CHAPTER VII

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION
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INTRODUCTION

The financial sector reforms were launched in India in the beginning of 1990s. The thrust of the reform process was to introduce elements of marketing as a dominant factor gradually replacing the administratively coordinated and planned actions. As part of the reform process greater competition has been infused in the banking system by permitting entry of private sector banks and liberal licensing of more branches by foreign banks and the entry of new foreign banks. Non-bank intermediation has also increased over the same period. These factors have led to increased competition among financial service providers and have increased the emphasis on marketing.

OBJECTIVES OF THE STUDY

1. To examine the diversified needs of bank customers in Kerala.

2. To study the marketing techniques followed by State Bank of Travancore

3. To review the marketing strategies adopted by State Bank of Travancore in the post liberalization period.

4. To analyse facilities, amenities, products and services provided by State Bank of Travancore during the reform phase.

5. To evaluate the promotional aspects of various products and services offered by State Bank of Travancore.
6. To appraise the effectiveness of internal marketing in State Bank of Travancore.

7. To make recommendations on the basis of the findings of the study

MAJOR FINDINGS OF THE STUDY

The findings of the study show that the financial services needs of bank customers in Kerala have changed over the last one decade. However, only 207 out of 301 respondents were satisfied with the existing products and services, while others wanted new products and services.

Marketing techniques is seen to be requiring improvement as many facilities like Single Window, Teller and May I help you counter are not available to a good number of customers. Comfortable seating is provided to most of the customers. Customers are yet to get the benefit of technology oriented facilities like ATM, Online and Telebanking and many branches are yet to be computerised.

Facilities of ancillary services like safe custody of articles and safe deposit lockers are also not available to many of the customers at various branches.

The study also found that the marketing strategy adopted by State Bank of Travancore has undergone changes. But the service providers - Bank staff - do not fully know about this or are not convinced. Around 25 percent of the SBT bank staff who responded stated that they do not think that SBT has a marketing strategy. Further, they are not clear about the marketing strategies adopted by SBT.

When the study explored the nature of changes in facilities, amenities, products and services offered by State Bank of Travancore during the post liberalization period and found that this has considerably changed. The study found that State Bank of
Travancore has improved upon its promotional aspects of various products and services, during the Reform phase. Existing customers are giving word of mouth publicity about the bank and its services which has been serving as a promotional tool in building awareness about the bank’s products among other potential customers.

The study found majority of the customers look for safety aspects while making investments in banking products and services. However, some of them look for both safety and quality. Return on investment and quality of service of the staff are stated as other aspects of significance while making investments in banking products and services. The Non Resident Indian (NRI) bank customers clearly stated that the value quality of service as the most important aspect followed by safety and liquidity. The salaried segment of customers stated that they valued safety as the most important aspect.

The customers have stated that they have chosen SBT for varying reasons. The quality of service and employee behaviour was found to be the major reasons for choosing SBT for depositing their money. While opining on choice of SBT for taking loans by them, the study found that low cost, location and personal contact with officials are the determining factors. In ancillary services, the customers stated the quality of service as the major reason for choosing SBT. However, only 126 out of 301 customers were aware of the regular ‘customer meets’ of SBT, the remaining being of the opinion that SBT do not have ‘customer meet’ or they do not know about it.

The study found that a highly significant percentage of the customers — 92 — have rated the customer service as excellent/very good/good and that an insignificant percentage of only 0.7 of the customers rated the customer service as unsatisfactory.
It has been observed that quality of service has been a predominant in customers associating with the bank for long. Frequency of visit also has been associated with the quality of service that the bank may be providing in retaining customers for repeat purchase as well as attracting new customers.

An important finding of the study is that 75 percent of the staff in SBT did not attend any training programme on marketing so far, which implies that their exposure to modern concepts of marketing of banking services is low. This deficiency could affect their customer service delivery quality.

The lack of knowledge about customer needs by the staff is evident from the answers to the question on the needs of the customers as understood by the staff of SBT. The customer needs as stated by the customers are different from the stated perceptions of bank staff.

SBT is yet to acquire the status of 100 percent of computerisation as all branches are not computerised and many customers are yet to get the benefits of computerisation and other technology oriented products like ATM and Telebanking.

As for the internal marketing effectiveness, the study has revealed that the employees of SBT have customer orientation, organisational commitment, complaint resolution capabilities and product awareness.
IMPORTANT SUGGESTIONS

Few suggestions in the context of study are:

1. Banks must conduct regular customer surveys and customer meets to assess the changing needs of customers.

2. Banks should design services and products to suit the underlying dimensions of quality service, convenient location, low cost and safety.

3. With the newly acquired technology, banks should launch various value added services and new technology driven products blended with the existing ones to enable the bank to extend a variety of financial services, all under one roof.

4. While the existing vanilla products will continue to find takers, the competitive environment will make it necessary to introduce products by leveraging technology on a continuous basis to suit emerging needs.

5. Marketing of insurance products/mutual funds/credit cards in all branches to be undertaken to satisfy the modern customers needs, so that the banks transform themselves into one stop shops that meet all the banking and financial needs of the customer.

6. Banks are to pioneer new service delivery techniques to strengthen bank’s relationships with branch customers and to suit the underlying dimensions of safety, quality of service and returns.

7. Facilities for ancillary services like safe custody of articles and Safe deposit lockers are to be provided at all branches and customers should be made aware of their availability.
8. The design of the physical environment and the way in which tasks are performed by customer contact personnel should be such that these play a vital role in creating a particular identify for the bank, shaping the nature of the customer's experience and enhancing both productivity and quality.

9. Customer loyalty can be enhanced through offerings of value added services like instant credit of outstation checks, issuance of free check books, issuance of free ATM cards, free accident insurance cover, free execution of standing instructions, free collection or at par facility, payment of utility bills like electricity, water and telephone charges on due dates, payment of monthly/quarterly education fee of children and payment of insurance premium on dates.

10. Regular Customer meets should be held for effective relationship banking.

11. Promotional efforts should focus more on relationship building to increase customer calls to win the mind share of customers so that they continue to win the mind share of customers through word of mouth publicity. At the same time, the head office of the bank should support the efforts at the branch through continuous advertisement and publicity efforts.

12. Regular promotional efforts like customer meets, seminars, road shows and campaigns to be conducted to create awareness in customers regarding the products and build positive image about the bank.

13. All branches should be computerised and provision of technology oriented products like ATMs and Telebanking should be made available more number of customers to meet the expectations of customers on technological changes.

14. Banks should not treat ATMs as Unique Selling Propositions but should
commoditise the same so that maximum number of customers get the benefit of ATMs. Networking of branches to enable customers to access their account through any of these delivery channels – ATMs, Internet Banking, and Telebanking – to have ‘Any time, Any where Banking’. Banks can also go in for shared network systems so that the customers irrespective of the bank with which (s) he maintains the account can use any ATM. More ATMs to be provided and the SBT should become part of State Bank Of India ATM network so as to maximise return on investment.

15. Customers should also be educated and encouraged to use ATMs to make banking more customer friendly and hassle free and to optimize utilization.

16. Networking of branches to enable customers to access their accounts through any of these delivery channels – ATM, Internet banking and Telebanking. Core banking solution (CBS) customers become ‘Bank Customers’ instead of being ‘Branch Customers’.

17. Technology upgradation by way of enhanced access and delivery channels should supplement the existing network and the branch unit should transform into most attractive marketing outlets with personalised consultancy services.

18. For SBT, introduction of core banking solution and integration on a common site all the items of the State Bank group will facilitate cross selling of products while providing ‘Anytime, Anywhere Banking’.

19. As part of the business process reengineering exercise, banks should adopt single window system in all its computerised branches. This also requires the empowering the front line staff to improve the process time for transactions.
20. Intensive efforts should continue to build a totally positive image with safety and security aspects complemented by the techno-abilities.

21. Banks should follow a strategy of geographical dominance, growing stronger in markets where they are already stronger.

22. Banks should reframe their marketing strategies with increased attention to retail banking, where returns are higher, default rate and probabilities are low, and repayment schedules are more regular and dependable.

23. The processes need to be reengineered as customers are demanding greater control and convenience over banking transactions. Banks will have to take heart the philosophy of ‘Convenience Banking’ and have a relook of all the processes from the customer’s side.

24. Banks should accept the concept of learning organisations where new skills and knowledge are continuously created, acquired and assimilated and everyone is set on a learning mode. Training programmes in banks should not only provide job knowledge but also inputs in the areas of management, marketing and behavioural sciences.

25. Major training programmes need to be introduced for bank staff in marketing of financial services to enable skill development, reorient mindset and to become customer centric.

26. Re-skilling and redeployment of to optimize manpower utilization in the areas of marketing should be resorted to by redesignation of front line staff as marketing assistants and allocating specific goals in terms of market share.

27. Managers should be provided training in strategic marketing in premier institutes.
like Indian Institute of Management, National Institute of Bank Management, Bankers Training college, Management Development Institute, Administrative Staff College of India etc.,

28. Being sent for training at national institutes of excellence should also serve as a motivator for career building. Learning, unlearning and relearning are the only three ways to advancement in career paths. Mid career education has become imperative to enable executives to constantly read, reflect and relate.

29. Technological developments should also be made employee friendly by implementing ‘Core Banking Solution’ to relieve the staff from mundane activities like routine and repetitive statements so that they can devote more time to marketing.

30. Quality has emerged as the all pervading concept in the management of organisations in a highly competitive environment. Banks should endeavour to provide quality service as this is a major determinant in customers associating with a bank for a number of years. Frequent purchases can be ensured and customer defection can be prevented by rendering quality service.

31. Internal marketing should be given equal importance to external marketing. Effective internal communication using media that includes circulars and circular letters, house magazines, brochures and manuals, job cards and checklists, e-mail, internet, face to face briefings, seminars, training programmes and promotional campaigns will help in creating awareness about products and services and also keep the employees motivated.
CONCLUSION

Customers for financial services are changing in terms of their wants, needs, desires, expectations and problems and financial service providers have to understand who their customers are, what they prefer, why they buy, who makes the decision and how the consumer uses the product and service.

In conformity with these changes, there should be changes in the Bank's services, training, attitudes and images, marketing strategies and patterns of organization and control. New technology driven products blended with the traditional ones and personalized service will enable banks to extend a variety of financial services under one roof.

SUGGESTIONS FOR FURTHER RESEARCH

Financial services marketing researchers will need to focus on customer's needs, attitudes, values and behaviours. Customer research will help in understanding and anticipating customer needs that can be met through product development or through differentiation. There is tremendous scope for further research among bank customers and staff in Kerala, the state with highest literacy and banking habits. It will enable monitoring of customer satisfaction with personal service and with automated service-delivery methods in order to pinpoint areas where service quality can be enhanced. Internal marketing will also be challenged to use technology to more precisely identify and segment markets and prospects that can be targeted with a special offer.

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