CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 INTRODUCTION

As the intense competition becomes a way of doing business, it is the customer who calls the short, in deciding the nature of products and services offered in the market. The customers are becoming demanding, dominant and selective. In fact, the perceptions and the expectations of the customers have undergone a sea change, with the availability of banking services to the customers at their door steps through the help of technology. Now-a-day they have also become more immune to marketer’s pressure. It means that the advertising and marketing gimmicks will work only, when they see real quality in the provision of services at the ground level. Marketing of banking services would imply creation and delivery of customer satisfying services at a profit to the bank. It is the mix of Six P’s – Products, Price, Place, Promotion, People and Procedures.

Marketing of customer services aims at two important goals: Prosperity to the bank and satisfaction of customers. Banks offer tangible services like loan schemes, interest rates and kinds of account and intangible services like behaviour and efficiency of staff, speed of transactions and the ambience. The banks need to include customer oriented approach or customer focus in the five areas of business such as cash accessibility, asset security, money transfer, differed payment and financial advices. The present study is an attempt to analyse the perception of employees and customers of public sector banks towards the marketing of banking products and customer satisfaction of banking services in Virudhunagar district. The specific objectives of the study are:
1. To study the different concepts of marketing of banking products in the public sector banks.
2. To study the profile and present scenario of banking products in the study area.
3. To examine the relationship between the satisfaction of customers and their characteristics variables.
4. To study and compare the perception of the bankers and customers towards the marketing of banking products provided by public sector banks.
5. To study the areas of concern towards marketing of banking products in customers’ services.
6. To offer suitable suggestions on the basis of the findings of the present study.

For the purpose of primary data collection, 500 respondents, each 250 from bankers and customers of the selected public sector banks in Virudhunagar district namely State Bank of India (SBI) and Indian Overseas Bank (IOB) were selected. For the purpose of analysis considering various factors, such as number of branches, number of customers, the volume of business, etc., 500 employees were selected at stratified random sampling at the rate of 250 from State Bank of India (SBI) and 250 from Indian Overseas Bank (IOB).

Further, the researcher had selected 500 sample customers, including 250 customers from each bank, by adopting judgement sampling method for the study to ascertain the level of satisfaction of customers towards various banking products. The primary data were collected by personal interview method with a well designed pre-tested interview schedule. The primary data were collected during the period 2010-11.
In the foregoing chapters, the characteristics of the customer and their satisfaction, bankers’ and customers’ perception towards marketing of banking products and customers’ concern are discussed. In this chapter, major findings along with conclusion and suggestions are presented.

7.2. SUMMARY OF FINDINGS

In Chapter IV, characteristics of customers and their satisfaction towards customer services are discussed.

- The analysis has revealed that a majority of the sample customers come under the high level satisfaction on customer services in both SBI and IOB.

- Majority of the customer respondents belong to the age group of 40 to 60 years in both selected public sector banks. It is followed by the age group of 18 to 40 years.

- In the case of relationship between age and the level of satisfaction, the Chi-square test has revealed that the age does not influence the level of satisfaction of the customers towards bank services.

- It is inferred from the analysis that the majority of the respondents are male. The Chi-square test has revealed that gender is independent of the satisfaction level.

- About 86 per cent are married and marital status of the respondents in no way has affected their perception towards customers’ services.
It is found from the analysis that nearly 20 per cent of the respondents possess professional qualification and a majority of the respondents in the selected banks are graduates. The Chi-square test has showed that the educational qualifications do not influence the level of satisfaction of the customers.

The analysis of the occupation of the respondents has showed that majority of the respondents are of other categories followed by professionals. The Chi-square test has revealed that there exists a relationship between occupation and level of satisfaction in case of State Bank of India while no relationship exists in case of Indian Overseas Bank.

Regarding the family size, a majority of the respondents nearly 62.40 and 49.20 per cent are in the family size group from 3 to 5 in State Bank of India and Indian Overseas Bank. The family size of customers has influenced the satisfaction in State Bank of India and has not influenced the satisfaction in Indian Overseas Bank.

It is observed from the analysis that the majority of the respondents 38.60 per cent of 250 and 44 per cent of 250 are having the monthly income of ₹10000 to ₹15000 per month in the State Bank of India and Indian Overseas Bank respectively. The Chi-square test has revealed that the monthly income of the respondents influences the level of satisfaction in both the banks.

Regarding the location of residence, a majority of the respondents, 71.20 per cent and 68.80 per cent are living in town in case of State Bank of India and Indian Overseas Bank respectively. It is followed by municipalities. The chi-square test has revealed that location of the residence does not influence the level of satisfaction
in the case of Indian Overseas Bank but influences the level of satisfaction in the case of State Bank of India.

- It has been found from the analysis that a majority of the customers above 46 per cent are having savings bank accounts. It is followed by current account. The chi-square test reveals that the type of account does not influence the satisfaction level of customers in both the banks.

In Chapter V, bankers’ and customers’ perception towards marketing of banking services have been discussed.

The marketing components of banking services of public sector banks have been analysed as follows:

(i) Deposit schemes
(ii) Credit schemes
(iii) Banking services
(iv) Price strategy
(v) Place strategy
(vi) Promotion strategy
(vii) Procedure strategy and
(viii) People strategy

- The analysis has revealed that among the deposit schemes in selected public sector banks, a high perception of bankers and customers is found in fixed deposit scheme followed by savings and recurring deposit.

- Among credit schemes in public sector banks, it is inferred that the highest perception score is found in term loans for both bankers and customers. It is followed by cash credit.
Regarding banking agency services in selected public sector banks, it is observed that collection of negotiable instrument has secured the highest perception score for bankers and Customers. Remittance of funds stands next for bankers whereas in the case of customers, a safe deposit locker has secured the second highest perception score.

In the case of price strategy, it is inferred that perception for both bankers and customers is found high in ‘Uniformity required in interest rates on advances’ in the selected public sector banks.

Among place strategy, it is revealed that favourable perception of bankers and customers is found to be high for ‘Sufficiency of Urban Branches’ in the selected public sector banks.

Regarding the promotional strategy, it is found that the component ‘Personal canvassing’ has secured the highest perception score for both bankers and customers in both SBI and IOB.

Among the procedure strategy in both SBI and IOB, it is inferred that a maximum perception score value is found in ‘Mechanisation of Operations’.

In the case of people strategy, it is observed that the highest perception for employees is found in ‘Promptness in rendering services’ whereas in the case of customers, ‘Customers Attention Irrespective Customer Status’ stands first in selected public sector banks.

Regarding overall strategy, it is revealed that ‘Quick transaction of business’ among bankers and customers stands first. It is followed by ‘Simplifying cumbersome procedure’ and ‘Greater Customer
Orientation on the part of bank staff in selected public sector banks.

- For both SBI and IOB, in order to examine the relationship between the perception of employees and customers, t-test has been carried out.

- The t-test shows that the perception between employees and customers is found associated in the components namely deposit, credit, banking services, promotional strategy, procedure strategy, people strategy and overall services of bank.

- The results of Spearman’s rank correlation coefficient revealed that the perception of bankers and customers is found to be perfect association in respect of all components of banking services.

In Chapter VI, areas of concern of depositors and borrowers in customers’ services are discussed.

- Concerns regarding Deposit services, Time taken for drawing cash and Time taken for issuing demand draft have been identified as major areas of concern among the customers in State Bank of India and Indian Overseas Bank.

- Regarding Agency services, collection of cheques is found to be the major area of concern among customers in both State Bank of India and Indian Overseas Bank.

- In Lending services, it is found that procedural formalities and time taken for sanctioning loan are the major concerns for the customers in selected public sector banks.
Regarding Attitude of bank staff, it is observed that concern is on the customer attention shown by front line staff towards both depositors and borrowers in both the banks.

With respect to General facilities, it is inferred that Operation of complaint and Suggestion box scheme and Conducting of customers meet are the major concerns for the customers in both the banks.

7.3. SUGGESTIONS

The following suggestions are offered for improving consumer satisfaction and for removing customer concern, as emanated, from the research findings and also from the interactions the researcher had with the bankers and customers.

7.3.1 Implementation and Overall Strategy of Quick Transaction of Business

It has been found from the study that both the bankers and customers perceive quick transaction of business as a powerful strategy for successful banking and for creating customer satisfaction. Therefore this strategy may be implemented by all banks.

7.3.2 Developing Comprehensive Customer Information System

The study shows that customer satisfaction, namely, depositors’ satisfaction and borrowers’ satisfaction levels vary according to their demographic characteristics and banking services usage characteristics. Taking advantage of computerisation and technological upgradation, banks need to develop customer information system at branches so as to know the customers better and to understand their needs accurately. Data base on various aspects of customers like age, educational qualification, income level, frequency of transactions, type of account, size of account and
purpose of account holding should be created. This will help to provide a feedback for anticipating customer needs.

7.3.3 Enforcing Price Variations

It is found from the study that bankers and customers favour varied service charges. So, as in the case of foreign banks, posts, railways, hotels, etc., higher service fees for efficient and personalised service to those who are willing to pay higher service charges should be enforced in public sector banks, as a step for improving quality of customer service.

7.3.4 Use of Sophisticated Communication Devices

Sophisticated communication devices like fax, telex, e-mail, etc., should be used in public sector banks. This will help in delivery and satisfactory services to customers.

7.3.5 Technological Innovation

Technological innovation should be harnessed for evolving speedy and efficient system with specific focus on cutting delay in collection of cheques and delay in sanctioning of loans in order to improve customer service. In this process computerisation and training the staff in computer application will help to improve customer satisfaction.

7.3.6 Training to Staff

With regard to attitudinal grievances, banks should wake up to the behavioural deficiencies of its employees and should train them to become competent in imparting good customer service. Existing training systems sadly benefit this crucial human aspect and training is not considered as the top most priority in most public sector banks. So, training programmes shall be made more effective.
7.3.7 Making Complaint and Suggestion Box Scheme and Customers Meet More Operate

The study reveals that ‘Complaint and Suggestion Box Scheme’ and ‘Customer meet’ are the common areas of customer concern because of the non-operation of the schemes and the scant attention paid to the relevance of these two schemes by the banks. So it is imperative to make them operational.

7.3.8 ‘May I Help You Counter’ should be manned

Urban bank branches have “May I Help You Counter ?” which is unmanned. It is therefore suggested that this counter be manned during banking hours so that queries can be made by customers.

7.3.9 Mobile Banking

It is found from the study that there is a need for more rural branches. Mobile banking system should be followed for the convenience of rural customers. Rural market is an area where public sector banks can score over private sector banks.

7.4 CONCLUSION

The researcher’s aim throughout the study has been to examine how far the customers are satisfied with the services offered by public sector banks. Customers are the most important assets of any business. The success and failure of any business depends upon how far they satisfy the expectation of their customers. Banks are important social organisations rendering various financial services to its customers. Realising the importance of customer service in banks, recommendations are made by various committees to improve the services quality of banks. The nationalization of major commercial banks have led to ‘Mass banking’, which in turn increases the volume of customers. The increase in volume of customers automatically has led to the deterioration in quality of customer services.
Banking business is now becoming more competitive, and the customer benefits have come under sharp focus at the customer’s end. There are several reasons for this intensified interest. The important one is, customers are getting more and more critical of the service they receive. Many customers not only want but are expect more and better service.

7.5 SUGGESTION FOR FURTHER RESEARCH

The research work carried out at present on Marketing of banking products and customer satisfaction in Virudhunagar District has led to the conclusion that further indepth investigations are required in the following areas:

1. Credit deployment ratio of the banks in Tamil Nadu.
2. Evaluation of Marketing Strategies of Commercial Banks