CHAPTER VI
FINDINGS, SUGGESTIONS
AND CONCLUSION
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The chapter summarizes the outcome of the data analysis done in the preceding two chapters and to layout the findings in a pattern, based on the order of objectives. The inferences are drawn objective wise. They turn out to understand clearly the personal profile, awareness on alternate banking services, influencing factors of customer satisfaction and service quality perception. It gives suggestions to the commercial banks and their customers and conclusions were drawn based on the prevailing service quality of the banks in the present study.

SUMMARY OF FINDINGS

Findings pertaining to objective 1

Personal profile and awareness of Alternate banking customers

Majority of the respondents (28%) fall between the age group of 20-29 years and 7.7% of the respondents are above 50 years of age. 33.7% of the respondents are undergraduates and 5.3% of the respondents are uneducated.

It is found that majority of the respondents (58%) are female and 42% of the respondents are male. 65.3% of the respondents are married and the remaining 34.7% of the respondents are unmarried. Majority (44%) of the respondents are earning less than Rs.20,000 per month and 4% of the respondents earn between Rs.60001 and Rs.80,000 per month. 54% of the respondents are working in private organizations and 5% of the respondents are housewives.

It is found that 55.3% of the respondents use private sector bank for their banking transactions and 44.7% of the respondents use public sector bank for their banking transactions. Majority (88%) of the respondents use savings bank account for their alternate banking and remaining 12% of the respondents use current account for their alternate banking.
40.3% of the respondents are aware of alternate banking through their banking officials and 7.3% of the respondents are aware of alternate banking through newspapers and magazines. 41.3% of the respondents changed from traditional banking to alternate banking services due to long waiting time in the traditional banking and only 6.7% of the respondents changed into alternate banking services due to the transaction cost involved in traditional banking.

31% of the respondents use alternate banking services for 1-2 years and only 9% of the respondents use alternate banking services more than 5 years. Majority (36%) of the respondents’ use alternate banking due to the reason that they are aware of alternate banking services and only 5.3% of the respondents use alternate banking due to the reason that they trust the bank and to highlight their social status.

It is found that 51.7% of delighted customers use ATM services 1-3 time per month, 62.2% of cynical customers uses ATM services over 5 times per month and 34.7% of unambitious customers use ATM services 4-5 times per month.

Customers of commercial banks prefer withdrawal as the most important service during the transactions followed by Balance enquiry in the ATMs and the least preferred is mobile recharge facility in the ATM service.

The study proves that majority (49%) of the respondents faced difficulty due to machine that was out of order followed by difficulty faced due to non-availability of cash in the ATMs and only 6.7% of the respondents faced difficulty due to duplicate notes issued by the ATMs.

It is found that 77% of the respondents use internet banking services and 23% of the respondents do not use internet banking services. Majority of the respondents (52.4%) use internet banking services 1-3 times per month and 10.8% of the respondents use 9-12 times per month.

Majority of the respondents (31%) do not use internet banking services due to lack of awareness and 16% of the respondents do not use internet banking services due to security concerns.
Customers of commercial banks give priority to recharge and bill payment as the most important service during the transaction followed by statement of account and the customers give least priority to apply for demand draft through internet banking.

The study proves that 58.9% of the respondents did not face difficulty with internet banking services and 41.1% of the respondents faced difficulty with internet banking services. It is clear that 52.6% of the respondents faced difficulty due to poor server network while transacting with their bank and only 14.7% of the respondents faced difficulty due to complicated procedures in internet banking.

It is clear that half of the respondents (51%) use mobile banking services and the remaining 49% of the respondents do not use mobile banking services. Majority of the respondents use mobile banking services 1-3 times per month and only 7% of the respondents use mobile banking services over 12 times per month.

Majority (66.2%) of the respondents do not use mobile banking services since of late smart phones are exorbitantly expensive and 8.1% of the respondents do not use mobile banking services due to complexity in the mobile banking. 36.2% of the respondents using mobile banking services faced difficulty due to lack of customer service and 19.1% of the respondents faced difficulty due to lack of clear guidelines to use mobile banking services.

Customers of commercial banks prefer ease of use as the most important service during the transactions and the least preferred is credibility in mobile banking service. 68.4% of the respondents are influenced by personal features to use mobile banking services and 13.8% of the respondents are influenced by task-fit feature to use mobile banking services.

It is clear that majority of the respondents (55%) have opined that contribution of technology in banking is high and only 6% of the respondents is of the opinion that the contribution of technology in banking is low. 76% of the respondents will recommend their bank for other and the remaining 24% of the respondents will not recommend their bank for others.
Findings pertaining to objective 2

Factor influencing service quality perception of the customers

Tangibility is an important factor to measure service quality perception of the customers. It is found that the physical facilities in the ATM centers and material associated with the services are visually appealing at the bank. They are the most predominant variables in service quality perception of the customers.

It is found that reliability factor makes sure the promptness of delivering the requested service in a perfect means and in line with revealed facet. The present study reveals that responsiveness factor includes delivering services and dealing with problems in a timely and convenient way by the bank are the important in service quality perception of the customers.

It is found that assurance is the ability of the bank to inspire trust and confidence among the customers through their knowledge and courtesy. The study reveals that the personalized attention given by the banks attracted their customers to use the alternate banking services. The degree of trust and confidence that customers feel about the banking services greatly depends on the services quality provided by the banks.

Technology in alternate banking Services is a fundamental source of banks since it reduces processing costs, increases speed and fosters modernization as it is considered as a more convenient delivery system. Competence is the banks’ ability to catch the attention of the customers and to retain the existing customers for the longer period as the customer is the key for the success of the banking business.

The security plays a vital role in banking as it is essential to conduct the banking transactions through the secured website, preventing unauthorized access to bank accounts and personal information of the customers. It is found from the study that banks try to develop confidence in the minds of customers that they are aware of the alternate banking services and their usage; there will be privacy in the transactions conducted and successful completion of banking transactions conveniently and quickly.
The bank is bound to maintain the good relationship with the customers as they normally expect that the banks should receive their feedback for improving the banking services and to sort out the issues quickly whenever the complaint is made against the bank.

**Customer satisfaction in ATM, Internet banking and Mobile banking Services**

The awareness created by the banks, existence of ATMs in convenient locations and ability of the bank to provide service recovery have created satisfaction among the customers of the bank but they are least satisfied with the bank charges for availing ATM services and security in ATM services.

The study indicates that the customers are satisfied with balance enquiry service in internet banking followed by awareness creation by the banks on internet banking services and online payment facility.

The analysis proves that the customers are dissatisfied with security measures in mobile banking transactions, awareness creation by the banks, cost effectiveness of the service, efficiency and personalized features in mobile banking services.

**Customers’ Perception on Service Quality dimensions**

The customers moderately agree the existence of appealing ambience in ATM centre, convenient location of ATMs followed by the physical facilities of the ATM that it is in pace with the type of services provided and technology enabled equipments in the ATM centre to provide alternate banking services.

The banking customers have agreed that the Alternate banking is more flexible to transact at any time and at any place followed by alternate banking provision of prompt service to the customer’s request. The customers are also attracted by the banks as it does not allow an unauthorized access to an internal system.
The study reveals that the customers trust the bank for alternate banking transactions because of its reputation followed by protection of customer’s personal information by the banks. The customers have also agreed that they received quality notes issued by ATMs and error free services by the bank.

The respondents moderately agree that alternate banking services fulfill the banking needs followed by the bank’s immediate response towards the customers’ phone calls or emails and the understandable content in the website. The customers moderately agree that they receive information about new products and services.

It is agreed by the customers that the Multi-functioning kiosk enabled them to perform various banking transactions followed by the quick e-payments system and process efficiency in Cheque Truncation System.

The customers of public and private banks moderately agree the existence of updated techniques to access the alternate banking channels easily and with the efficiency in alternate banking services. Customers have also agreed upon the knowledge and training of the bank employees.

Majority of the customers moderately agree that the website of the bank make the online banking fully secured. The facility given to the customers to enable PIN change to protect against cyber crime has attracted many numbers of customers in banks followed by security alert given by the banks through SMS and e-mail.

The analysis of data shows that the customers believe that the alternate banking helps to access the banking transactions quickly and conveniently. The customers moderately agree that the alternate banking leads to privacy in transaction which is risk free and aware of the usage of alternate banking services.

The analysis of data proves that majority of the respondents moderately agree that there is continuous improvement in the online system and existence of good customer relationship management in the banks followed by quick complaint resolution.
Hypothesis 1: The factors of Service Quality Dimensions do not differ significantly.

Hypothesis 1 is rejected at 5% level and proved that the factors of service quality dimensions differ significantly.

Findings pertaining to objective 3

Influence of service quality dimensions of alternate banking services on customer satisfaction

Reliability, responsiveness, confidence building and service recovery have influenced the customer satisfaction on ATM services.

The study reveals that tangibility, reliability, responsiveness, technological innovations and competence factors contributes significantly to influence the customer satisfaction on internet banking services.

The study proves that tangibility, reliability, responsiveness, assurance, empathy, technological innovations, security, confidence building and service recovery factors have influenced the customer satisfaction on mobile banking services.

Hypothesis 2: There is no significant influence of Service Quality Dimensions on Customer Satisfaction.

Hypothesis 2 is rejected at 5% level and proved that there is influence of Service Quality Dimensions on customer satisfaction.

Findings pertaining to objective 4

Influence of demographic variables and alternate banking channel particulars of customers on their service quality perception.

The sample unit consists of 47.7% delighted customers with minimum expectations and possesses rich experience in the usage of alternate banking services, 41.3% unambitious customers with modest expectations and possesses
modest experience in the usage of alternate banking services and 11% cynical customers with maximum expectations and possesses poor experience in alternate banking services.

There is significant association between the perception of the customers towards the service quality and their age, education, gender, income, occupation and marital status. The study reveals that 36.4% cynical customers are in the age group of 40-49 yrs, 28% delighted customers are found in the age group of 20-29 years and 52% unambitious customers represent the age group between 30-39 years.

The study shows that 27.3% cynical customers are uneducated and 35.4% Unambitious customers are undergraduates and 28% delighted customers are post graduates. Majority of the respondents (67.1%) are delighted customers and 53.2% unambitious customers are female and 63.6% cynical customers are male; 60.8% delighted customers, 70.2% unambitious customers are married and 33.3% cynical customers are unmarried. There is significant association between service quality perception of the customers and their marital status.

The analysis of data proved that 78.8% cynical customers are earning less than Rs.20,000 per month, 33.6% delighted customers are earning between Rs.20,000 and Rs.40,000 per month and 18.5% unambitious customers are earning Rs.80,000 to Rs.1,00,000 per month.

The research proved that 11.2% delighted customers are professionals, 36.4% cynical customers are self-employed and 53.2% of unambitious customers are working in private organizations. 47.8% delighted customers and 17.2% cynical customers use public sector bank, 46.4% unambitious customers use private sector bank to transact with the bank.

The study reveals that 95.1% Delighted customers, 66.7% Unambitious customers are using savings bank account to transact with the bank and 14.5% Cynical customers are using current account to use the alternate banking services. There is no association between the service quality perception of the customers and the type of account maintained by the bank to use the alternate banking.
32.8% delighted customers are aware of the alternative banking through their banking officials 24.2% unambitious customers are aware of alternate banking through colleagues and the 21.2% cynical customers are aware of the banking transactions through newspapers and magazines. There is no association between Service Quality perception of bank customers and the source of information.

46.9% of the delighted customers use alternate banking services as they have internet facility, 48.5% cynical customers use alternate banking as they are aware of these services and 24.2% of the unambitious customers use alternate banking services as they found the process easier.

33.3% cynical customers uses the alternate banking for 2 to 3 years, 35.5% unambitious customers use alternate banking services for less than 1 year and 35.7% delighted customers use alternate banking services for 1-2 years. There is no association between Service Quality perception of bank customers and the usage of alternate banking channels.

44.8% delighted customers have changed from traditional banking to alternate banking due to long waiting time, 45.5% cynical customers have changed from traditional banking to alternate banking due to long distance, 21.0% unambitious customers have changed from traditional banking to alternate banking due to unsuitable working hours.

The study found that 51.7% of delighted customers use ATM services 1-3 time per month, 62.2% of cynical customers uses ATM services over 5 times per month and 34.7% of unambitious customers use ATM services 4-5 times per month.

42.4% cynical customers and 31.5% unambitious customers have accepted that they faced difficulty with ATM service in terms of card rejected by the ATMs and 81.1% delighted customers did not face the difficulty with ATM services in terms of card rejection by the ATMs.
97.0% cynical customers did not face difficulty with ATM service in terms of amount reduction in the account balance, 12.9% unambitious customers and 19.6% delighted customers faced difficulty with ATM services in terms of reduction in account balance for unsuccessful transactions.

100% cynical customers and 87.4% delighted customers did not face difficulty with respect to card blocked in the ATMs and 16.1% unambitious customers faced difficulty with respect to card blocked in the ATMs. 8% cynical customers and 69.9% delighted customers faced difficulty in terms of non-availability of cash in ATMs and 51.6% unambitious did not face difficulty with ATM services in terms of non-availability of cash in the ATM centres.

64% cynical customers & 88.8% delighted customers did not face difficulty with ATM service towards the non-printing of statements. 14.5% unambitious customers faced difficulty with ATM services in terms of non-printing of the statements in the ATM centres. 97.9% delighted customers, 84.8% cynical customers did not face difficulty in ATMs towards the duplicate notes issued by the ATMs and 9.7% unambitious customers faced difficulty in the ATMs due to the duplicate currency notes issued by the ATMs.

72.7% cynical customers did not face difficulty in ATMs due to machines that were out of order. 45.5% delighted customers and 58.9% unambitious customers faced difficulty in the ATMs due to the machines that were out of order in the ATM centres.

90.2% of the delighted customers & 82.2% unambitious customers use internet banking services, 100% cynical customers do not use internet banking services. 25.8% unambitious customers use Internet Banking Services 4-8 times per month and 55.9% delighted customers use Internet Banking services 1-3 times per month.

40% delighted customers do not use internet banking due to lack of awareness, 45.5% cynical customers do not use internet banking services due to lack of internet facility and 44% unambitious customers do not use
internet banking services due to lack of computer knowledge. 68.5% delighted customers did not face the difficulty with internet banking services and 52.9% unambitious customers faced difficulty with internet banking services.

51.2% delighted customers faced difficulty due to poor server network while accessing internet banking transaction, 27.8% unambitious customers faced difficulty due to delay in the process of internet banking services.

50.3% delighted customers, 64.5% unambitious customers use mobile banking services and 100% cynical customers do not use mobile banking services. 55.2% Delighted customers use mobile banking services for 1-3 times per month and 25.8% unambitious customers use mobile banking services for 4-8 times per month.

73.3% delighted customers do not use mobile banking services due expensiveness, 26.0% cynical customers do not use mobile banking because they are not aware of the mobile banking services and 8.3% unambitious customers do not use mobile banking services due to the reason that it is more complex to use.

68.6% delighted customers are influenced by personal feature and 24.2% unambitious customers are influenced by connectivity feature in mobile banking services. 36.5% delighted customers faced difficulty in mobile banking services due to lack of customer service and 26.9% unambitious customers faced difficulty in remembering the codes to use mobile banking services.

It is found from the present study that the customers under the age group of less than 20 years strongly agree the existence of responsiveness, empathy, technological innovation, competence, security and service recovery factors in their banks. The study shows that female respondents strongly agree the existence of tangibility factor, responsiveness factor, assurance factor, technological innovations factor, competence security, confidence building and service recovery factor in their banks.
It is proved that the post graduate customers strongly agree the existence of tangibility, reliability, assurance, competence and confidence building factors and under graduate respondents strongly agree the existence of security factor, service recovery factor and professionals strongly agree the existence of responsiveness, technological innovations factor and customers with Diploma qualification strongly agree the existence of empathy factor in their banks.

The analysis proved that the respondents belongs to the income group between Rs.20,001 and Rs.40,000 strongly agree the existence of Tangibility. Respondents belonging to the income group between Rs.40,001 and Rs.60,000 strongly agree the existence of Competence and the respondents belongs to the income group between Rs.60,001 and Rs.80,000 strongly agree the existence of Reliability, Assurance, Service Recovery factor in their bank.

It is found from the data analysis that the Professionals strongly agree the existence of Tangibility, Technological innovations, Service recovery, Housewives strongly agree the existence of Assurance, Empathy, Competence, Security factor and the Private employees strongly agree the existence of Confidence building factor in their bank.

The research shows that the unmarried respondents strongly agree the existence of Responsibility Assurance, Empathy, Technological innovations, Competence, Security, Confidence building and Service recovery in their bank. It is found that the private sector bank customers strongly agree the existence of Tangibility, Reliability, Responsiveness, Assurance, Empathy, Competence, Security, and Confidence building in their bank.

It is found that the savings bank account maintained by the customers of public sector and private sector banks strongly agree the existence of Tangibility, Reliability, Responsiveness Assurance, Empathy, Technological Innovations, Competence Security, Confidence building and Service Recovery in their bank.

The study proves that private sector bank customers strongly agree the existence of Tangibility, Reliability, Responsiveness, Assurance, Empathy, Competence, Security, and Confidence Building in their bank.
The analysis of the data shows that the customers attracted by online advertisement strongly agree the existence of Technological innovations and through newspapers and journals strongly agree the existence of Tangibility, Reliability, Responsiveness, Assurance, Empathy, Competence, Security, Confidence building and Service Recovery in their bank.

The study shows that the customers using alternate banking services due to their social status strongly agree the existence of Tangibility, customers having trust in the alternate banking services strongly agree the existence of Reliability factor, customers using alternate banking services due to the time flexibility strongly agree the existence of Technological innovation factor, customers using alternate banking services due to the internet facility at home strongly agree the existence of Responsiveness, Assurance, Empathy, Competence, Security, Confidence building and Service Recovery in their bank.

The research shows that the customers using alternate banking services more than 5 years strongly agree the existence of Reliability, customers using alternate banking services between 1-2 years strongly agree the existence of Tangibility, Responsiveness, Assurance, Empathy, Technological innovation, Competence, Confidence building and Service Recovery in their bank.

It is found that the customers who have changed from traditional banking to alternate banking services due to high transaction cost strongly agree the existence of Tangibility, Reliability, Responsiveness, Empathy, Technological innovation and customers changed from traditional banking to alternate banking services due to the long waiting time strongly agree the existence of Assurance, Competence Confidence building and Service Recovery in their bank.

Hypothesis 3: There is no significant influence of demographic profile of customers on Service Quality Dimensions and Satisfaction.

Hypothesis 3 is rejected at 5% level and proved that there is significant influence of demographic profile of customers on Service Quality Dimensions and satisfaction.
SUGGESTIONS

Suggestions to the Commercial Banks

- The customers of public and private sector commercial banks are dissatisfied with mobile banking services. It is recommended that the banks can create awareness to their customers on mobile banking services and their benefits and cost effectiveness. Banks should improve the security measures in mobile banking transaction. Moreover, the banks can add personalized features in addition to the existing features in mobile banking services.

- It is inferred that most of the customers lack awareness regarding mobile banking services. Therefore, the bank should conduct exhibition and demonstrate the process of usage of mobile banking and its benefits through Light Emitting Diode (LED) Television in the ambience of the bank as well as in the customers’ waiting hall to create awareness on mobile banking services. This awareness may help the customers to use mobile banking services.

- There is wider scope for the banks to improve the customer service to motivate large number of customers to use mobile banking services.

- Most of the respondents using mobile banking services faced difficulty due to lack of customer service and lack of clear guidelines to use mobile banking services.

- The competence factor in commercial banks has not influenced the customer satisfaction in mobile banking service. So, commercial banks can add extra feature in mobile banking services with ease to the customers to become competent.

- It has been inferred that majority of the customers faced difficulty with respect to ATM due to machines that were out of order and non-availability of cash in the ATMs. Banks should pay attention to make cash available in ATMs at any time and maintain the ATMs in good working condition.
- Customers are least satisfied with the bank charges for availing ATM services. So, banking authorities should either withdraw or reduce the charges on ATM services to satisfy the customers in ATM services.

- The study reveals that customers are least satisfied with the security in ATM services. So commercial banks should check the security system by verifying the password used by the customers before and after the transactions regularly and also send the statement of account at the end of each transaction to the customers.

- Most of the customers faced difficulty due to poor server network while accessing internet banking transaction and delay in the process of internet banking services. The commercial banks in Chennai are therefore required to check the internal system regularly to provide the service without any delay in the network connectivity and by increasing the internet speed.

- Most of the customers do not use internet banking services due to lack of awareness. So banks can improvise the methods adopted to educate customers about the internet banking services through campaign, online advertisement, sending the letters to the customers whenever any new product or service is introduced, conducting meeting with customers regularly.

- It is found from the analysis that the customers who are having an account for more than five years are using alternate banking services. Therefore, Commercial Banks should concentrate on the customers holding accounts for less than 5 years by waiving the service charges imposed on the customer who maintains sufficient balance in the account as per the norms of the bank to improve the customer patronage.

- Most of the customers do not use internet banking services due to security concerns. So banks should remove the fear of the customers by safeguarding the secrecy of the customers and enabling customers.
• All commercial banks should follow the same procedure in internet banking services to avoid complications for the customers’ usage.

• The respondents moderately agree that alternate banking services fulfill the banking needs. Hence, there is wider scope for the banks to improve the service quality by introducing new products and services to suit the changing needs of the customers.

• Only the private sector bank customers strongly agree the existence of Tangibility, Reliability, Responsiveness, Assurance, Empathy, Competence, Security, and Confidence building in their bank. So the public sector banks need to impress the customers on par with private sector banks in terms of all the factors of service quality to retain their customers.

• Customers moderately agree that the alternate banking services fulfill the banking needs. Hence, there is wider scope for the banks to improve the service quality by introducing new products and services to suit the changing needs of the customers.

• Customers of the bank moderately agree that the bank’s immediate response towards the customers’ phone calls or emails. So banks should respond towards the customers’ phone calls and emails immediately without any delay and with suitable reply to gain customer satisfaction.

Suggestions to the Customers

• It is inferred from the study that cynical customers use ATM services more than 5 times per month. This is the reason for getting dissatisfaction in the banking service as the banks used to charge for the additional usage of ATM services beyond five times in a month. As a result these customers are negatively motivated to use the other alternative banking services. Therefore, these customers should comply with banking procedures to restrict their usage limit up to 5 times per month to avoid unnecessary bank charges.
• The study reveals that customers do not use internet banking due to lack of internet facility and computer knowledge. Therefore, the customers can access the internet facility and develop their computer literacy to use the internet banking services so as to avail added benefits.

• Majority of the respondents do not use internet banking services due to high charges. Customers should understand that internet banking is the convenient tool to access the banking transaction without visiting the bank branches.

• Majority of the respondents are not using mobile banking services as the smart phones are expensive. But technology plays a major role in the banking industry and with the help of technology the banks facilitate the customers with new products and services often. Hence the customers can take initiative to buy the smart phones and learn how to use these services to avail so much of advantages it fetches the customers.

CONCLUSION

The study has endeavored to look at the factors influencing the customer satisfaction and service quality perception on alternate banking services. The customer satisfaction in ATM services are influenced by Reliability, Responsiveness, Confidence building and Service Recovery factors. The customers of ATM services in spite of the difficulties mentioned earlier realized the necessity of using the ATM services. The study proves that out of the alternate banking services only ATMs are widely used by the customers.

Most of the customers use internet banking services and are satisfied with these services but there are difficulties faced by the customers due to poor server network and delay in process of transaction. Factors such as Tangibility, Reliability, Responsiveness, Empathy, Technological innovations and Competence have influenced the customer satisfaction in internet banking services.
As far as mobile banking is concerned only half of the total respondents use the service and customers are dissatisfied with the mobile banking services. It is found that among the users of mobile banking services, except competence factor all other service quality factors have influenced the satisfaction of the customers of both public and private sector commercial banks.

The customers of commercial banks have agreed that the service quality dimensions exist in private sector banks. The public sector commercial banks are bound to provide quality service to their customers to meet the global standards.

**SCOPE FOR FUTURE RESEARCH**

The present study has made an attempt to measure the customers’ perception towards service quality in commercial banks. There still remains a feasible outlook for potential research.

1. The present study is focused on alternate banking services of ATM, Internet Banking and Mobile Banking. The future research can be carried out by focusing on service quality in mobile banking services alone.

2. The service quality of public and private sector commercial banks has been assessed only in the Chennai city. So the perception of customers on service quality can be studied in rural areas in Tamil Nadu.

3. The future research can be done by comparing the service quality of private and public sector commercial banks.

4. The research can be undertaken to study the ATM service quality of public sector banks in selected districts in Tamil Nadu.