advances

1) SBT, being a public sector bank, concentrates more on rural upliftment by providing more loans and advances to its customers than semi-urban and urban development. Whereas FB, operating in private sector is profit oriented. That is why it concentrates on semi-urban and urban areas.

2) Ordinary form of lending constitutes the major form of borrowing facility among rural population both in FB. Whereas in SBT all other forms constitute major part of lending.

3) SBT serves better and more in home loans than FB.

4) SBT is better than FB in providing Educational Loans to its customers

5) FB is better than SBT in providing loans influence-free.
6) The influence of political people and bank staff are largely used to avail loans from both SBT and FB

7) Majority of the customers do not find usefulness in the information given while processing the application for the loan by banks.

8) Majority of both SBT and FB customers feel that some of the information asked for processing the loan are irrelevant and unnecessary.

9) FB customers are more cautious than SBT customers to verify and ensure the authenticity of documents executed while availing credit facilities.

10) FB is better in providing temporary accommodation to its customers than SBT.

11) Both the SBT and FB customers claim that their bank do follow a consistent policy of service charges levied on their loan accounts

**Technology Based Services**

1) Significantly higher percentage of the customers of SBT than F.B. is getting ATM facility.

2) There is no significant difference between the percentage of customers of SBT and FB who are satisfied with the working of A.T.M.

3) Similar percentage of the customers of SBT and F.B have problems with A.T.M.

4) F.B is better than SBT in making available the online facility.
Findings, Recommendations and Conclusion

5) More customers of F.B are using online facility than S.B.T customers.

6) FB is better in providing core banking services to its customers than SBT.

7) FB customers are properly served with SMS alerts than SBT customers and hence more customers are covered by FB than SBT customers.

Other Services

1) SBT customers are more than FB customers in the use of locker facilities.

2) There is no significant difference in the use of travellers’ cheque by the SBT and FB customers.

3) There is no significant difference between SBT and FB customers in the use of gift cheques or cards.

4) FB is more lethargic than SBT in exchanging soiled notes.

5) SBT customers prefer more for pension through bank than FB customers mainly due to the larger treasury operations of SBT.

6) Majority of SBT and FB customers are of the opinion that charges for various services of banks are reasonable.

7) Customers in SBT are more confident than in FB.

Customer Complaints

1) Though there is no significant difference in the percentage of total respondents of SBT and F.B who have lodged complaints with the bank region wise, in the rural and urban region F.B customers have
less complaints than SBT customers. But in the semi urban region customers of SBT have less complaint than FB customers.

2) The bank employees of F.B behave better than S.B.T employees.

3) In case of total complaint in respect of error in accounts the percentage of complainants in SBT and FB is almost same.

4) SBT is better than F.B in effecting the transaction without delay.

5) SBT customers have more inoperative accounts than FB customers.

6) More customers of SBT than FB levy penal charges for breach of minimum balance in the account.

7) The loanee customers of SBT are more affected by wrong reporting to Credit Information Bureau than the FB customers.

8) Both the SBT and FB customers do not favour frequent strikes in banks which adversely affect the functioning of banks.

9) Both the SBT and FB customers strongly argue that the frauds in banks negatively affect the confidence of customers in banks.

Customers Expectations

1) Both SBT and FB. are almost same in giving prompt attention and efficient service to the customers.

2) FB does a much better job at providing information about account operations across all the regions.

3) F.B. is better than S.B.T in providing accurate information to its customers.

4) FB has better transparency in banker customer relationship.
Findings, Recommendations and Conclusion

5) F.B. is better than S.B.T. in providing assurance of legitimate secrecy of customer’s operation.

6) FB. is better in giving equitable treatment to the customers than SBT.

7) SBT is better than F.B. in following a fair and simplified pricing procedure.

8) Both the SBT and FB customers expect a certain level of quality service from their banks.

9) Both the SBT and FB customers expect speedy, prompt and accurate services from their banks.

10) FB customers are more delighted than SBT customers.

11) Both SBT and F.B. are almost similar in providing better and quick services to customers through computerization.

12) Majority of both the customers rated the customer services in SBT and FB as either superior, good or fair.

13) There is no significant difference between branch managers of SBT and Federal Bank as far as age is concerned. However, a disproportionately high percentage of the branch managers in Federal Bank are found to be possessing professional qualifications. Significant difference between SBT and Federal Bank is not observed as far as experience of branch managers is concerned.

14) In terms of customer amenities, the Federal Bank has an edge over SBT. However, significant differences are observed only in the case of amenities like parking space and ATM.
15) Both in SBT as well as in Federal Bank, informal interactions with customer are the major form of obtaining customer feedback.

16) In the case of a few suggestions and demands of customers, there is significant difference between SBT and Federal Bank

17) The responses of branch managers show that there are several constraints at the branch level in improving customer care

### 6.2 Recommendations

The banks have to take special care in rendering quality service to the customers. The banks must take necessary steps to improve the customer service. Following recommendations are suggested to improve the existing level of customer service. These recommendations are made on the basis of the major findings of the study.

1) The Banks should be in a position to design products suiting the requirements of the customers rather than forcing the bundled products on the customers.

2) A passbook should be a mirror of the summary of transactions as appearing in the bank’s books. It should be readable with appropriate font size and define all the acronyms used.

3) The Pass Book / Statement of Accounts should indicate the account number, name, address and ID of the customer, MICR Code, IFSC Code, Toll free Customer Care number and Ombudsman contact details etc. Banks should give constant attention to ensure entry of correct and legible particulars in the pass books and statement of accounts.
4) Digitally signed e-mail statements should be sent to the customers on their request and these should be accepted by the various Government authorities.

5) The name of the payee as well as instrument number in case of debit entries and the name of payee bank / drawer of instrument as well as instrument number in case of credit entries should also be provided by the banks in the pass books / statement of accounts.

6) Before marking the account as inoperative, banks must intimate the account holder by SMS. If the account holder is not traceable, banks must make efforts to trace the whereabouts of the account holder or his legal heirs in case the account holder is deceased.

7) Banks should inform the customer immediately on the balance in the account breaching minimum balance and the applicable penal charges for not maintaining the balance by SMS/e-mail/letter. Further, the penal charges levied should be in proportion to the shortfall observed.

8) Bank should offer a basic bank account with certain privileges like number of transactions (say three per month), cheque facility, ATM Card, etc. without any prescription of minimum balance. Banks may then prescribe Average Quarterly Balance of various slabs with offer of higher privileges and facilities.

9) All fixed deposit receipts should prominently indicate the annualised interest yield to facilitate informed customer decisions.

10) The check-list of documents to be submitted by the customers for various purposes should be available in the bank and also in the website.
11) Customer should have the facility of number portability (allowed to maintain the same account number) within a bank even when he/she moves to another city or shifts his account to another branch in the same city.

12) Bank should issue term deposit receipt indicating therein full details, such as, date of issue, period of deposit, due date, applicable rate of interest, etc.

13) The term deposit renewal notice should be sent to customers preferably in electronic form to enable them to decide the renewal terms. Statement of all deposit accounts in summary form giving details like principal amount, maturity value, maturity dates, rate of interest etc. should also be provided by banks. Further, the banks should not auto-renew the deposit accounts without customer consent in writing.

14) Service Charges should be made uniform across the banks. The charges should be reasonable and affordable especially for lower categories of customers.

15) Banks must reduce the service charges on DD. Banks should consider having an electronic transfer of draft amount to the receiving institution and issue a numbered tear away receipt which would reduce time and cost for the user and the bank.

16) The users (utilities, airlines, train tickets etc.) of electronic bank platforms for making collections should offer small discounts to their customers to favour electronic payments (already being done by a few institutions). This would result in substantial savings to them in cash management.
17) Cheque Drop Box should provide receipt/acknowledgement along with the image of cheque. Cheque Truncation from the point of deposit in the automatic deposit machine to be allowed thereby preventing further flow of physical cheque to clearing department.

18) All pricing and non-pricing terms and conditions of loans should be in strict conformity with the Regulatory Guidelines and correctly capture the risks involved.

19) Reason for Penal Interest on Loan accounts, Rate of Interest charged in Loan accounts, etc. should be mentioned in Passbook/Statement of Account.

20) Housing Loan Interest Certificate / Education Loan Interest Certificates are required for Income Tax Returns purpose by the borrowers every year. The necessary software should be enabled to generate / issue such certificates in respect of all Housing Loan and Educational Loan customers at appropriate time every year.

21) Banks should inform about the time schedule for disposal of loan applications to the borrower and take responsibility for not disposing of the loan application within that time limit.

22) Banks must ensure that loan statements are issued to the borrowers periodically giving details of loan disbursed, demands and repayments effected along with interest and details of charges.

23) Borrower should be made aware about upfront fee on various documents required to be produced for processing of loan application. These documents should be made available along with the loan application.
24) Banks should provide timely, adequate and cost effective small loans to the poor.

25) Reporting to Credit Information Bureau - Banks should be doubly careful while reporting a borrower as defaulter to Credit Information Bureau. Banks should ensure that any representation from the customer in this matter is processed expeditiously. In case of any adverse remark in credit report, the bank may inform the customer for necessary clarification upfront so that errors, if any, can be corrected.

26) All home loans must have MITC clearly stating the terms and conditions of the loan. This should also be available in the local language.

27) Banks should automatically provide annual account statement to home loan customers without request from them. Such statements must contain details of payment made towards principal and interest including principal outstanding.

28) All home loans should permit a switch over between fixed and floating or vice-versa at least once during its tenure at an appropriate and reasonable fee.

29) The banks should ensure through Government subsidy or insurance, the educational loans are properly priced so that no bright student would be denied an educational loan to pursue higher studies. The criteria forgiving such loans should be well publicised through website or advertisements to ensure transparency and non-discrimination in sanction of such loans.
30) In order to encourage a formal channel of communication between the customers and the bank at the branch level, banks should take necessary steps for strengthening the branch level committees of customer service with greater involvement of customers.

31) Customers may be made conscious of the need on their part to get the pass-books updated regularly and employees may be exhorted to attach importance to this area.

32) Advance instructions from depositors for disposal of deposits on maturity may be obtained in the application form itself. Wherever such instructions are not obtained, banks should ensure sending of intimation of impending due date of maturity well in advance to their depositors as a rule in order to extend better customer service.

33) Keeping in view the importance of credit discipline for reduction in NPA level of banks, banks should, at the time of opening current accounts, insist on a declaration to the effect that the account holder is not enjoying any credit facility with any other bank.

34) No particular banking hours have been prescribed by law and a bank may fix, after due notice to its customers, whatever business hours are convenient to it i.e., to work in double shifts, to observe weekly holiday on a day other than Sunday or to function on Sundays in addition to the normal working days, subject to observing normal working hours for public transactions.

35) In predominantly residential areas banks may keep their branches open for business on Sundays by suitably adjusting the holidays.
36) All branches, except very small branches should have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall.

37) Banks should ensure that any remittance of funds by way of demand drafts / mail / telegraphic transfer or any other mode and issue of travellers' cheques for value of ` 50,000 and above is effected by debit to the customer's account or against cheques and not against cash payment.

38) Measures seeking to bring down the incidence of frauds perpetrated through bank drafts should be built into the draft form itself. Necessary changes in system and procedures to speed up issue and payment of drafts should be taken.

39) Complaint book with perforated copies in each set may be introduced, so designed as to instantly provide an acknowledgement to the customers and an intimation to the Bank Office.

40) Banks should ensure that a suitable mechanism exists for receiving and addressing complaints from its customers / constituents with specific emphasis on resolving such complaints fairly and expeditiously regardless of source of the complaints.

41) Banks must take special care to adhere to the guidelines and procedures for opening and operating deposit accounts to safeguard against unscrupulous persons opening accounts mainly to use them as conduit for fraudulently encashing payment instruments.
Findings, Recommendations and Conclusion

42) Banks should exercise due care and necessary precaution for the protection of the lockers provided to the customer. Banks should review the systems in force for operation of safe deposit vaults / locker at their branches on an on-going basis and take necessary steps. The security procedures should be well-documented and the concerned staff should be properly trained in the procedure. The internal auditors should ensure that the procedures are strictly adhered to.

43) The bankers’ obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information should be divulged to third parties except under circumstances which are well defined.

44) Banks must take into account the views, suggestions and demands of both customers and branch managers who are the contact points in the banker-customer relationship for designing the programs for the continuous improvement of customer services.

45) The banks should take special interest in doing their services to the customers within a short reasonable time. It is not advisable to keep the customers waiting for long in the bank except in very special cases. Speed as well as accuracy of the services rendered mainly determine the efficiency and the quality of bank services.
6.3 Suggestions for Further Research

The banking sector provides vast scope for research studies. A large number of studies have already done relating to various aspects of banking services. However, a comparative study of service quality in bank in public sector, private and foreign sector is considered to be a major area of further research. Banking habits of rural customers is also worth studying. Application of innovative information technology to the banking practices can also go a long way in the highly competitive sector. Human Resource Development practices in banks is also an important area of future research. Bank’s insurance and mutual fund activities are also current issues for research. Innovative marketing techniques being practiced in banking services enhance the scope of banking sector. To include Indian Banking Industry is full of potential and opportunities for research which, in turn, lead to further strengthening of the backbone of Indian Economy.

6.4 Conclusion

The Indian Banking Industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. Today, Indian Banking Industry is one of the largest in world. There has been a great surge in efficient customer services. A highly satisfied and delighted customer is a very vital non-financial asset for the banks in the emerging IT era. The courtesy, accuracy and speed are like crown factors for a bank. With little or no distinction in the product offerings, it is these factors of rendering service that set apart one bank from another. It is very essential and important that all bank groups should put in place the right kind of policies, procedures and systems to improve the customer services. Further the efficiency of a banking sector largely depends upon how best it can deliver services to its target...
customers. In order to survive in this competitive environment and provide substantial customer satisfaction, the providers of banking services are now required to continually improve the quality of services.

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