CHAPTER – V

5.1 INTRODUCTION

This Chapter deals with the summary of the findings of the present study, suggestions offered by the researcher for the purpose of offering superior quality of services to the customers by the Foreign Sector Banks and enhancing the level of satisfaction derived by the customers on the various services and facilities provided by the Foreign Sector Banks, scope for further research and conclusion.

5.2 FINDINGS

The following are the major findings of the study:

5.2.1 BANKING AND IT’S IMPORTANCE

Banking is an important segment of the tertiary sector and acts as the backbone of economic progress of a country. The banks render vital services to the masses belonging to the various sectors of the economy like agriculture, industry, whether small scale or large scale. The increased horizon of commercial banks identifies itself with the problems and responsibilities for making banking an instrument for bringing about social and economic transformation of a developing country. Banks have become the prime movers and pace setters for the achievement of socio-economic objectives of the country. Savings and investments are the most important ingredients of capital formation for an economy, therefore, the promotion of domestic savings is a must to boost the process of capital formation and development. In fact, capital formation is a function of generation, mobilisation and channelisation of savings into productive activities or investment. Thus, the commercial banks are in the nature of a catalyst, converting savings into capital for
productive investment. Banking institutions in India have been assigned a significant role in financing the process of planned economic growth and nationalisation of banks was one of the steps taken by the Government of India to accelerate the phase of economic growth of the country.

5.2.2 SERVICES OFFERED BY THE BANKS

The commercial banks provide a range of services to the whole community in many ways. Apart from the basic banking services such as deposits, loans and advances, banks have been traditionally rendering certain ancillary services also to their customers such as remittances, demand drafts, mail transfers, and telegraphic transfers, sale and purchase of foreign exchange, locker facilities, safe custody and safe deposit vaults, guarantee facilities, sale of travellers’ cheques, trusty and executor services etc. They act as bankers for the issue of new capital. They help their customers in marketing of securities and send the dividends to customer's account directly. Moreover, commercial banks undertake the payment of subscriptions, premiums, rents etc., on behalf of their customers. Besides this, commercial banks undertake the issue of credit instruments like letters of credit, the acceptance of bills of exchange and documents, acting as a referee to the respectability and financial standing of customers and providing specialised advisory services to the customers. Among the services introduced by modern commercial banks during the last quarter of century, the bank giro and credit cards deserve special mention. By providing these diversified services, banks help in the growth of trade and industry to a great extent. Modern commercial banks have diversified their activities with their entry into new non-traditional areas of business. These new areas include mutual fund, merchant-banking activities, portfolio management, corporate counselling, project
counselling and hire purchase finance, equipment leasing, venture capital and factoring service. These new activities by banks and their subsidiaries result in the development of industry and trade in the country. Briefly it can be said that it constitutes the very lifeblood of economic society. The entry of foreign players in the Indian Banking Industry has brought tremendous changes in this industry. The dynamic services offered by these banks, the variety of the products offered by these banks, exploitation of the technology to the greater possible extent by these banks, offering the sophisticated services to meet out the varied demands of the variety of customers have resulted in securing a specific place for these banks in the Indian banking scenario.

5.2.3 FOREIGN SECTOR BANKS IN INDIA

The Government of India set up a High Level Committee with Mr. M. Narasimham, a former Governor of Reserve Bank of India as the Chairman, to examine all aspects relating to the structure, organization, functions and procedures of the financial system in July, 1991, and this Committee on the Financial System submitted its report in November, 1991. In accordance with the recommendations of the Committee, the Government has permitted individuals, corporations, foreign and non-resident individuals to open private banks in India. There has been a steady increase in the number of foreign banks and their branches operating in India. At the end of September 2010, 34 foreign banks (from 24 countries) were operating in India as compared to 32 banks at the end of June, 2009. The total number of branches too increased to 315 in 2010 from 293 in 2009. In addition, 45 foreign banks operated in India through representative offices in 2010 as against 43 in 2009.
5.2.4 TRENDS IN THE PROGRESS OF FOREIGN SECTOR BANKS IN INDIA

The results of the present study indicated that there is a steady increase in the quantum of deposits mobilized, quantum of assets possessed by these banks, loans and advanced lent, amount of capital, value of investments made, position of reserves and surplus, amount of borrowings, other liabilities and provisions, cash and bank balances with the Reserve Bank of India, balances maintained with other banks, fixed assets owned and the other assets owned by the Foreign Sector Banks have shown a steady increasing trend between the periods 2000 and 2010.

5.2.5. PROFILE OF SELECTED FOREIGN SECTOR BANKS IN COIMBATORE DISTRICT

a) CITI Bank

Citibank belongs to Citigroup, which is a well recognized financial services company. It was started in 1812 and is reckoned amongst the largest banks in the United States. Citi Bank has been a premier locally-embedded financial institution backed by its global network across 100 countries. This bank has a wider customer base of 15 million users catered by its online services division alone. In India, Citibank has offices in 43 places at the end of the year 31st March, 2010, and it has the employee strength of 4,613. It has `1,979.89 lakhs as business per employee and `18.32 lakhs as profit per employee during the year 2009-2010. It has `13,514 crores as Capital and Reserves and Surplus, `54,452 crores as deposits, `28,109 crores as Investments and `36,655 crores as advances at the end of the financial year 2010. It has earned the interest income of `6,070 crores, other income of `1,591 crores during the year 2010. It has paid `2,017 crores as interest on deposits for the year ended 31st March, 2010. The bank has the Net NPA Ratio of 2.14 at the end of the year 31st March, 2010.
b). HSBC (Hongkong and Shangai Banking Corporation) Bank

HSBC Bank is the second largest bank in the world next only to Citi Group. It originated as The Hong Kong and Shanghai Banking Corporation Limited, founded in 1865 by a Scotsman named Thomas Sutherland. The bank started its first operation in Hong Kong and Shanghai, the erstwhile British colony. Presently it is a wing of HSBC Holdings, headquartered in London since 1990. HSBC operates in more than 80 countries spanning different continents including Asia, Europe, North America, South America, Africa and Austria. HSBC Bank started operation in India at Bombay (Mumbai) in 1953 after acquiring Mercantile Bank of India. Subsequently offices were opened in major cities of the country. Today HSBC Bank is a major foreign bank in India having offices in more than 50 locations and 131 ATM Centers across India. This bank in India offers a complete range of products with world class service to its corporate as well as individual customers. This bank has 6685 employees in India and it has `1,135.52 lakhs as business per employee and `11.73 lakhs as profit per employee during the year 2009-2010. It has `12,135 crores as Capital and Reserves and Surplus, `55,748 crores as deposits, `41,289 crores as Investments and `23,475 crores as advances at the end of the financial year 2010. It has earned the interest income of `5,166 crores, other income of `2,135 crores during the year 2010. It has paid `1,915 crores as interest on deposits for the year ended 31st March, 2010. The bank has the Net NPA Ratio of 2.31 at the end of the year 31st March, 2010.

c). Standard Chartered Bank

Standard Chartered Bank is a UK based multinational bank operating in more than 70 countries worldwide. This bank is a product of colonial past as most of its operations were based on former British colonies. The Standard Bank was founded by
Johan Paterson in 1862. The Chartered Bank, the other constituent bank of Standard Chartered was incorporated by James Wilson with a Royal Charter from Queen Victoria in 1869. Prior to First World War, both the banks were functioning independently surviving the rough weathers. But, after the World War II, many banks were routed owing to huge war funding and various other reasons. Declaration of Independence in most Asian and African countries during this period affected both the banks as most of their operations were concentrated in these countries. Due to these reasons both the banks decided to merge together to form Standard and Chartered Bank in 1969. Since then the bank went on an expansion spree with acquisitions of many banks both in UK and other countries as well. In 2000, it took over Grindlays Bank that helped to consolidate its business in India and Pakistan.

The Chartered Bank started its first branch in Kolkatta, then financial centre of British India in April, 1858. In India, Bombay became the main financial centre with most of the businesses migrating there. Sensing the new changes, The Chartered Bank shifted its headquarters to Mumbai and became one of the successful foreign banks in India. The Standard Chartered Bank in India offers a wide range of products and services. In India, Standard Chartered bank has offices in 95 places at the end of the year 31st March, 2010, and it has the employee strength of 7,903. It has `1,083.45 lakhs as business per employee and `26.31 lakhs as profit per employee during the year 2009-2010. It has `11,606 crores as Capital and Reserves and Surplus, `48,192 crores as deposits, `18,477 crores as Investments and `41,552 crores as advances at the end of the financial year 2010. It has earned the interest income of `5,675 crores, other income of
`2,838 crores during the year 2010. It has paid `1,784 crores as interest on deposits for the year ended 31st March, 2010. The bank has the Net NPA Ratio of 1.40 at the end of the year 31st March, 2010.

d). Bank of Nova Scotia

Scotiabank is one of North America's premier financial institutions, and Canada's most international bank. Since welcoming the first customer in Halifax, Nova Scotia, in 1832, Scotiabank has continued to expand its global reach. Today, through a team of more than 70,000 employees, Scotiabank Group and its affiliates offer a diverse range of products and services, including personal, commercial, corporate and investment banking to some 18.6 million customers in more than 50 countries around the world.

In India, Bank of Nova Scotia has offices in 5 places at the end of the year 31st March, 2010 and it has the employee strength of 196. It has `3,750.43 lakhs as business per employee and `101.43 lakhs as profit per employee during the year 2009-2010. It has `1,060 crores as Capital and Reserves and Surplus, `3,454 crores as deposits, `1,922 crores as Investments and `5,071 crores as advances at the end of the financial year 2010. It has earned the interest income of `424 crores, other income of `133 crores during the year 2010. It has paid `181 crores as interest on deposits for the year ended 31st March, 2010. The bank has the Net NPA Ratio of 13.15 at the end of the year 31st March, 2010.
5.2.6. PERCEPTION OF RESPONDENTS ON THE QUALITY OF SERVICES OFFERED BY FOREIGN SECTOR BANKS

The results of the study revealed that out of the four hundred sample respondents, sixty six respondents (16.50%) perceived that the services offered by these banks as ‘poor’, two hundred and two respondents (50.50%) perceived that the services offered by these banks as ‘fair’ and the remaining one hundred and thirty two respondents (33.00%) perceived that the services offered by these banks as ‘good’.

The mean score of the respondents revealed that the following categories of respondents perceived that the Foreign Sector Banks offer superior Quality of Services:

a). Male Respondents.
b). Old Age Group Respondents.
c). The respondents who fall under married category.
d). The respondents with education upto Under Graduate Level.
e). The respondents who have business as their occupation.
f). The respondents with medium size families.
g). The respondents with medium average monthly family income.
h). The respondents whose monthly savings are high.
i). The respondents whose prime motive to save is to meet emergencies.
j). The respondents having current account with the banks.
k). The respondents who maintain their accounts to fulfil the business and professional requirements.
l). The respondents who jointly operate the accounts with others.
m). The respondents who have longer periods of association with the bank.
n). The respondents whose frequency of transaction is very high.

o). The respondents who prefer personal visit to carry out their transactions with the banks.

p). The respondent who availed loans for the purposes other than personal, home and education loans and

q). the respondents who have low level of confidence over the banks.

The results of the Contingency Table revealed that there exists a significant relationship between the following factors and the perception of the respondents on the quality of services offered by the Foreign Sector Banks:

a). Sex group of the respondents.

b). Marital status of the respondents.

c). Occupational status of the respondents.

d). Period of association of the respondents with the banks and

e). frequency of transactions of the respondents with the bank.

The results of Analysis of Variance indicate that there exists a significant difference between the mean scores of

a). Male and female respondents.

b). The young, middle and old age category respondents.

c). The respondents who have differences in the levels of literacy.

d). The respondents who save the funds with the banks with different motives.

e). The respondents who opened the accounts with the banks for different purposes.
f). The respondents who operate the accounts solely by themselves or jointly with others.

g). The respondents who have differences in the period of association with the bank.

h). The respondents who differ in the mode of transacting with the bank and

i). the respondents who have availed different types of loans from the banks.

The result of the Chi – square test revealed that the following factors significantly influence the perception of the respondents on the quality of services offered by the foreign sector banks:

a). Sex group of the respondents.

b). Age group of the respondents.

c). Literacy level of the respondents.

d). Marital status of the respondents.

e). Occupational status of the respondents.

f). Motive behind savings of the respondents.

g). Type of account maintained by the respondents.

h). Purpose of opening account by the respondents.

i). Period of association of the respondents with the bank.

j). Respondents’ preferred mode of transactions with the banks.

k). Type of loan availed by the respondents.

l). Loan availed status of the respondents and

m). type of loan availed by the respondents.
The result of the Karl Pearson’s correlation indicates that the variables namely Age group of the respondents, Period of Association of the respondents with the banks and the Type of Loan availed by the respondents have positive and significant correlation with the perception of the respondents on the quality of the services offered by the foreign sector banks. Similarly, the variables such as Sex group of the respondents, respondents’ motive behind the savings, purpose of maintaining accounts with the banks by the respondents and their preferred mode of transaction have negative and significant correlation with the perception of the respondents on the quality of the services offered by the foreign sector banks.

The result of the Multiple Regression Analysis revealed that the variables viz., Sex group of the respondents, Marital Status of the respondents, Type of Account maintained by the respondents, Mode of operation of the account by the respondents, Loan availed status of the respondents and Type of Loan availed by the respondents have significantly influenced the perception of the respondents on the quality of services that have been offered by the Foreign Sector Banks in Coimbatore District. It also revealed that the value of $R^2$ is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the significant variables to the perception of the respondents on the quality of services offered by the Foreign Sector Banks is 18.73%.

The result of the Path Analysis revealed that the variables the type of loan availed by the respondents and the loan availed status of the respondents have the highest positive and negative direct effects to the perception of the respondents on the quality of services offered by the Foreign Sector Banks.
The Factor Analysis revealed that factors such as ‘Need Based Services Factor’, ‘Staff Efficiency and Accessibility Factor’, ‘Bank Related Internal Aspects Factor’, “Modern Facilities Factor” considerably contribute to the perception of the respondents on the quality of services offered by the Foreign Sector Banks in Coimbatore District.

5.2.7. SATISFACTION DERIVED BY THE RESPONDENTS ON THE SERVICES OFFERED BY FOREIGN SECTOR BANKS

The results of the study revealed that out of the four hundred sample respondents, fifty eight respondents (14.50%) derived low level of satisfaction, two hundred and twenty respondents (55.00%) derived medium level of satisfaction and the remaining one hundred and twenty two respondents (30.50%) derived high level of satisfaction on the services of the Foreign Sector Banks in Coimbatore District.

The Mean Score of the respondents revealed that the respondents who fall under the following categories derived higher level of satisfaction on the services of the banks:

a). Male respondents.

b). Old age group respondents.

c). The respondents who fall under ‘married’ category.

d). The respondents with school level education.

e). The respondents who are engaged in business.

f). The respondents with medium size families.

g). The respondents with medium level of average monthly income.

h). The respondents with high monthly savings.

i). The respondents whose prime motive behind their savings is as they consider the savings in the bank is a source of additional income.
j). The respondents who maintain recurring deposits with the bank.

k). The respondents who opened the accounts with the banks to avail the credit facility from the banks.

l). The respondents who jointly operate the accounts with others.

m). The respondents who have more period of association with the bank.

n). The respondents with less frequency of transactions with the bank.

o). The respondents who considered phone banking as their preferred mode of carrying out their transactions with the banks.

p). The respondents who have availed loan from the banks.

q). The respondent who availed loans for the purposes other than personal, home and education loans.

r). The respondents with high level of confidence over the banks and

s). The respondents who opined that the overall services of the banks are poor.

The results of the Contingency Table revealed that there exists a significant relationship between the following factors and the satisfaction derived by the respondents on the services offered by the Foreign Sector Banks:

a). Literacy level of the respondents.

b). Average Monthly Savings of the respondents.

c). The mode of operations of the transactions by the respondents.

d). The respondents’ preferred mode of transaction with the bank.

e). Loan availed status of the respondents and

f). Level of confidence of the respondents over the banks.
The results of Analysis of Variance indicate that there exists a significant difference between the mean scores of

a). The young, middle and old age category respondents.

b). The respondents who have differences in the levels of literacy.

c). The respondents who have differences in their occupational status.

d). The respondents who have differences in the monthly family income.

e). The respondents who differ in the level of average savings.

f). The respondents who differ in maintaining the different types of accounts with the banks.

g). The respondents who have differences in maintaining accounts with the banks.

h). The respondents who operate the accounts solely by themselves or jointly with others and

i). the respondents who differ in the mode of transacting with the bank.

The result of the Chi-square Test revealed that the following factors significantly influence the satisfaction derived by the respondents on the services offered by the foreign sector banks:

a). Sex group of the respondents.

b). Age group of the respondents.

c). Literacy level of the respondents.

d). Occupational status of the respondents.

e). Family size of the respondents.

f). Monthly family income of the respondents.
g). Respondents’ motive behind savings.

h). Type of account maintained by the respondents.

i). Purpose of opening account by the respondents.

j). Mode of operation preferred by the respondents.

k). Period of association of the respondents with the bank.

l). Respondents’ preferred mode of transactions.

m). Type of loan availed by the respondents and

n). The level of confidence of the respondents over the banks.

The result of the Karl Pearson’s Correlation indicates that the variables namely respondents’ motive behind their savings, respondents’ preferred mode of transaction and the level of confidence of the respondents over the banks have positive and significant correlation with the satisfaction derived by the respondents. Similarly, the variables such as literacy level of the respondents, occupational status of the respondents, purpose of opening the account with the bank by the respondents and their mode of carrying out transactions with the banks and their opinion on the overall services offered by the banks have negative and significant correlation with the satisfaction derived by the respondents.

The result of the Multiple Regression Analysis revealed that the variables viz., sex group of the respondents, literacy level of the respondents, occupational status of the respondents, type of account maintained by the respondents with the banks, respondents preferred mode of operation with the banks, frequency of transaction carried out by the respondents with the banks, level of confidence of the respondents over the banks and the
opinion of the respondents on the overall services rendered by the banks influence the satisfaction derived by the respondents on the satisfaction derived by them on the services rendered by the Foreign Sector Banks. It also revealed that the value of $R^2$ is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the significant variables to the satisfaction derived by the respondents on the services offered by the Foreign Sector Banks is 22.88%.

The result of the Path Analysis revealed that the variables personal attention given by the bank staff over the customers and the literacy level of the respondents have the highest positive and negative direct effects to the satisfaction of the respondents on the services offered by the Foreign Sector Banks.

The Factor Analysis revealed that factors such as facilitating functions factor, Procedural aspects factor, bank amenities factor and ease formalities factor considerably contribute to the satisfaction derived by the respondents on the services offered by the Foreign Sector Banks in Coimbatore District.
5.3 SUGGESTIONS FOR OFFERING BETTER SERVICES TO THE CUSTOMERS AND TO IMPROVE THE CUSTOMER SATISFACTION

The following are the suggestions offered by the researcher through the present study for improving the quality of services that have been offered by the Foreign Sector Banks and to enhance the satisfaction of the customers. These suggestions include those offered by the customers and personnel of Foreign Sector Banks also.

a). EXTENDING THE SERVICES TO THE SEMI – URBAN AND RURAL AREAS

Rural India has been considered as the backbone of the Indian economy. The banking services which are available at these areas are not adequate enough to fulfil the requirements of the rural customers. As a result, the rural population finds it very difficult to have an access over the banking and other financial services. The foreign sector banks are concentrated mostly only in the urban areas as they consider that the returns from the rural areas is not considerable. Hence, it is suggested that suitable policy measures have to be formulated by the banks to step into the rural areas for extending their services to rural areas. This will result in exploring into and expanding the business in the rural parts of the country where they are having wider scope for their operations. It will increase their customer base and volume of transactions of these banks. The benefits of increased volume of business can also indirectly be passed on to the customers. Apart from this, the government is also expected to formulate some stringent guidelines towards opening up of branches by this sector in the rural part of the country. It will ensure the savings of the rural parts can also be properly mobilized and can be effectively utilized for the productive purposes by these banks through granting loans to needy industrialists and the other sections of the society.
b). INNOVATIVE PRODUCTS

The changes and innovations taking place in other industries take place in the banking industry also. As the banking environment is more competitive, the banks are expected to expand to introduce modern and sophisticated products in their product lines. In order to remain more competitive in the market and to increase the customer base, hereby it is suggested that foreign banks have to develop and float innovative banking products to satisfy the ever changing needs of the customers. Introduction of innovative products also may find new customers to the banks. This will be an economic viability of the product both for bank as well as customer. For this purpose, banks should make themselves more customer centric by means of offering a wide range of products and services through multiple delivery channels in order to meet out the ever changing needs and wants of the customers.

c). PRACTICING CORPORATE SOCIAL RESPONSIBILITY

Banks play a key role in a market economy and they provide a crucial service to the international, national and local community and these aspects make the banks very much socially responsible. The Reserve Bank of India (RBI) has instructed the banks in India to pay special attention towards integration of social and environmental concerns in their business operations.

Stressing the need for Corporate Social Responsibility (CSR), RBI pointed out certain initiatives to be taken by the banks which are vital for sustainable development. Only a scenario in which the quality of environment and social systems synergize with business models can lead to sustainable development. Many of the newly formed private
and foreign banks are aware of the importance of such a step and therefore are having an active corporate social responsibility department. Foreign banks must think of starting non-financial reporting which will be used to audit their initiatives towards the corporate social responsibility (CSR). Such a reporting will cover the work done by the banks towards the social, economic and environmental betterment of society.

d). EMPLOYING USER FRIENDLY TECHNOLOGY

The innovations that take place in the banking industry offer benefits for both customers and the banks. In order to enhance the competitiveness in the highly competitive banking environment, the foreign sector banks use more sophisticated technologies to serve their customers. The adoption of these types of technologies results in cutting down the cost of transaction from the point of view of the banks and time saving aspect from the point of view of the customers. Technological innovations have changed the way banks and their customers interact. Customers can obtain information about products and services quickly, compare prices instantly and switch suppliers easily. Meanwhile, many banks are reconfiguring internal structures to allow customers to access financial services wherever, whenever and however they wish. But still considerable number customers felt that they are not having adequate exposure over the modern sophisticated technologies employed by these banks. As a result, there is a reduced rate of response from the customers with regard to the employment of technology. Hence it is suggested that the banks have to employ the technologies which must be user friendly. It will result in securing increased customer response and customer acceptance over the technologies employed by the banks and the same will result in improved means of utilisation of the technology by the customers.
e). CUSTOMER MEET

When it comes to growing of business, it’s important to think about the customers’ needs beyond selling them product or service. One of the biggest problems in banking businesses is finding customers. Banks seeking to improve their customer base and existing customer satisfaction has many options at their disposal. One rewarding and customer friendly approach is organizing customers meet. Through direct interactions with customers banks can easily find the customers pulse. The meet will help the bankers to build their product and marketing strategies. Hence it is suggested that the banks should formulate definite and concrete policies for conduct of customers meet at regular intervals and offer them an opportunity to express their views and grievances. This will make the customers to feel that the banks give adequate emphasis on their views and their needs. It will result in retention of existing customers and offering higher levels of satisfaction to them on the services offered by the banks.

f). EFFECTIVE CUSTOMER RETENTION STRATEGIES

Customer retention is an important element of banking strategy in today’s highly competitive banking environment. It is also stated that the costs of customer retention activities are less than the costs of acquiring new customers. If the proper and effective customer retention strategies are not formulated and implemented by these banks, the customers will leave the banks. Hence, it is suggested that the banks must identify and improve upon factors that can limit customer defection. The steps like enhancing the employee performance, professionalistic approach of the staff of the banks, staff volunteering in finding solution to the customers problems, establishing and maintaining a cordial relationship and personal touch with the customers, etc., will have to be
incorporated in formulating and implementing an effective customer retention strategy of
the banks. By providing complete solutions to the problems of the customers with regard
to the banking transactions, the customers’ confidence can be gained and customers can
effectively be retained by the banks.

g). PROVIDING MORE VALUE ADDED SERVICES

One of the easiest ways to attract customers is offering more value added services.
Banks have been scaling back on investments in new product innovation and technology.
More banks are offering value-added services such as mobile banking for customer
convenience. Many banks already offer SMS banking, where customers can get
information about account balance, record of the last few transactions conducted, place
cheque book requests and get updates on interest rate changes and other new products. In
fact, adding value to services and achieving competitive advantage may lead to more
customer satisfaction. Hence, it is suggested that the need based services must be offered
by the banks in order to meet out the varied demands of the customers and this will result
in creating an intention in the minds of the customers that the banks offer superior quality
of services and the same will result in enhancing their satisfaction on the services offered
by the banks.

h). IMPROVING THE IMAGE AMONG THE CUSTOMERS

The growing significance of managing bank’s image has gained the momentum in
the public to survive in the competitive world. Bank’s image is a vital factor which plays
a crucial role in customer’s decision making. The image and reputation of the bank that
exist in the minds of the customers significantly influence their willingness to provide the
whole hearted support to the operations of the banks. Hence, it is suggested that the concrete measures like adopting fair practices, considering the total needs of the customers, promptness in actions, maintaining transparency in operations will create a positive image in the minds of the customers about the banks. Hence, emphasis should be laid on improving these factors which will result in creation of a better image about the banks among the customers.

i). setting standards in determining the quality of services

Quality of service, especially in the shape of a bank is to customers one of the most visible and significant aspects of bank’s performance. While the trend is apparently for more people to complain and are less tolerant than they used to be, the banks must think of providing standardized services to the customers. Banks must come forward to establish standards for their services. These standards may be in the form of time, cost and formalities. Further, customers’ task can be achieved through organizing, changing the culture, using systems and techniques, measurement and feedback. By means of setting the standards, the banks can find out the deviations between the accruals and the set standards and can take corrective actions to bring down the deviations between these two limits. It will result in offering a superior quality of services to the customers by the banks.

j). gaining customer confidence

Getting customers to transact business is not an easy task in today's world. Consumers today are extremely wary of whom they transact business with and consider different factors in selecting a bank. First impressions matter when it comes to gaining trust and confidence. Hence, bankers must involve themselves in winning the customer’s
confidence. This can be achieved through providing appropriate information and delivering services up to the expectations of the customers. Maintaining transparency in transaction will definitely help the customers to know how they are getting served. Customers like to know what to expect when doing business with a bank. It's important that banks must clearly state their policies regarding products, charges and remedies for defects. Every bank should have a clear set of terms and conditions for any consumer to view.

**k). IMPROVING THE EFFICIENCY OF STAFF BY ALLOCATION OF REASONABLE WORK LOAD**

It is revealed that the existence of heavy work load for the staff affects their efficiency and performance and as a result they may not be able to attend to the needs and wants of the customers properly. Hence, provision of a superior quality of services and offering higher level of satisfaction to the customers have become a difficult task for the banks and the bank staff. Hence, it is suggested that the banks should take adequate steps to offer reasonable work load to the staff in order to ensure their effective functioning. The effective functioning and support of the staff will make the customer to feel that the services offered by the banks are superior in quality and it will enhance their satisfaction on the services offered by the banks.

**l). MORE FOCUS ON INTERNET BANKING BASE**

The world of e-banking is about empowering customers to manage their finances when it is most convenient for them. The implantation of the electronic banking and web based banking will improve the service of the banks towards the existing customers and to attract new customers. The advent of Internet has changed customer behavior and new
competition in the banking industry is putting established banks under increasing pressure. This facilitates the customer of the bank to operate their account from any corner of the world, without visiting local or any branch of their banks. Efforts are made by the bank not only to provide the facility to the customer, but also to reduce the operational cost of the bank by providing e-banking services. Hence the offering of quality e-banking services will make the customers to feel that the services offered by the banks are superior in quality and the same will offer higher level of satisfaction to them on the services of the banks.

**m). ESTABLISHING CUSTOMER GRIEVANCE REDRESSAL CELL**

Banks deal with different kinds of customers who have varied needs and services from the banks. It is common that the customers may face some problems when they carry out their transactions with the banks such as delay in depositing money, delay in collection of cheques, delay in provision of necessary information to the customer etc. As the banks depend on their customers for their existence, they must find ways to assess the nature of the problems that may be encountered by their customers when they carry out their dealings with the bank and take constructive steps to overcome such problems. Hence, it is suggested that a separate customer grievance redressal cell has to be established to look after the complaints that have been lodged by the customer and this will result in reducing the deficiency in the services offered by the bankers to their customers. And also it is to be ensured that this cell finds effective and suitable means for solving the complaints that have been lodged by the customers. This cell also has to be assigned with the responsibility of obtaining the feed back from the customers on the services rendered by the bank and determining the satisfaction derived by the customers.
on the services offered by the bank to them. Establishment of this type of cell will result in making the customer to perceive that the services offered by the banks are superior in quality.

n). CONDUCIVE BANKING ATMOSPHERE IN THE BANKS AND PROVISION OF ADEQUATE AMENITIES

Above to the core services customers are looking several other factors while selection of a bank for their requirements. One of such factor is conducive environment. Banks should look in to factors such as location, proximity to reach, availability of additional services like stationary, Xerox and postal, parking facilities and refreshment which are essential to the customers. When it comes to internal environment availability of various forms, provision of tables and chairs to fill the forms and take rest, installation of fans, drinking water and toilet facilities are much need to customers. By creating and providing these sorts of facilities and atmosphere, the banks can offer a higher level of customer satisfaction and offer a superior quality of services.

o). SPEEDY DISPOSAL OF THRE REQUESTS OF THE CUSTOMERS BY THE BANKS

The banks have to adopt ways and means for speedy disposal of the request of the customers. In order to remain competitive in the market, the banks have to see that they deliver the services to the customers at minimum time frame. Fixing of minimum and maximum time frame for each and every task will avoid annoyance among customers. Apart from this, the banks must also try to deliver exactly what the customers want and when they want it. By practicing these aspects, the banks can make the customers to perceive that the services offered by them are superior in quality.
p). EFFECTIVE SERVICES ACROSS THE COUNTER

Counter service is obviously important to any bank. Excellent counter service can improve the bank's ability to lure affluent prospects, elevate the bank's profitability, lower bank operation costs, and create greater customer loyalty. Hence, it is suggested that the foreign sector banks have to offer adequate amount of training to their staff who serve in counters and interact with the customers directly. This will facilitate the banks to offer a superior quality of service to their customers. The customers can derive higher level of satisfaction if they are able to secure prompt response from the bank staff.

q). PROVISION OF TIMELY INFORMATION

Customers may not know the information about the services offered at the bank. Their lack of knowledge leads them towards frustration and dissatisfaction towards banker’s attitude. It is the responsibility of the bankers to provide complete information and guidance about the customer’s requirements. Timely information to the customers definitely results in effective completion of work as well as more satisfaction to the customers. Hence, it is suggested that a separate cell has to be established in order to guide the customers. Apart from this, periodical review of progress of the customer requisition may help to complete of the task on time. The banks have to acquire customer’s feedback after providing the service and this will help to improve the quality of the service offered by the banks.

r). MAINTAINING A COMPLETE TRANSPARENT RELATIONSHIP BETWEEN THE CUSTOMER AND THE BANKER

Transparency in formalities and procedures are lacking in banking operations. Customers feel that they are toiled by the bankers in the name of rules and regulations. Maintaining open communication is one of the keys to creating a welcoming and healthy
relationship between banker and customer. Banks operations should be direct and fair, and provide concrete, constructive feedback. Sharing relevant information and maintaining open communication help create a sense of trust among customers. The more information customers are given, the greater the likelihood that they will perceive the environment as open and they can trust. This can be nullified through maintaining transparency in operations. Establishing standards and uniformity may result in positive change in customer’s attitude towards banking services. Hence, the measures like maintaining transparency in relationships between the banks and the customers, openness in communication between the banker and their customers, securing feedback and taking corrective measures for the mistakes revealed by the customers will make the customers feel that the services offered by the banks are superior in quality.

s). UNBIASED AND FAIR APPROACH IN RENDERING SERVICES TO THE CUSTOMERS

The customers of the banks should be treated equally and there should not be the existence of any bias or favouritism in dealing with the customers. Hence standards have to be set by the banks to ensure that it offers uniform services to all their customers. The lack of bias and non existence of favouritism will make the customers to feel that the banks offer better quality of services and the same will promote higher level of customer satisfaction also.

t). INCREASING THE NUMBER OF ATM POINTS

Automated Teller Machines (ATMs) have gained prominence as a delivery channel for banking transactions in India. Instead of visiting the banks, the customers are now using the automated teller machines (ATM) for fulfilling their banking needs. The
availability of number of ATMs installed by these banks is not sufficient enough to meet the demands of the customers. Banks have been deploying ATMs to increase their reach. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry. Most banks prefer to deploy ATMs at locations where they have a large customer base or expect considerable use. In addition to opening new ATMs to increase the usage of ATMs as a delivery channel, banks should also enter into bilateral or multilateral arrangements with other banks to have inter-bank ATM networks. The increase in number of ATM points will make the customers feel that the banks offer better quality of services.

5.4 SCOPE FOR FURTHER RESEARCH

There is scope for further research in extension of the present research in the following areas:

a. A similar type of study can be undertaken for assessing the perception of the customers on the services of Public Sector Banks and other categories of banks in the same region and in the other regions also.

b. A comparative study can be undertaken to assess the perception of the customers on the services offered by Foreign Sector Banks, New Generation Private Sector Banks, Old Generation Private Sector Banks and Public Sector Banks in the same region and in the other regions also.

c. A comparative study can be undertaken in order to assess the differences in the level of satisfaction derived by the customers of Foreign Sector Banks and other Domestic Sector Banks in the same region and in the other regions also.
5.5 CONCLUSION

The present study carried out by the researcher has been a rewarding experience in the sense that it has identified the perception of the customers on the various services that have been offered by the Foreign Sector Banks in Coimbatore District and assessed their level of satisfaction on the various services and the factors that influence the satisfaction derived by the customers of Foreign Sector Banks in Coimbatore District. The customer has been considered as the vital focus area in the sectors of the banking industry. As a result, the banks in the modern days in the highly competitive environment, lay down their emphasis on providing a superior quality of services to their customers and improving the satisfaction of their customers on their functioning. By offering better, diversified and customized products to fulfil the needs and wants of the customers, adopting an appropriate and reasonably stable policy towards the charges and costs, ensuring the effective utilization of the professional expertise possessed by the banks, adopting sophisticated and user friendly technologies and creating a trust in the minds of the customers on the bank will facilitate the banks to offer superior quality of services to the customers and offering an improved level of customer satisfaction. It is hoped that studies of this type and the suggestions offered through this study will be very much useful to the banks and it will pave a way for the Foreign Sector Banks to offer a superior quality of services to their customers and to enhance their satisfaction on the functioning of these banks. If the study could be useful to the Foreign Sector Banks, for making such an attempt the researcher shall feel that he is amply rewarded.