CHAPTER – V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

5.0  INTRODUCTION

Almost all bankers have invested in ATMs with the promise of reduced branch cost, since customers would use them instead of a branch to transact business. But what was discovered is that the financial impact of ATMs is a marginal increase in fee income substantially offset by the cost of significant increases in the number of customer transactions. The value proposition, however, was a significant increase in that intangible called customer satisfaction. The increase in customer satisfaction has translated to loyalty that resulted in higher customer retention and growing franchise value.

Internet banking, a product of the 1990 in the west, has assumed greater significance in India in the early part of this century shows similar characteristics. Again, bankers invested believing that the Internet was a lower-cost delivery channel and a way to increase sales. Studies have now shown, however, that the primary value of offering Internet banking services lies in the increased retention of highly valued customer segments. Again, the intangible called customer satisfaction drives the value proposition. Internet banking and shopping have been slow starters, given the low computer penetration in the country but banks are going all out to get the customer online. Not only is electronic fund transfer between banks across cities possible through internet banking today but banks also offer other features that benefit the customer.

CRM is primarily driven by the innovation of technology, but unlike other technological innovations, CRM has power to help bankers quickly and
directly improve customer satisfaction. CRM is an added dimension to ensure that what the customer expects is consistent with what the bank is prepared to deliver. One expert in bank CRM initiatives recently said that CRM is an approach that is less focused on providing the right services to the customer than attracting customers who are the right fit for what the bank has to offer. Further, the primary value of CRM is its potential as a customer retention tool. People are starting to measure CRM in terms of increased customer satisfaction rather than ROI.

The use of technology in India has undergone rapid transformation. The last two decades have witnessed a sea change in the nature of services offered by not only banks but also the financial sector and even the Government - all of which have had a positive impact on the customers of these organizations and the general public at large. In a competitive environment every bank needs to make a difference in attracting customers. A customer of a bank, either be a loan borrower or depositor or holder of any account is today most concerned how fast, easily and cost-effectively services are rendered to them. Being innovative and faster in service delivery are the areas where banks have to concentrate to lure customers.

5.1 OBJECTIVES OF THE STUDY

Innovations in banking coupled with customer relationship management would result in high customer satisfaction in banks. Hence this research study is proposed to be on set with the following objectives;

1. To study the ways through which banking innovations are introduced to customers of various banks.

2. To measure the level of customer satisfaction among the customers of various banks in relation to the innovations introduced by the respective banks.
3. To examine the expectations of customers of banks and the extent to which they were fulfilled.

4. To analyze the effectiveness of customer relationship management in customer satisfaction.

5. To find out the problems faced by banks in servicing their customers.

6. To offer concrete suggestions to increase the customer satisfaction in banks.

5.2 METHODOLOGY AND SAMPLING

This research is a descriptive research. An empirical study was conducted with the customers of various public and private and co-operative sector banks to elicit the opinion in respect of CRM adopted and the efforts of banks in bringing innovations and its impact in the industry. Data were collected from secondary sources, such as standard books, journals, newspapers, websites and the like. A structured questionnaire was administered to the bank customers to collect data from them.

The study was conducted with a well structured questionnaire. For the purpose of finalization of the questionnaire, a pilot study was conducted with 30 sample respondents (about 10% of the proposed sample size) and the same was also discussed with persons working with banks, after getting expert opinion and based on the responses received at the pilot study the questionnaire was altered with little modification and it was administered with customers of various categories of banks. It was decided to choose about 350 sample respondents and after being collected about 27 questionnaires were found to be not complete in all respect and hence they were not considered in the sample. This is was due non-understanding of questions properly, unable express their views about the innovation or CRM practices of the bank due to the customers lack of awareness, etc. Hence, the effective sample size of the study was 323 customers of various banks. The sampling design adopted was
a random sampling technique. However care was exercised to include all types of customers of banks, such as persons belonging to all walks of life, namely persons of different age groups, income levels, education and the like factors.

5.3 Major Findings of the study

- The age-wise distribution of the respondents. 24.8 percent of the respondents and 24.5 percent of them were in the age group between 36-45 years and 26-35 years respectively. 18.6 percent of the respondents and 16.4 percent of them were in the age group upto 25 years and 46-55 years respectively. Only 15.8 percent of them were in the age group of above 55 years.

- The marital status - wise distribution of the respondents. Showed that among the total respondents, 76.8 percent of the respondents were married and only 23.2 percent of them were unmarried.

- The type of family wise distribution of the respondents brought to sharp focus that 77.1 percent of the respondents belonged to nuclear family system whereas only 22.9 percent of them had belonged to joint family system.

- The banking sector-wise distribution of the respondents of the 323 respondents indicated that 65.3 percent of them were holding accounts in the Public Sector Banks whereas only 26.6 percent of them maintained accounts in the Private Sector Banks.

- Among the total respondents, 17 percent of the respondents had the bank account for the duration of up to two years and 12.7 percent of them had the bank account between 6-9 years. Rest of them was the
accountholders for more than 3 years in which 34.1 percent of them were maintaining bank account for more than 9 years.

The study revealed that there were about 35 banks functioning in the selected area of the study. Most of the respondents have their clientele in SBI and IOB which recorded 26 percent and in IOB 13.3 percent respectively. 11.8 percent of them had the bank account in Canara Bank 10.5 present of them had the bank account in the Indian bank. Only 7.7 percent of them were the customers of ICICI bank. A significant finding is that most customers prefer holding accounts only with SBI, Canara Bank, and IOB, all belonging to the public sector. Among the Private sector banks, ICICI had been the trusted bank for most customers.

According to the study about 65.3 percent of the respondents preferred Public sector Banks, whereas 26.6 percent of them had chosen Private Sector Banks. 3.7 percent of them had impressed with the services of the foreign bank. Co-operative Banks had wider outreach of its services in rural and semi urban areas of the country. As the main aim of these banks was in uplifting the weak and disadvantaged sections of the society, their services were not worth mentioning in cities and hence only 4.3 percent of the respondents preferred cooperative Banks.

The reasons for preferring a particular bank by the respondents showed that, majority of the respondents preferred a particular bank due to customer friendliness (51.2 percent). Facilities available with the bank (42.5 percent) were the second reason because customers were aware of emerging technologies. They expected that their banks have to be able to adopt various technological advancements and extend e-banking facilities. More convenience (38.1 percent) was the third reason to maintain clientele as the banks were providing highly useful
and speedy services. Proximity (35.6 percent), Time factor (34.1 percent) and Low Transaction Cost (26.3 percent) were the various other reasons to prefer the particular bank in which they deal repeatedly.

The responses of the study indicated that they had access to various electronic communications and they liked to establish personal contacts (56.7 percent). That is why most of the banks were offering services at the door step of the customers. Customer friendliness and proximity were the main reasons identified in this study as the reasons for preferring the particular bank. 35.3 percent of the customers have access to internet and e-mail services. Subsequently, Tele marketing (27.6) and advertisements (27.9) were also the main communication devices specified by the customers of various banks in the study area. Apart from these channels of communication, one-to-one marketing (13 percent), direct mail (20.4 percent), information stored in bank’s web sites (16.7 percent), SMS services (22 percent), Interactive service facility (13 percent) and any other communication methods (2.2 percent) such as telephone, contacts through agents were listed by the various bank customers.

Majority of the respondents revealed that more number of ATM facilities was the major marketing strategy (73.4 percent) used by their respective banks. 38.7 percent of the respondents indicated the E-banking and net banking as the marketing strategies. Tele banking (24.1 percent), Mobile banking (22.6 percent), Home delivery of cash or cheque (17 percent), Door-to-door banking (10.5 percent) and Availability of loan counselors (22 percent) were the various marketing strategies followed by the banks in the study area.
The perception on the functioning of the banks showed that for about 48.3 percent of the respondents they had the perception that their banks maintained proper image and good relationship building (48.3 percent). 46.7 percent of them perceived that their banks were giving proper concern to the services than other competitor banks. They also perceived that they were willing to pay higher price for better services (21.1 percent); the advertisement of their bank on media attracted them (20.7 percent). However, 27.9 percent were ready to shift to other banks if better services would be provided. The banks should pay great deal of attention towards providing effective loan products and satisfying their customers. Then only, banks can retain good image and goodwill among their customers.

The customer loyalty and satisfaction of the customers of banks showed that, maintaining quality of service (73.4 percent) was the chief element to ensure customer loyalty and satisfaction. Behaviour of the bank staff (61.9 percent) and Promptness in rendering service (52 percent) were the subsequent elements determining the customer satisfaction and loyalty. However, focusing on each and every element would bring quality in all the walks of the working of banks. Total Quality Management (18.6 percent) and Periodical Customers meet (17.3 percent) were the noteworthy elements which determine the core success of operations of banking.

The frequency of organizing customer meet indicated that, most of the respondents (32.5 percent) did not know about the conduct of customer meeting. 19.5 percent of them participated in monthly meetings. Rest of them took part in meetings once in fortnightly, quarterly, bi-annually and annually.
Majority of the respondents attended the meetings for availing the information on the new loan products introduced in their respective banks (81.1 percent) and for strengthening banker-customer relationships (80.8 percent).

Majority of the respondents were highly satisfied with the adoption of modern technology. Especially, 43.3 percent of the customers were highly satisfied with the modern banking technology. More than 40 percent of the respondents were satisfied with way in which banks entertain customer complaints, Frequent dialogue/conversation with regular customers, Mode of communication, Using IT for effective banking, Improving customer profiling capabilities and abilities and Delivery of ‘service products’ across multiple channels. More than 30 percent of the customers were satisfied with the Rewards to customers for the repeated purchases, strategies adopted for Customer retention than getting of new customers and taking/settling Care to customer requests and grievances in time.

Public Sector Banks were the best to carry out banking transactions within City limits. About, 70.8 percent of them had the same perception to the deal with these banks in the areas of outside Chennai limits. Research revealed that, 29.5 percent of them had the bank account with Private Banks in Chennai and 20.8 percent of them had the bank account in the outside areas of Chennai. Very few of them only approached either foreign banks or cooperative banks.

It was revelation of the study that 79.2 percent of the respondents belonged to the age group 46-55 years and they approached the Public Sector Banks for their best services. About 35 percent of the respondents belonged to the age group upto 25 years and 32.9 percent of the respondents belonged to the age group of 26-35 years and
praised the best services of Private sector banks. In total, only 3.7 percent of the respondents appreciated the best practices of foreign banks and 4.3 percent of them had the best deal with cooperative banks.

- Chi-square test was applied to find out whether there exist significant relationship between the type of banks and the age of their customers, the result showed that there is no significant relationship between the type of banks preferred and the age group of their customers.

- The study showed that 64.3 percent of the male respondents and 67.3 percent of the female respondents had the perception that the public sector banks were the best banks. About 25 percent of them both in the male and female category viewed that the private sector banks were the best one. In short, irrespective the gender, majority of the respondents perceived the best practices of public sector banks.

- Chi-square test was applied to find whether there exist significant relationship between the type of banks and the gender of their customers. But results of hypothesis testing showed that there is no significant relationship between the type of banks and the gender of their customers.

- Majority of the respondents of public sector banks operated their accounts for 3-5 years and 6-9 years which stood at 65.8 percent and 75.6 percent respectively. About 66.4 percent of them had been dealing with these banks for 9 years and above.

- Chi-square test was applied to find whether there exist significant difference between the type of banks and the number of years of holding account. The calculated value of chi-square was 14.997. It was lesser than the table value of 16.919. Since the calculated value was
lesser than the table value, it was inferred that there is no significant difference between the type of banks and the years of holding bank account.

- The 30 variables (on levels of satisfaction on the innovation) in the data were reduced to 6 factor model and each factor was given a name which associated with the corresponding variables. The factor scores were obtained by adding the ratings of the variable items given by the respondents for that respective factor. The ratings were reversed wherever appropriate for interpretation, namely, Service, Financial, Guidance and information, Infrastructure, Work Efficiency and Accessibility.

- The t test was applied to find out whether there exist a significant difference between the services rendered by the bank staff and the area of operation. Since the calculated value was lesser than the table value, it is inferred that service rendered by the bank staff during business transaction do not differ significantly between Chennai and outside Chennai area.

- One way ANOVA was applied to find out whether the service rendered by the bank staff during business transaction differs significantly among different age groups. The ANOVA result showed that the calculated F value was 0.989 which was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the service rendered by the bank staff during business transaction do not differed significantly among different age groups.

- The t test was applied to find out whether the service rendered by the bank staff during business transaction differs significantly between Male and Female respondents. T test result showed that the calculated
t value was 0.953. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that, service rendered by the bank staff during business transaction do not differ significantly between male and female respondents.

- The “t test” was applied to find out whether the service rendered by the bank staff during business transaction differ significantly between the customers of private and public sector banks. T-test result showed that the calculated t value was 2.231. It was greater than the table value of 1.967 at 5 % level of significance. Since the calculated value was greater than the table value, it is inferred that service rendered by the bank staff during business transaction differ significantly between private and public bank respondents.

- One way ANOVA was applied to find out whether the service rendered by the bank staff during business transaction differs significantly “between the respondents of different periodicity of account holding”. The ANOVA result showed that the calculated F value was 3.305. It was greater than the table value of 2.633. Since the calculated value was greater than the table value, it is inferred that the service rendered by the bank staff during business transaction differ significantly among the respondents of holding bank account for different durations (of period).

- The “t test” was applied to find out whether the responses on financial products available differ significantly among the responses of Chennai and outside Chennai area. T-test result showed that the calculated t value was 0.622 which was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the responses of financial Products available do not differ significantly among the respondent the two regions.
One way ANOVA was applied to find out whether the responses on financial products available differ significantly among the various age groups of respondents. The ANOVA result showed that the calculated F value was 0.820 which was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the responses on the financial products available do not differ significantly among the various age group of respondents.

The “t test” was applied to find out, whether the responses on financial products available differ significantly between male and female respondents. T test result showed that the calculated t value was 1.014. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the responses on financial products available do not differ significantly between male and female respondents.

The “t test” was applied to find out whether the responses on the availability of financial products differ significantly between the customers of private and public sector banks. T test result showed that the calculated t value was 1.783. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the financial products available do not differ significantly among private and public sector banks.

One way ANOVA was applied to find out whether the respondents on financial products available differ significantly among the respondents. The ANOVA result showed that the calculated F- value 3.447. It was greater than the table value of 2.633. Since the calculated value was greater than the table value, it is inferred that the financial products available differed significantly among the respondents holding bank account for different periods of durations.
The t test was applied to find out whether the response on the Guidance and information given by the Bank Staff differ significantly among the respondents who were residing in Chennai and outside Chennai area. T test result showed that the calculated t value was 1.565. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the response on the Guidance and information given by the Bank Staff do not differ significantly among the respondents residing at Chennai and outside Chennai area.

One way ANOVA was applied to find out whether the response on Guidance and information given by the Bank Staff differ significantly among the different age group of respondents. The ANOVA result showed that the calculated F-ratio value was 0.721. It was lesser than the table value of 2.400. As the calculated value was lesser than the table value, it is inferred that the opinion on Guidance and information given by the Bank Staff do not differ significantly among the various age group of respondents.

The study showed that Female respondents have got proper guidance and information than the male respondents. The mean scores of female respondents indicated 16.68 which was above the total mean scores (16.42).

The “t test” was applied to find out whether the response about Guidance and information given by the Bank Staff differ significantly among male and female respondents. T test result showed that the calculated t value was 1.244 which was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the response of respondents about Guidance and information given by the Bank Staff do not differ significantly.
It was a revelation of the study that the respondents who had bank account in private sector banks are provided proper guidance and information than the respondents of public sector banks.

The “t test” was applied to find out whether the response by different bank categories about Guidance and information given by the Bank Staff differ significantly. T - Test result showed that, the calculated t value was 0.830. It was greater than the table value of 1.967. As the calculated value was lesser than the table value, it is inferred that the Guidance and information given by the Bank Staff do not varied significantly among public and private banks.

One way ANOVA was applied to find out whether the Response on Guidance and information given by the Bank Staff differ significantly among the respondents holding bank account for different durations of time / periods. The ANOVA result showed that the calculated F- value was 2.649. It was greater than the table value of 1.967 at 5 % level of significance. Since the calculated value was greater than the table value, it is inferred that the guidance and information given by the Bank Staff varied significantly among the respondents holding bank account for different durations of period/time.

The “t test” was applied to find out whether the opinion on the Infrastructure facilities available at the bank differs significantly among the respondents residing in Chennai and outside Chennai area. T test result showed that, the calculated t - value was 1.0681. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the opinion expressed on infrastructure facilities available at the bank do not differ significantly among the respondents residing in Chennai and outside Chennai.
One way ANOVA was applied to find out whether the opinion expressed on Infrastructure facilities available at the bank differ significantly among the various age group of respondents. The ANOVA result showed that the calculated F-value was 0.896. It was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the opinion on Infrastructure facilities available at the bank do not differ significantly among the various age group of respondents.

The T-Test was applied to find out whether opinion expressed on Infrastructure facilities available at the bank differ significantly among male and female respondents. T - Test result showed that the calculated t value was 1.965. It was lesser than the table value of 1.967 at 5 percent level of significance. Since the calculated value was lesser than the table value, it is inferred that the infrastructure facilities available at the bank do not differ significantly among the male and female respondents.

The respondents who were maintaining their accounts in the Public sector banks had secured the highest mean score (7.59) with regard to the infrastructure. And it was noted that when “t test” was applied to find out whether opinion expressed on the Infrastructure facilities available differ significantly among customers of Public and Private sector Banks. T- Test result showed that the calculated t value was 1.164. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the infrastructure facilities available at the bank do not differ significantly among the customers of Public and Private sector Banks.

One way ANOVA was applied to find out whether the opinion expressed on Infrastructure facilities available at the bank differ
significantly “between the respondents of different periodicity of account holding. The ANOVA result showed that the calculated F-value was 0.583 which was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the opinion on Infrastructure facilities available at the bank do not differ significantly among the respondents of holding bank account for different duration.

The “t test” was applied to find out whether the opinion on Human and Machine efficiency at work place differ significantly among the respondents residing at the Chennai and outside Chennai areas. T test result showed that the calculated t value was 0.951. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that, opinion on Human and Machine efficiency at work place do not differ significantly among the respondents residing at the Chennai and outside Chennai area.

The t test was applied to find out whether Opinion expressed on Human and Machine efficiency at work place differ significantly among the male and female respondents. T test result showed that the calculated t value was 1.117. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the opinion expressed on Human and Machine efficiency does not differ significantly among the male and female respondents.

The t test was applied to find out whether the response by different bank categories about Human and Machine efficiency at work place differ significantly among the customers of public and private sector banks. T test result showed that the calculated t value was 1.249. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the Opinion expressed on
Human and Machine efficiency at work the customers of public and private sector banks does not differ significantly.

- One way ANOVA was applied to find out whether the Opinion expressed on Human and Machine efficiency at work place differ significantly among the customers of holding various periods of bank account. The ANOVA result showed that the calculated F-value was 2.080. It was lesser than the table value of 2.400. Since the calculated value was lesser than the table value, it is inferred that the Opinion expressed on Human and Machine efficiency at work place does not differ significantly among respondents of holding of bank account for different duration.

- The t test was applied to find out whether the Response on Accessibility of Banking Services differs significantly among the respondents residing in Chennai and outside Chennai areas. T test result showed that the calculated t value was 0.321 which was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred the Response on Accessibility of Banking Services does not differ significantly among the respondents residing in Chennai and outside Chennai areas.

- One way ANOVA was applied to find out whether the Response on Accessibility of Banking Services differs significantly among the various age group respondents. The ANOVA result showed that the calculated F- value was 0.786. It was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the Response on Accessibility of Banking Services does not differ significantly among the various age group of respondents.
The t test was applied to find out whether the response on Accessibility of Banking Services differs significantly among the male and female respondents. T test result showed that the calculated t value was 0.698. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that the accessibility of Banking Services does not differ significantly among the male and female respondents.

The t test was applied to find out whether the Response on Accessibility of Banking Services differs significantly among public and private banks. T test result showed that the calculated t value was 1.843. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that Response on Accessibility of Banking Services do not differ significantly among the customers of public and private banks.

One way ANOVA was applied to find out the response on accessibility of Banking Services differ significantly among the respondents holding bank account for different periods. The ANOVA result showed that the calculated F-value was 2.080. It was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that the Responses on Accessibility of Banking Services does not differ significantly among the customers holding bank account for different periods.

The t test was applied to find out whether the Opinion expressed on CRM differ significantly among the respondents residing in Chennai and outside Chennai area. T test result showed that the calculated t value was 1.203. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that Response on CRM do not differ significantly among the respondents
residing in Chennai and outside Chennai area. Therefore, the hypothesis was accepted.

- One way ANOVA was applied to find out whether opinion expressed on CRM differ significantly among the respondents belonging to different age groups. The ANOVA result showed that the calculated F-value was 0.199. It was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred that opinion expressed on CRM do not differ significantly among the different age group of respondents.

- The t test was applied to find out whether the opinion expressed on CRM differ significantly among the male and female respondents. The t test result showed that the calculated t value was 2.468. It was greater than the table value of 1.967 at 5% level of significance. Since the calculated value was greater than the table value, it is inferred that opinion expressed on CRM differed significantly among the male and female respondents.

- The t test was applied to find out whether opinion expressed on CRM differs significantly among the customers of public and private banks. The t test result showed that the calculated t value was 1.936. It was lesser than the table value of 1.967. Since the calculated value was lesser than the table value, it is inferred that opinion expressed on CRM do not differ significantly among the customers of public and private banks.

- One way ANOVA was applied to find out whether opinion expressed on CRM differ significantly among the respondents holding banks account for different periods. The ANOVA result showed that the calculated F-value was 1.508. It was lesser than the table value of 2.4. Since the calculated value was lesser than the table value, it is inferred
that opinion expressed on CRM do not differ significantly among the respondents holding bank account for different periods.

5.4 SUGGESTIONS

Complex factors are involved in introducing and winning from Innovations. Banks keep on trying innovative practices to lure customers. The most import aspect of a innovation is customer satisfaction. Whatever be the kind of practice, a bank takes to lead than other banks, then that should be aimed at attracting more customers. Hence throughout this study customer satisfaction was focused as the essence of innovation. Banks both private and public have equally tried to attract the customers and the results of the study indicate that a large number of bank customers are happy with their banks way of treating them, handling their accounts and introduction of technology to provide better and convenient service to customers.

This study also brings in the followings suggestions based on the findings and interaction with many bank customers.

- Kind manners always attract people. As the study clearly reveals that most customers expect handling them at bank counters should be done by bank staff politely and act in a well-mannered way. This is sometime lacking in banks especially when it is a public sector bank. PSBs can excel better if the bank staff are more cordial with the customer. Innovation can happen even by the way how employees of banks handle customers.

- Maintaining good quality of service by introducing technology in the banking operation is one way a bank can excel and see the benefit of innovation. Every banker should try that they are capable of attracting the customer by introducing new kind of service and their delivery which would amount to innovation.
Customers are keen on getting their services from banks to their convenience. Instead of providing tailor-made services to customers, more flexibility in service delivery has to be introduced. If every customer is felt that he/she (even the institution) is given personal attention and flexible services are provided, they become more loyal to the bank through which more customers could be attracted. As innovation is nothing but how knowledge is used to increase organizational efficiency in terms of more profit or more sales are more services.

Customers do change their banks, because the present bank does not offer specialized services/products than that of his/her friend’s bank branch or a neighbours bank branch. Hence, competitive products are to be provided. While banks concentrate on making good interiors and air-conditioning their branches, they should also see that competitive bank products/services are offered by them — especially with innovation in it.

People are interested in getting more information and adoption of fewer formalities. This is common with all services. Bank customers are also keen to get more information from bankers about interest rates, charges for varied services, promptness in service and at the same time with lesser or no formalities. Hence banks should innovate in the area of service delivery by minimizing the formalities and at the same time ensuring the security, secrecy and safety of customers money.

Innovation though not means technology, but technology forms a significant part in introducing innovation. Banks world over have succeeded by introducing technology in service delivery. Customers of banks are ready to bear additional cost on innovating service delivery by introducing technology but they expect faster, hassle-free, efficient
way of transacting their business with banks. ATMs are the best example for introduction of technology by which innovation has happened in banking over a decade back in India. Similarly, faster but secure way of transacting bank operations through mobile phones (sms services) and the like have to be introduced. The banks that are very fast to adopt or first to adopt these kind of innovations are smarter to other banks.

- Customer relationship is very important for banks. Since service delivery happens over the counter in most cases (other than ATM or internet/phone transactions) unlike the manufacturing organizations, the handling of them by trained staff with well developed infrastructure network is very much essential. A better administered CRM is also a kind of innovation and banks can benefit better out of it. Hence carefully analyzed CRM techniques have to be used by banks.

- Since there is no significant relationship between customers of metro area and non-metro area, or male or female, or public sector or private sector banks in most aspects of satisfaction, the banks can still innovate and retain existing customer as well as attract new customers irrespective of their gender or locality.