CHAPTER 7

FINDINGS, SUGGESTIONS AND DISCUSSIONS
As many banks are adopting the new techniques of banking like internet, mobile, wireless, online systems so that they are still in existence in the fast growing competition, what really change is the new technology offered to the customers which made easy transactions to them and access to the bank facilities is very smooth as like surfing an internet. Now we will discuss some of the advance facilities offered by the banks and their use to the common people as the satisfaction level depends on that also.

The electronic payment system is widely used by each and every private banks and it is also growing in the public banks as it gives major advantages to the end customer.

According to the need of the society many new systems are developed to meet the demands of the customer so huge development is going on in the field of e commerce and e banking so there are three systems of electronic payment are used namely

Online credit card system

Electronic card system

ATM

Along with that also there are many systems which are developed and ready to use
RTGS

Electronic fund transfer

Electronic Money

Smart Card

Digital signature

Electronic data interchange

So all these updating systems are use by many people and they are happy as they get what they want from the bank.

Now we see one by one how these things work let us start from the credit card system so this card is a plastic card issued to the account holders as a mode of payment. It is used by the card holder in purchasing of goods and services based on the promise to pay the money for the same. A time period and credit limit is given to the card holders so that he or she can purchase the goods of that much limit and should pay the money for that in the time allotted to him. It is a easy way to make payment as today many account holders are using the credit cards because this card provides a provision to purchase the require products in advance and make payment later on by simply swapping of the card and this is totally opposite to the debit card system because in debit card if you purchase any goods and services then the payment is by debit card but at the same time you need a sufficient balance in your account to pay for the purchased goods, if the balance is not there then you are unable to purchase that products and at the same time if you are a credit card holder you can easily purchase that products even if you don’t have money in your account. So credit cards give a credit to the customers or holders to pay within a stipulated amount of time. It’s a easy way to do the work on time without any hassle it is mostly useful for the salaried employees where they can get the salary on month end.

So which are the parties involved in the payment system through credit card such as

Card holder

Bank which issues card
Seller of the products

Bank which accepts payment by credit card

Organization offering products

Account of the seller

Credit card association

Network transactions

The information flow and money between the parties

Everyone plays active role to ensure that the customer is happy in getting the service and the products are available as per the need base.

The literate people easily understands the process of withdrawal of money but the problem occurs when it comes to the illiterate people who doesn’t understand the process of withdrawing money from ATM. When any person visit ATM he or she need to follow some steps which are common or having minor changes from bank to bank means

Insert the debit card.

This is a very good initiative taken by the private banks and it is followed by the public sector bank, this is the need of the day in the past times the people use to carry cash with them and they can use that cash for their transactions and for withdrawal of cash they need to visit the bank on the requirement basis and if in case the bank is having holiday then the people used to postponed their needs as per the bank working days but this situation is changed because of the ATM services provided by the bank if you see there are number of ATM branches are open in every corner of the country.

The facilities offered by the ATM machine are

1. Enter PIN
2. Select option from the list if selected withdraw cash
3. Select options of either Current / Savings etc.
4. Enter the amount
5. Would to like to print receipt
6. Take cash and press cancel to complete the transaction

So these are the simple steps need to follow for the withdrawal process of money so what are the other facilities provided by the ATM machine such as

1. Mini Statement
2. PIN Change
3. Prepaid Recharge
4. Credit card Payment
5. Cheque deposit
6. Balance Enquiry

So these services are offered by the ATM machine and it provides ease to the bank account holders because they don’t need to visit the bank and stand in a queue for these transactions. Nowadays you can withdraw money from any ATM whether you are not a account holder of that bank so it’s a very simple and helpful thing to save the time and off course the cost of visiting the bank.

The external services of the bank are quite good that’s why 99% of the respondents are happy with ATM services provided by the bank.

The reason for happiness of the bank account holders of BOM are because this is universally accepted process which saves time and cost to visit the bank so in the survey about each account holder is happy with ATM service offered by the bank but at the same time as BOM is having less number of ATM in service so every ATM is having a long queue to get the money.

And in the opposite case the private banks are having many number of ATM machines and every corner you get a machine and every machine is functional unlike the public sector banks where many time the machines are not in use and even they don’t display that the machine is not functional and the guards are also very lazy to tell that this machine is not working.

ATM work on the basis of wireless connections so when you insert the card of home bank or other bank into the machine the machine connects to the host or controller of ATM machine directly via a leased line as they need less time to establish connection, these line are costly but still they are good in operation so after connecting to the banks server the person can
withdraw money from that machine, the machine offer some options which vary from the home bank to other banks card.

There are some security issues related to this service such as physical issues earlier there were some robbery happens that the thief stolen entire ATM machine because it is very difficult to open by them as the machine is secured with coding and decoding system. Encryption and decryption methods are used for the working of machine so at times it is secured machine but if you enter your pin and left machine without any transaction and within some seconds if another person enter in room and he can operate your account as you have not properly completed your transaction.

Few days before some frauds related to ATM machine happens that the hidden cameras are pasted above the keypad of machine and they can easily get the passwords of the customers as they are recorded in the camera so they steal the pockets of the same customers and easily withdraw the money from their accounts as they are aware about their passwords so the customers need to be so alert at the time of using machine and if any case the card lost then they must give a call to customer care to block that card sop that no one can withdraw money without the permission of the same person.

So no human intervention except the customer to use the machine and the machine use the interbank or intra bank connection to offer a secure connection.

The NEFT and RTGS are also the good facility to transfer the fund from one account to other account, so sender can transfer the money from his account to the beneficiary account by using the internet banking facility. RTGS full form is Real Time Gross Settlement where the money can transfer from one account to other by real time and gross system. This is the fastest money transfer process through the banking channel; the system is so powerful that you can transfer the funds across any part of the country. NEFT stands for national Electronic Fund Transfer system by which the same thing happens as like the RTGS but in NEFT one can transfer the money below 2 lakh amount and RTGS the amount is above 2 lakh rupees. So the senders name and account name is there is on the receipt to ensure the correct money transfer.
The fund exchange between the two parties can be monitored by the bank employees by filling an application form from the sender of money. So what are the essentials that are requiring at the time of fund sending are as below.

Amount for sending

The count number from which the amount has to be deposited

Beneficiary bank name

Beneficiary name

Account number of beneficiary

Receiving banks IFSC code

Sender to receiver information or code for recognition

The charges for the money transfer are varies from the less amount to higher amount

NEFT Charges are as follows

Rs. 1 to Rs. 10000 – 2.25 Rs

Rs. 10000 to 50000 – 5 Rs

Rs. 50000 to 200000 – 10 Rs

And even the RTGS Charges are different for different amount let us have a look

Rs. 200000 to Rs. 500000 - 25 Rs

Above Rs. 500000 – 50 Rs. Per transaction

And for any inward transactions there is no charges so only sender can be charged for transfer but receiver is free to accept the money so it is cost effective way of money transfer from any account to any other bank account. But at the same time if the beneficiary are from the same bank and sender transferring money through the NEFT then there is no charges for transfer as both the account holders are from the same bank.
Bank is a financial institution where licensed is by the government, the primary objective of the banks is to provide the financial services to customers and invite them to invest in various plans. There are various banks in India and they are divided into types let us see

**Public sector banks**

In total there are 27 public sector banks as on the count taken on 2009 and they are increasing as per the requirement and decisions by reserve bank of india. Among these 19 are nationalized banks and one is IDBI bank and other associates of SBI.

1. Andhra bank
2. Allahabad bank
3. Bank of Maharashtra
4. Bank of Baroda
5. Bank of India
6. Canara Bank
7. Central bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas bank
12. Oriental bank of commerce
13. Punjab national Bank
14. Punjab Sind bank
15. Syndicate bank
16. UCO bank
17. Union bank of India
18. United bank of India
19. Vijaya Bank

**SBI and its Associates**

1. State bank of India
2. State bank of Indore
3. State bank of Patiala
4. State bank of Mysore
5. State bank of Hyderabad
6. State bank of Travancore
7. State bank of Bikaner and Jaipur

Other Public sector bank

IDBI Bank

This bank is known as semi government bank with the full form as Industrial Development bank of India which promotes the industries and gives loans to small scale and large scale industries so that the liberalization is happened in India.

Private Banks

1. Yes bank
2. ICICI bank
3. Axis Bank
4. Bank of rajasthan
5. City union bank
6. Catholic Syrian bank
7. Development credit bank
8. Dhanalaxmi bank
9. HDFC bank
10. IndusInd bank
11. ING Vysya Bank
12. Jammu & Kashmir bank
13. Kotak Mahindra bank
14. Karnataka bank
15. Karur vysya bank
16. Laxmi vilas bank
Private Banks are the organizations which manage the high net worth of individuals and open an account of customer by minimum amount and now days the account can open by zero amount so that the account opening process is very easy to open and operate.

In the same way there are many advantages of using the internet banking accounts because they are very cheap to banks and very good for the account holders so the reasons are very large but still I will focus on some of these online services are open 24 hours and 7 days so any customer can use internet banking facility at any time to do their work so the bank need not to open by all the time, the bank can follow their timings from 11am to 4pm and the customers can use the online banking by any time.

One more thing is the time taken by staff to complete any work is almost four times the same work complete by internet banking. As the whole things are online so less staff is needed and even the salaries are saved by decline in staff, it is very good for the bank management because the human errors are reduced because online system has no human errors and having very high accuracy. As all the things are online so it is obvious that there is saving of the papers and stationary has goes down and everything goes paperless and the hard copies are replaced by the soft copies so less cost of papers and stationary and less cost of maintaining them.

On an average the online applications can save the manpower in good quantity so even the public sector banks are adopting this facility. As the whole system is online so physical setup is not require but digital setup is required, no physical things are needed so no need of physical space is required in internet banking applications.

Customer should not be fooled they should be dealt responsibly by the right person. The management team of bank should come up with a practice of taking feedback through message instead of a complaint box because today no one is having time to write and drop application but customers can give feedback easily through SMS or pressing some one, two or three buttons as
from this the feedback will be directly given to the head office whereas in Complaint box the applications are dealt by the branch manager itself and he does not take any necessary action as he himself knows what is happening in the branch and is involved somewhere in this mismanagement and improper and casual handling of customers or any MIS technique should be installed by the Management of the bank so that one can easily register their complain and the steps should be taken to ensure customer service and respect in order to retain customers and increase profits. The bank should consider their customers as King after all the customers are one who are providing them the business.

All growing organizations are today earning profit because of adequate technology. Technology is the backbone of any organization in 21st century. It increases the efficiency of people working in the organization. And it should be updated from time to time. Not only focusing on one segment of customers will work. The public sector banks should focus on large industrial accounts. Organization’s and small scale industries; this will increase the total funds with the banks.

While public sector banks upgraded their technology platforms to fight competition, private players focused on customer experience in a holistic way. Hence, banks have gradually, and with the help of Information Technology, started providing various auxiliary services to their customers. However, although the banks provide a wide range of products, their performance level is declining. Among the various challenges faced by the public sector banks today, apart from driving technological up-gradation and being customer centric is the lack of a skilled workforce and transparency in day to day banking activities. Their response to competition against private banks in the country is another big factor. While mostly all the private banks have focused on providing banking to customers at various levels and through various channels including the internet, handheld and portable communications and media devices, social networking sites, SMS based services telephone and mobile banking services, etc.

These problems can be solved easily as there are private sector banks which are working effectively and efficiently and earning profits because of proper management system and satisfied customers. What public sector banks should do in this case is educate customers in terms of technology like using ATM cards and net banking. As this will increase the satisfaction level and the queues will be short. And the standard of services should be increased and
satisfactory in terms of customer satisfaction like adequate number of ATM and bank branches. This will attract the urban population also towards the public banks.

The Public sector Banks should be technically advanced with the use of technically advanced software which would provide the customer a faster service which would save their time. Proper training should be given to the bank staff so that they can become techno-friendly and can provide a better service. There should be proper knowledge given to the customer about the various technologies used in the bank. Customer should be provided with a larger product portfolio so that they can have variety of products to choose with and at competitive prices. //

So next we see the customer opinions about the various parameters considered while collection of data by filling of questionnaire is as follows.

The responses that are collected on the basis of –

1. Account Opening Process
   Account opening process should be made in such a manner that a customer feels safe and secure to open up an account in any bank. It should not be conducted in a manner in which customer gets confused with the opening up of an account. It should be noted that KYC norms should be made of customer which is known as know your customer in an appropriate manner. Account opening process should be made using several technological features for the betterment of the customer.

2. Response to Queries
   It means response should be given to any problems been faced by the customers anytime, anywhere and special treatment should be given to toll free numbers as many customer bound to lost their ATM cards. So a security should be granted to them so that they have a trust in the banks as of now currently banks are losing their market share because they dint proviso enough security measures to their customers.

3. Cooperation of bank
   There should be cooperation of banks when it comes to transactions and when customers visit the banks. It should be noted that banks should try to understand what their
customers wants from them and what the important things they need to address are. The transactions should be supportive and customers should be managed properly.

4. Employees relationship

The relationship of the customer and the employee should be friendly in a sense that both of them get benefitted from them. Customers should have their doubts cleared from the employs any time they want and thus they should have a cordial relationship with each other. It has been seen in a public sector banks the relationships of a customer and an employee needs to be better than the prevailing relationships they have with each other. Bank employ plays very important role in day to day banking activities and while considering the overall customer satisfactions, the bank employee deserves huge role playing and the only that really makes good or bad print in customer’s mind. Well manner bank employees always create good banking impression.

1. The Indian banking industries are about to maturity and getting stabilize in the business. The study reveals that most of dissatisfied customers belong to village area or illiterate. Nevertheless, the age group also making changes in the degree of overall dissatisfaction.

2. As compared with private sector banks the Public sector banks have usually recorded a greater share of end customer complaints. When compared with the number of complaints registered with private sector banks. During 2010-11, the Public sector received 68,332 complaints. Mostly Complaints relating to products of cards which are used usually by the customers such as ATM, debit and credit cards contributes 24 percent of the complaints received after card products mainly related to credit cards, recovery of premium charges, insurance policies, other than offering as free card they charges a heavy annual fee, authorization of loans over phone, problems in negative billing, unwanted calls, high end charges, false debits to account and wear and tear of cards.

3. The major problem occurred in having access the card holder’s banks from different locations by the account holder where a person could be using the card or may have forgot / lost the card. Next, most of the problems in relation to credit card are handled by the customer care. "The people employed at this customer care are not very known or educated with the banks' card products or the banks' customers. As such, the answer or
query handling is very poor from the call centres so is not beneficial in solving customer complaints.

4. Technology is the backbone of any organization in 21st century. All growing organizations are today earning profit because of adequate technology. It increases the efficiency of people working in the organization. And it should be updated from time to time. These problems can be solved easily as there are private sector banks which are working effectively and efficiently and earning profits because of proper management system and satisfied customers.

5. What public sector banks should do in this case is educate customers in terms of technology like using ATM cards and net banking. As this will increase the satisfaction level and the queues will be short. The standard of services should be increased and satisfactory in terms of customer satisfaction like adequate number of ATM and bank branches. This will attract the urban population also towards the public banks.

6. The recruitments taking place should be proper and the person selected for a particular position should be a prospective candidate for that position. Customer satisfaction is increasingly becoming a corporate goal as more and more organization strives for quality in their products and services. Public sector banks saw a 13% increase in complaints to 48,180 from 42,724 in the previous year, while complaints against both private and foreign banks reduced compared with 2010-11. Peoples who assist the customer should be well educated and should be well trained to deal with such customers who are not much educated.

7. Use of sign board to it easy for the customers about how to proceed, for the work they have come into bank. Complain handling officer should be well educated to deal with the consumer complaint very fast. If any branch is receiving more crowd then number of counter should be increased. A person should be appointed to help the customer to use ATM card.
8. We are always using internet to login into our accounts on various web portals, it would be better if most of the products are available online. As we saw around 17% of the people were not satisfied with the process of opening an account and the number is most likely to grow in upcoming years. So, these things should be available online so that customer can feel the ease of the product and they can use it accordingly. All growing organizations are today earning profit because of adequate technology. It increases the efficiency of people working in the organization. And it should be updated from time to time. These problems can be solved easily as there are private sector banks which are working effectively and efficiently and earning profits because of proper management system and satisfied customers.

This study has cleared many hidden areas of customer satisfaction management and successfully reviewed the approach factors, reasons and remedies for dissatisfaction and applicable suggestions for the improvement of the system which can positively favors. As we have discussed earlier, this rarely happens due to a lot of reasons including salary inflation, personal preferences, lack of performance evaluation and competency measures, ability to understand and utilize potential, use of technology, external threats, as well as stagnancy. Banks have to suitably redesign their existing human resources.

The potentials, abilities, capabilities and skills can be developed through continuous interaction in an organization. While the new generation private banks are depending upon competency assessment, performance evaluation and skills rating, there are very few such standards and procedures in the public sector banks. Therefore, ensuring solvency, health and efficiency of the financial institutions should be foremost for financial reforms.

As opposed to a few years ago, the public sector banks are no longer the major employment providers in the financial market. There could be various reasons for having lost this glitter for the public sector banks. Since many of these banks have been in the race for far too long, a lot of people working in these organizations lack the competitive edge. While most of the private banks have a majority of young officials, the scenario in the public sector banks is quite the opposite.
The public sector banks have upgraded their technological advances significantly, acceptance of technology is slow but the utilization is not maximized. Also, the investment that the public sector banks in India put on the development and training regimes of their staff is much lesser than some private banks. Apart from such manpower planning, talent management is also an area that needs to be tapped into. In some cases while some non-performing assets are held on to just because of seniority, talented people are let go of.

Another major challenge faced by the public sector banks is the matter of customer relationship and maintenance. While most of these organizations bank on the fact that they are more experienced and have a much farther outreach than newer and limited focused private players, the one thing that they seldom heed to is the requirement of customer relationship. While most of the private banks fare way ahead in customer relationship management by using various methods including taking the bank to their customers’ homes or providing complete banking solutions in their ATM machines, or even catering to their customers’ various needs at the touch of a button, public sector banks have fallen back in creating such ventures. Let alone reaching out to the customers, in some cases customers are even behaved with rudely leading to low levels of customer satisfaction and hence putting a negative effect on customer retention. Because of this, although the public sector banks retain their monopoly in the rural area, there is a lot of disgruntlement within the urban population.

A lot of reasons add up to the problems faced by the public sector banks in India. Presence of a huge number of small banks, poor technology infrastructure, poor compensation plan, poor planning of human resources, lack of talent management, large number of scattered branches, strong regulations, strict policies, lack of customer relationship and assurance, and many other such reasons all add up to the challenges faced by these banks.

Banking industry is a very booming industry, in future several banks are going to come and thus there is a lot of opportunity to come in the banking industry and thus the services of the banks have to be good in order to compete with each other, specially public sector banks have to be competitive enough when it is to compete with private sector banks, and this cycle itself suggest number of changes in the system to providing services to the customers at the bank.
Nevertheless, there are many other things and items we can name to attach with bank service improvements. The banking scenario has changed today; customers do not visit banks as frequently as they did in just decade ago. Banks employees can add many things while providing service with smile and even we compare the banking sector with other major players of the market like Information Technology (IT), mobile banking, internet banking, social media connect, sums connect etc. Most of the employees at public banks are not properly dressed and hence it shows the non freshness of the bank and it should be worked upon. The public banks look more or less like an old building undecorated and without proper sitting arrangements for the customers and they should improve it infrastructure for providing a better experience. There is a location factor which is bad for public banks these banks are generally never located on the main roads, people these days have no time and hence proper visibility should be there to provide a unique presence of the bank making an impact on the customers.

The behavior factor is also an important factor that comes into play in the public banks. The employees do not have a good behavior towards the customers nor do they have atheist a smiling face. Training should be given to change their behavior. A fast working process is very important in banks that customers look for these public banks work process is very slow and dull. Absenteeism problem is always there in public banks. if this problem is removed then there would definitely be less dissatisfaction among customers as that won’t delay the work and help in customer retention. Even if a service is available at any public bank it’s not visible anywhere around the corner. A customer lack time and hence he should be alerted about a certain special available for him to get his work done faster.

Banks have to offer more products to their customers as compared to the current offerings. Banks have to offer more products such as various types of education loans for students as it is a very booming sector. As more and more students are going to study higher education and will need money to finance their studies. Banks have to increase their service quality by offering more cordial environment to their customers in a manner appropriate for their customers.