CHAPTER VI
CONCLUSION, FINDINGS AND SUGGESTIONS

The process of fast economic growth in connecting Income, saving and Investment of individuals with the process of industrialization through the institutional network, plays a very sensitive role not only to attract investment of the individuals out of their savings or by providing adequate funds to the industrial enterprises but to act as purveyors of meeting out the monetary demand of all including individuals, organisations, institutions, government and the society at large. The institutional network which is endowed to serve in different ways, includes the professionally oriented institutions called as banks. These institutions have emerged in diverse forms to meet out the different kind of monetary role they are providing as per the nature and requirement of the customers in demand of money or who intend to invest for meeting out specified conditions of investments with the passage of time. However, the role, structure and pattern of services of these institutions have changed and now, banks are equipped with a variety of packages and services for their customers. Customer satisfaction has been main concern of banks. This has been necessitated by the stiff competition in the banking industry. Banks are striving hard to offer quality services and products in a bid to maintain existing customers and to woo new one as well. Customers on the other hand, want best value for their money. So they are always coming around to get better services. The crux of the predominant studies reveals that the different scholars have studied the concept of customer satisfaction in context to the services rendered by different organizations particularly banking services in different ways at varying level of analysis. Different approaches, no doubt, helped in the emergence of more and more literature on the subject over time. Customer expectations are identified
and measured by using various tools, such as periodic contact, reviews, research studies, interviews, visits, discussions, and satisfaction surveys; all depend upon the customer base. The basic purpose of measuring customer satisfaction is to identify areas and priorities for improvement. Moreover, customer satisfaction is measured by satisfaction surveys, performance matrices, and satisfaction indices also. The thinkers emphasize that besides awareness about services, products should be of good quality and according to the requirements of customers. Different views have been given on banking services and customers' satisfaction by different authors but there are different issues which have been ignored like what are the requirements of customers who belong to hilly regions backward areas of India like in Himachal Pradesh and how much they are aware of the services and facilities which are being provided to them by the banks. Majority of the customers do not have knowledge about the services provided to them by the banks. The rural and tribal regions of Himachal Pradesh have multiplicity of features which are dominated in terms of culture, language and life styles and such features are creating a hurdle in understanding and communicating. The study is purposeful to pin-point these characteristics to analyze the level of customers satisfaction of State Bank of India in the State. There is a misconception in the bank management at the policy formulation and implementation levels that better status, better facilities to staff, good working environment, provision of new techniques for customers etc are related to customers satisfaction which is supported by the researchers also whereas, the aspects which is more important is related to the dealing, cooperation and proper guidance to customers to settle down their claim cases customers who are senior citizens and not being given recognition in the bank counters or in the name of multi-counter facility, customers in groups, stand in one counter, face slow process of the counter clerk and when their turn comes
The clerk doesn't co-operate and are directed to go to the other counter to get the service rendered etc are the basic considerations which influence customers' satisfaction and researches, so far, could not take such points for analysis. The research is endowed to fill this gap.

The Reserve Bank of India has taken a fairly diverse functional mandate which has been proved as a very important aspect of its operations in the banking sector. The fact that the RBI's mandate for depositors' protection is enshrined in a statute dating as far back as 1949 is itself tribute to the vision of the public policy makers who thought it appropriate to enact a highly customer-centric legislation and to entrust this onerous responsibility to the Central bank of the Country. The responsibility was assigned to the RBI in an era probably long back before the concepts like customer service, customer experience, customer satisfaction, customer delight and 'customer centricity' found an entry into the lexicon of the banking or business world and become rather fashionable.

Reserve Bank of India initiated to strengthen credit delivery, improve customer service and encourage banks to provide services to all segments of the population. Expanding the outreach of banking services is a major concern that is engaging the attention of Government of India and the Reserve Bank through “Financial Inclusion”. The target group under the new thrust of financial inclusion is the vast section of the disadvantaged and low-income groups of the society comprising landless labourers and small/marginal farmers, migrant labourers and tiny traders, etc.

The Reserve bank has also taken measures itself for protection of customers’ rights by enhancing the quality of customer services and strengthening grievances redressed mechanism in the banks and within the RBI. In order to appropriately signal the importance that the Reserve bank attaches to the services rendered to customers, both by Reserve Bank and by the banking
sector as a whole, a new department called Customer Service Department, was created in the RBI on July 1, 2006 by regrouping various customer services related activities handled by different departments of RBI, under a single department. The functions of the department encompass a variety of activities related to customer services and grievance redressed in the bank and the banking sector which are relating to the banking Ombudsman, Banking Codes and Standard Board of India. Such an organizational dispensation has enabled a more focused policy attention to the customer services dimension of banking sector.

The central bank introduced the Banking Ombudsman Scheme in India on June 14, 1995 to provide an expeditious and inexpensive forum to bank customers for resolution of their complaints relating to deficiency in banking services provided by commercial banks, regional rural banks and scheduled primary co-operative banks. There are 15 Offices of Banking Ombudsman, spread across the Country. The feedback gathered in the course of administering the Banking Ombudsman Scheme has been used by RBI to modify it in 2002, 2006, 2007 and 2009, interlay, to include customer complaints on new areas such as credit card complaints, internet banking, deficiencies in providing the promised services by both bank and its sales agents, levying service charges without prior notice to the customers, non-adherence to the Fair Practices Code adopted by individual banks, etc. RBI operates the Banking Ombudsman Scheme, free of cost, so as to make it common people oriented. In order to increase its effectiveness and utility, Banking Ombudsman Scheme is fully staffed and funded by RBI. The Banking Ombudsman, on receipt of the complaint, sends a copy thereof to the bank branch named in the complaint under advice to the Nodal Officer and endeavours to promote a settlement of the complaint by agreement between the complainant and the bank through
conciliation or mediation. In case a settlement is not forthcoming despite the conciliatory efforts initiated by the Banking ombudsman, it passes an Award (Order) after affording both the parties reasonable opportunity to present their case, although physical appearance is not always necessary.

Determining the customer rating of bank services is a complex process. The complexities increase with the deeper analysis of customers in relation to occupational and other disparities. State Bank of India has emerged next to the post offices, as the most accessible institution to motivate small savings and render financial services in all regions and areas of India including Himachal Pradesh. In a state where disparity is influencing the socio-economic life and is resulting into a qualitative difference in the living standard, it is pertinent to understand that the expectations of the customers of different institutions particularly banks are different in different areas. Himachal Pradesh is a state of India in the lap of Himalayas. The state has twelve administrative districts consisting of two districts; Chamba having two tribal blocks and few areas of other districts as tribal regions. Apart from these areas, majority of regions are mountainous. In the state, State Bank of India has divided into four regions to extent banking services in all regions and areas. These regions are Shimla-2, Shimla-3, Mandi and Dharamshala. It has been concluded that bank has succeeded to captivate all regions, areas and villages through its services in all the four regions. However, so far the bank could not start its branches in majority of the villages due to which, people have to avail the services of the bank branches in the nearby villages and in few cases, the customers of the bank have even to avail the services of the bank branch at a distance of 8 to 15 kilometres. The major contribution of this study lies in the simultaneous consideration of the perceptions of customers of State Bank of India in Himachal Pradesh to construct a model for the management of long term relationships, in
which social bonds play a very important role, especially in the areas considered for the research analysis. Firstly, the study had tried to investigate which dimensions are important in context to the customer relationship with the banks. Then, the study tried to find out the effect of social network in establishing long lasting relationships, which will minimise the customers’ switching costs, according to the perceptions of both relationship bankers and their clients.

It can be concluded concludes that the maximum complaints are in the public sector banks and are continuously increasing, and as such, they adversely affected customers’ satisfaction and performance. The complaints and all the activities performed by banks are in deposit, credit cards and housing loans. It is necessary to mitigate these complaints to make the customer satisfied. Each and every bank should establish a customer care centre to solve the complaints of the customers. Private sector and foreign banks are taking the lead in making customers happy. Moreover, Indian public sector banks are still not taking the initiative in solving the complaints of their customers. Consequently, if the Indian public sector banks will not improve themselves to mitigate the complaints of the bank customers, their survival will become difficult in the competitive era. However, the ‘reserve bank’ of India should instruct all the public sector banks to solve the complaints of the customers at the earliest.

It has been found that drastic growth has been recorded in the complaints received in the offices of Bank ombudsman in the various bank groups. This indicates that the services of the banks are not as per the expectations of customers. The statistical figures regarding the complaints received by bank ombudsman in India show a significant variation among different groups like that of nationalized banks, SBI group, private sector banks, foreign banks and scheduled primary co-operative banks. It has been concluded that from the year 1999-2000, the number of complaints registered against nationalized bank were
3857 and this trend has reached to 20417 in 2010-11. Calculating the average number of complaints registered against Nationalized Bank from 1999 to 2011 as 9219.75.

For the State Bank Group, there is a greater increase in the number of complaints registered during 1999-2000 to 2010-11. The average number of registered complaints against State Bank Group from 1999 to 2011 is found 9341.33.

It has been concluded that among the four SBI regions of Himachal Pradesh, despite of special services being provided to customers, these areas are still lagging in terms of taking benefits except the Shimla area. It has been concluded that in terms of visit to bank, majority of people especially business class make visit to bank 5 to 8 times in a month. In terms of availability of bank in the locality, more than fifty percent people are not taking benefits in their locality. They have to walk a long distance for availing banking services. It has been concluded that people of Himachal Pradesh, in terms of bank category, along with SBI, are availing services of other banks also including services of private banks with SBI and nationalised banks. Majority of people, who are switching to private banks, belong to young age group.

It can be concluded that majority of the people of the state have opened accounts with SBI due to their work or business need. Only less number of people availed services of bank on suggestions of existing customers of SBI. It can be examined that people are not keen to avail services of banks.

In terms of investment literacy, people are not much aware and as such, they rely upon the risk free and traditional investment avenues. It has been concluded that the new launched services of banks are not of any use so far, as the customers do not simply rely upon them. On the contrary, people of Himachal Pradesh do not consider the services of current account provided by
the State Bank to be good enough. In case of loan account, cash credit, and services to business enterprises, a significant percentage of people rate these services as very poor. Further, regarding new schemes, there is insufficiency of communication material to customers.

However, with increasing access to internet in the present days, customers are favouring internet banking and electronic fund transfer. But in case of SBI, majority of people is not aware of innovative and time saving facilities. Only few people of urban areas are availing these facilities. It has been concluded that in the bank, accounts without nomination still exist due to which after death of the deceased, claimants face difficulty in getting payments and are not satisfied.

Further, ATM services have not gained popularity in rural areas. People accessing for money standing in one queue for hours to get a token and then in another to collect the cash. Basic Amenities like waiting longue, Cleanness, Drinking water, parking facility etc, majority of people are not satisfied. In case of dealing hours people have a substantial positive response which also concludes that people are not satisfied with dealing time of the bank.

When a customer visits a bank, the first encounter is usually with a member of the bank personnel. The indifferent and callous attitude of the bank staff towards the customers has been found to be the major reason of customers not happy with the services of the bank. Moreover, the behavior of bank personnel has been found to be non-cooperative and rude.

It is concluded that the time taken to process the transactions by bank personnel is slow which is also the reason that customers are not satisfied. People are not satisfied with the process of sanctioning and disbursement of loan by State Bank of India as majority of people get their loan sanctioned after a delay. With respect to the lending services of banks, the most
important sub criterion is information dissemination regarding qualification for getting loan. The satisfaction level of borrowers pertaining to this sub criterion seems to be relatively very low. Further, awareness campaigns about various loan schemes are concluded to be prejudiced towards selective loan schemes where the weight is relatively on a higher range but the estimated satisfaction index is low. The barriers at the time of availing loan by the customers are concluded to be huge formalities that they faced, insufficient credit amount, high interest rate, problems related to provide some surety and poor conduct by the bank officials.

Services like Internet Banking are not being provided by State Bank of India in rural areas of Himachal Pradesh. Further, ineffective knowledge of the new schemes and policies to the bank personnel, suffers a backdrop as a result of which the new schemes lose their effectiveness. It is due to this understanding that majority of people in all the four regions of SBI strongly agree to the fact that the bank personnel should be very well equipped with the knowledge of new schemes. It has been found that no proper guidance is being provided by the bank for investing money in spite of various short term and long term investment schemes, systematic investment plans and insurance policies of SBI etc. People only believe to invest money in traditional risk free schemes of the bank. It is concluded that majority of people believe that banking is all about withdrawing and depositing of cash.

Campaigns are not being conducted effectively for various types of schemes by the bank in the rural areas of the state. Satisfaction is relatively low in almost all customer segments and there are no significant differences among these segments. This shows that the customer segments do not exhibit very different behaviour. By and large, borrowers and depositors across all the segments have satisfaction with respect to the sub criteria 'attitude' and
‘availability’, which they perceive to be very important. However, the level of satisfaction is relatively found to be low in the case of the sub criterion ‘responsiveness’.

The findings revealed that people are not satisfied due to unavailability of necessary forms and vouchers at the counters of SBI branches.

Improvements are required for convenience particularly for senior citizen. No special counter arrangement has been made by SBI for senior citizens for whom the bank branches do not have special counters and are not being attended in priority.

Despite of a significant variance in the opinion of people regarding different aspects of services reflecting their level of satisfaction, it has been found that majority is not satisfied and support dynamic measures required to be taken to reform the services of the bank in the state.

While analyzing the opinions of respondents regarding error and Trouble free working of branch, it is revealed that, a large number of people face problems due to problem in banks machineries. Branch official should ensure that there printers and computers should be in working condition to make speedy and efficient services.

SUGGESTIONS:

Based upon the conclusion and findings of the research, the following measures have been suggested

- There is a need of pro-active role to be played by the SBI through Universal banking activities to involve and make people aware of the different facilities and schemes and also to encourage them regarding safeguard of their investment by diversifying the investment portfolio of variety of schemes of the bank.
SBI should comprehensively come ahead in the rural areas of the State and needs to educate people about innovative technology like internet banking, mobile banking and Real Time Gross Settlement/National Electronic Fund Transfer etc. and in this regard, the branch managers should assign duty to personnel on weekly or periodic basis to contact people in the rural areas and to motivate them and assist them for all kinds of services. The best performers as per their target achievement and feedback of customers should be awarded.

At time when people visit the bank branches for getting good services, the branch managers must have the provision to sign on the documents at the final stage and personally meet with them particularly claim cases and in routine matters, so that feedback of customers is attained by them personally regarding cooperative, behavior and dealing of staff. There is need to develop infrastructure and basic amenities to provide more facilities to the customers, to motivate them about convenience assured by the bank for customers.

With the high level of competition in the banking industry, SBI must invest in marketing and public relations efforts to attract new customers.

SBI must attract more customers by creating innovative options. It should offer accounts that allow the customers to receive interest in a unique form, such as online gift certificates, music download credits or donations to charities. Clients should be permitted to deposit their checks in places of their convenience and to access no-fee ATMs.

More and more emphasis needs to be drawn by the management to ensure and regularly check the conduct and behaviour of staff with customers to ensure full cooperation of the personnel of the bank.
The bank needs to follow and strictly adhere to the guidelines of RBI for customer service. Staff should be strictly punished for breaking norms regarding customer services.

Cases pertaining to claimants of deceased persons should be given due weight-age and these should be addressed on utmost priority. After all, who all lost their dear ones should be treated sympathetically at this juncture where money could support them to fulfil their immediate needs at such hard time.

Benefits of Joint Accounts should be propagated by the bank at large to ensure security of claim by either or survivor and to increase the liquidity of funds with minimum span of time.

Banking at door step is a key to success for business growth. It should be promoted as a special service. This should be popularized in certain cases especially for big corporate houses, individual customers and specifically senior citizens. The bank should make such arrangements that cash withdrawal and deposits formalities could be minimal for its customers.

Instead of paying attention to a discriminated incentives system to the staff, a uniform incentive package equal to the officials of other banking institutions and government organisations should be provided.

There is a need of effective orientation and training to psychologically motivate the personnel of the bank and for this purpose, resources of the professional institutions and universities needs to be engaged to impart training in addition to the technical skill development by the officers of the bank.

Customer charter is required to be framed which can prove a big leap in improvement of service segment. Specified time to accomplish a
particular operation is required to mention and display at each branch so that every customer who arrives at branch is aware about the time required to fulfill its needs. Stringent warning notes/penalty should be levied on employees who fail to work as per charter. This will not only increase the confidence of the customers but will become a positive word of mouth also. Thus, it would in overall increase the credibility and goodwill of branch and bank as a whole.

ATM is the boon to bank customer. Needless to mention, it facilitates to withdraw money at any given point of time without any hassle. Urban customers are the prime users of this facility while rural ones are yet to come parallel with the formers, thanks to lack of awareness among later ones. The bank should create awareness among rural areas for the maximum utilization of this facility. If needed, rural camps should be organized at large scale.

Frequent meetings with customers to understand their needs and expectations should be organized. Being the end users of services and facilities, they should be welcomed to share the true feedback which enables bank to overcome the various shortcomings and improve the services in better ways. Moreover, this also creates healthy relations between staff and customers.

Resolution of a complaint is the first step in “after sales service” which ultimately boosts the confidence of existing customer and paves the way for prospective ones through word of mouth. Initiatives need to be taken to resolute the complaints, for the more cordial relation with customers. Customer complaints should be addressed at utmost priority for which e-mail and phone calls should be answered to show personal within an hour. This will show personal attention and caring customers.
- The formalities should be flexible for the customers at the time of opening of an account and during service availed by them.

- State bank of India needs to focus up on the initiatives to be taken on priority basis. First priority is needed to be given upon cooperation and good dealing followed by introduction of schemes for all categories of customers of all regions by rendering loans to all categories of customers as per their monetary requirements, then effective orientation and training is mandatory to motivate personnel to render good services to the customers, initiating new schemes and ensuring convenience of customers by rendering facilities to them.

- The controllers need to organise meetings of staff in routine. Managers should take suggestions of staff of front desks also.

- There is need of organising some joint consultations to develop the customers’ bankers’ relations.

- There is a need to procure the established feature of reputation and prestige of the bank through ethics as a factor of its core competence.

In order to make the bank’s mechanism more meaningful and effective, a structured system needs to be built. Such system would ensure that the redress is just and fair. The guidelines should be made available at all branches for the information of all employees, to ensure better customer service and general awareness in the bank. Customer complaint arises due to:

1. The attitudinal aspects that deals with customers

2. Inadequacy of the functions/arrangement made available to customers or gap standards of services expected and actual services rendered

If these measures are taken, there are possibilities that the customers of state bank of India in Himachal Pradesh would be satisfied with its services.