CHAPTER 5

SUMMARY OF FINDINGS, SUGGESTIONS
AND CONCLUSION

5.1 INTRODUCTION

In this chapter, an attempt has been made to recapitulate the key findings of the present study and based on these findings, a few suggestions have been offered.

The study aimed at measuring the factors influencing the customers towards the selection of bank, satisfaction level of the customers, Customer Perception, Customer Expectation, Customer relationship management and Customer Loyalty towards the banking services in the study area. For this purpose, field survey method and personal Interview technique were employed to collect the first-hand information from 1040 sample respondents. The respondents were chosen randomly from the different Zones of the study area. The data collected were classified into suitable tables for drawing accurate results, and the data were analysed by using statistical tools like Percentage analysis, Two-way tables, Chi-square test, Correlation, ANOVA and t-test. Henry Garrett ranking method was also employed to find out the factor influencing towards the selection of other banks and factors which influence the customer to be loyal and preference of the customers towards the value added services rendered by the banks. The same ranking technique was used for analyzing the level of preference about the services provided by the banks to the priority customers. In addition to the above
statistical tools, Factor Analysis, Multiple Regression Analysis, Multidiscriminate Analysis and Cluster Analysis were also used in this study.

5.2 FINDINGS

The following are the major findings:

1. From the data it is found that the aggregate deposits of public sector banks proved to be more (ie) 52.01%. But the Private sector banks it is very low as the Percentage is just 13.6%.

2. Stiff Competition prevails among the banks operating in India due to the entry of global banks.

3. It is found that the customer’s expectations towards the banking services find a rapid increase.

4. It is obvious that technology advancement emphasises a paradigm shift in the banking functions.

5. Compared to the western countries, the growth of ATM in India is still at the growing stage, whereas in western countries it reached the maturity stage.

6. While analysing the various factors that influence the customers to go for opening account in other banks, it is found that Easy accessibility stood as the major factor influencing the customer to switch over to other banks than the other factors like diversifying the investment because of value added facilities, lack of modern services in the existing bank and Rigid formalities.

7. Karl Pearson’s co-efficient of correlation was applied to find the inter correlation between the factors ranked by the
respondents relating to loan oriented services. Results showed that there is a strong correlation between number of counters and with the procedural formalities and between procedural formalities and collateral securities. All others are moderately or weekly correlated.

8. While analysing the satisfaction level of the customers towards Front office services rendered by banks, it is found that the customers are highly dissatisfied with the Token system and time taken to attend the respondents which is followed by the banks than the other factors.

   It is found and concluded that there is significant association between the demographic profile of the respondents and the level of satisfaction towards the front office services rendered by banks and there exists a positive association between these variables.

9. Satisfaction level of the customers towards deposit oriented services rendered by the banks were analysed and showed that the customers are highly satisfied towards the availability of Challans and slips than the other factors like number of counters, guidelines for opening the account and formalities in opening account, etc.,
10. As for the Level of satisfaction perceived by the customers towards Infra-structure facilities rendered by the banks, the analysis proved that the respondents are highly satisfied towards seating facilities than that of the other facilities provided by the banks like Parking facilities, Latrine and urinals, Drinking water facility and Enquiry counters.

It was found from the results of chi-square test that there exists a significant association between the demographic profile of the respondents and the level of satisfaction towards the Infra structure facilities rendered by banks and there exists a positive association between these variables.

11. With regard to the opinion regarding the displays of Brochures and Pamphlets, they have come across in the banks, the results found that a good majority of the customers felt that they have come across the displays related to loans, deposits, various Schemes, mobile banking facilities and value added services.

12. The respondents opined that the display of Brochures and Pamphlets they have come across in the bank influenced them only at a moderate level.

13. From the analysis it is found that the customers are not happy with the internet facility and updating of information.
factor which has been given the first priority by the respondents and followed by Pleasant interior and lift facility.

16. Similarly while analysing the agency services; it is found that majority of the respondents prefer “Insurance services” followed by Foreign exchange, Mutual fund and Shares related services.

17. The Multiple regression analysis reveals that out of seven Variables such as age, Gender, Respondents status in family, marital status, Monthly income, Educational qualification and occupation, the only significantly influencing demographic factor on the satisfaction among the respondents in private sector bank is Occupation. In public sector bank no demographic factors is significantly influence the satisfaction level.

18. The respondent’s opinion towards customer interaction attributes was studied and it was found that the respondents are highly satisfied towards the “Responses” which were followed by “Need Fulfilment” and “Awareness”.

19. It was found through t-test that there is a significant difference between sector and Gender of the respondents towards customer retention strategy adopted by banks. The different categories of the sector are Private sector bank and Public sector bank. With respect to category of gender male and female are considered.

20. It is noted from the analysis that a good majority (66.06%) of the respondents opined that banks provide “Customized Services” followed by “Safety lockers”(53.37%), Increase
O/D limits and Consideration at bank charges (51.92%) and Additional loan facility (50.29%) in order to maintain good relationship with the customers.

21. It is noted that a good majority (64%) of the respondents opined their willingness to become privileged customers. And the remaining 36 percent of the respondents do not want to become a priority customer as they are satisfied with the existing services provided by the banks.

22. While analysing the expectations of the respondents as a privileged customer, it is found that “Services at customers door steps” with a mean score of 53.07 which was given first priority by the respondents and it is followed by “Transactions beyond regular banking hours”, “Special counters and overdraft facility”.

23. It is found that majority of the customers prefer the waiver of DD charges and withdrawal upto 1 lakh in ATM.

24. While analyzing the respondent’s preference to use the services rendered by banks, it is noted that the majority (87.40%) of respondents prefer to use Trust NGO Account services and 87.02% used NRE services.

25. From the analysis it is found that majority of the customers agreed with the service quality like building trust through relationship, implement anticipatory services, provide modernized services, address the complaints of the bank in order to retain their customers.

26. While considering the various factors which are influencing the customers to be loyal towards the banks, with the help of
analysis it is found that “Satisfaction” with a mean score of 59.61 is the major factor which was given first priority by the respondents and it is followed by Location and premises, Advancement in services, Interpersonal relationship and Involvement stand at last.

27. Majority of the respondents have opined that staff- customer relationship is the major factor which influences the customers to become a loyal customer. It is evident with the mean score of 55.11, followed by Maintain customer relationship as a factor with a score of 54.65.

28. It is analysed and found that the respondents are highly satisfied with providing home banking services (14.42%), followed by Bank works in an efficient and effective way (13.08%) and Bank provides excellent services for customer retention (12.50%) these were the various factors which satisfied the customers and made them to be loyal towards their bank.

29. From the analysis it is noted that majority of respondents with regard to age, gender, Respondents status in family, marital status, monthly income earners and educational qualification and Occupation have opined that they often utilise their ATM services once in a month.

30. While analyzing the respondent’s level of satisfaction with the accessibility of Banks ATM, it is found that young aged with 21-30 years of the respondent’s level of satisfaction is better than the teenagers, middle – aged, maturity and old- aged respondents.
31. Gender wise analysis on the level of satisfaction with the accessibility of banks ATM showed that male respondents are satisfied more than that of the female respondents.

32. It is evident that good majority (77%) of the respondents have agreed and opined that they face many problems while utilising their ATM Services.

33. From the analysis about the problems faced by the respondents. While utilising the ATM services, out of order of machines and inadequate availability of money were considered to be the major problem. It is evident by the mean score of 53.35 and 51.65 respectively.

34. From the analysis it is found that youngsters with the age group of 21-30 years of respondents have opined that they are satisfied with the support extended by the bank than that of teenagers, middle-aged, maturity and old aged respondents.

35. It was learnt that male respondents have perceived maximum and opined that they are satisfied regarding the support rendered by the banks in case of any problems arises while utilising the ATM services.

36. It is found from the analysis that a majority of young-aged respondents opined that the level of satisfaction towards the security aspects provided in ATM is satisfactory.

37. Gender wise analysis on the level of satisfaction towards the security aspects provided in ATM shows that a majority of male respondents are satisfied with the security aspects than that of the female respondents.
38. It is found that there is a relationship between the demographic factors with age and gender towards the support extended by the other banks at 1% level of significance.

39. It is noted from the analysis that good majority (77.50%) of the respondents agreed that Core banking services are available in their bank.

40. Majority (81.44%) of the respondents opined that their bank provides mobile banking facilities to them.

41. It is evident from the analysis that 27% of the respondents have availed mobile banking facility from their bank.

42. It is found that there is close relationship between the demographic factors with age and gender towards the satisfaction level of respondents towards mobile banking facilities.

43. A good majority of male respondents (34.8%) opined that they are satisfied with the facilities offered by the banks and 18.2% of the female respondents are not satisfied with the various facilities offered by the banks through mobile banking.

44. Majority (59.52%) of the respondents opined that their banks have taken some intuitiveness towards educating them with regard to mobile banking usages.

45. Majority (81.25%) of the respondents opined that their bank provides Net banking facilities to them.

46. It is evident from the analysis that 51% of the respondents have availed net banking facilities from their bank and
remaining 49% of the respondents have not availed this facility.

47. It is noted that while analysing the respondents view towards the type of cards they prefer to use, it is analysed and found that a good majority of youngsters, who are earning income below Rs 10,000, being graduates and occupying in private sectors prefer to use Debit card.

48. While analysing the preference of the respondents on the basis of modern facilities provided by the banks, it is found that Mobile top-up facility with a mean score of 54.86 was given first priority by the respondents and it is followed by ATM to ATM transaction, E-Commerce facility, Electricity bill Payment, M-Pay, Gift card, Travel Card and RTGs facilities provided by the banks.

49. Majority (55.77%) of the respondents agreed that they have visited their banks’ web site.

50. It is found from the analysis that majority of the customers look for on-line bill payment and to check their current balance position as an important facility which they expect in the bank’s websites.

5.3 SUGGESTIONS

1. Deposits being the prime need of a bank which is a real indication of business growth of a bank, the Indian private banks are not operating with enough deposits. This may lead to poor business. So it is very essential for the private banks to
attract more deposits from the customers by adopting various strategies.

2. The number of global banks has a drastic increase in India in the last decade. To face the competition, the Indian banks have to reframe the marketing strategies and enhance their customer services which will help them to attract the customers by defeating the global competition.

3. Due to the change in the living standards of the people, their expectations of the customer towards the banking services find more changes. The Indian banks have to enhance and augment the services which will satisfy the existing customers and help the banks to retain the customers.

4. Progress in the IT sector paved way for the IT enabled services in banking which contribute for the strap growth in the banking performance. It is essential for the Indian banks to make use of the technology and facilitate the customers by introducing more IT enabled services.

5. The usage of ATMs proves to be increasing in the Indian scenario but while comparing with the western countries the growth is not phenomenal. The ATM services increase the bank’s usage and maximise the profit for the banks by reducing the manpower. It is better that the Indian banks can educate the usage of ATMs in the rural segment and provide more number of ATMs at both rural and urban sectors.

6. From the analysis it is obvious that the service utilisers select a bank based on the accessibility of the bank. Hence, it is
suggested that for the private and nationalized banks in major cities, more number of branches have to be established in accessible regions. Moreover, starting up of branches in potential rural locations should be done. This will attract more number of customers.

7. Providing loans is a major facility of a bank. Many of the banks advertise and approach the customer to avail the loans but from the analysis many of the respondents have opined that, at the time of availing the loan the procedural formalities are very stringent. Moreover, the banks are very strict towards the repayments. It is suggested that the banks should be lenient towards the collateral securities and repayment period. The banks can deal this based on the individuals’ sincerity in repayment.

8. Among the modern banking services, the private banks understand the customers and provide the front office service. But, in public sector, banks customers find it difficult in attending them and responding to their complaints. The public sector banks have to take necessary steps in providing the Front office services which will minimise the customer’s dissatisfaction.

9. Deposits being the major revenues for the banks, the banks have to ensure that opening of accounts by a customer must be motivated by minimising the formalities. Moreover, the majority of the customers have not got used with online banking and mobile banking transactions. They prefer visiting the banks for the transactions. This results in huge crowd especially the day before and the day after of the bank
holidays. To minimise this and to provide better services for the customers, the banks can operate with more number of counters.

10. For every service organisation the infra-structure facilities play a predominant role in attracting the customers. The good interior, seating facilities should be properly provided by the banking sector. This will be a value addition to attract the customers. Moreover, majority of the banks fail to provide the toilet facilities for the customer which should be concentrated by the banks in future.

11. Being the bank located in the busy areas finding the parking for the customer’s vehicles is very tough for the customers. The banks should ensure the parking facilities which will increase the satisfaction level of the customers preserved towards the bank.

12. Providing the exact services is the traditional method of approaching the customers. As the expectations of the customers increase day by day, it should be fulfilled by providing more value addition to the existing services. The customer’s preference towards the value addition differs. Here it is necessary for the banks to identify the value addition which will give real value to the service providers. From the analysis it has been observed that the customers prefer the ATM and internet banking services. So it is essential for the banks to enhance the ATM and internet banking facilities and make it user friendly.
13. Multiplicity of services by the bank is very essential. Now-a-days the customers expect that the banks should act as agents for their transactions. So the success of the bank depends upon the way they provide the agency services in an effective manner.

14. Getting a new customer now-a-days proves to be a difficult task. So it is better the service providers should find various strategies to retain the customers. The best ways of retaining the customers can be done through having an effective interaction with the customers. Recognising the customers and creating a personal rapport will ensure their presence with the bank.

Apart from providing various services, the bank should take an initiative to educate the customers about the effective utilisation of the services. In this regard, the banks may organise customer education programs in the weekends which will allow the customers to effectively utilise the modern services.

15. It’s quite common that while utilising the services, a few customers may experience some discomforts and they may come forward to complain about the issue. In such circumstances, receiving the complaints in a proper manner and responding the customers should be done effectively. In case of any mishandling it may lead to loosing the customers.

16. Reaching the bank in business hours and spending time in bank may affect the customers’ business. This may cause their
profitability. So it is better that the banks allow transactions beyond the regular hours.

17. The living standards of the people improvise and the customers’ consuming power has been drastically improved. To support this the banks should consider about increasing the withdrawals limit for both ordinary and privileged customers. For ordinary customer it is suggested the limit can be fixed as Rs 50,000 and for the privileged customers it can be doubled as two lakhs.

18. The banks are providing various services to enhance the utility of the customers. Some of the services, it is more essential for the customers but their usage becomes very difficult because of the lack of awareness among the customers. Thus even though the banks provide additional facilities, educating the customers about the usage is most important. So taking this into consideration some of the services like mobile banking, internet banking and other modern services can be educated in the weekends.

19. The provision of ATM machine proves to be more helpful for the customers. These machines facilitate the withdrawals. As the customers intended to have deposits on everyday basis they have to move to the bank for that. Hence providing more CDM (Cash deposit machines) may benefit the customers and facilitate their deposits.

20. Both in rural and urban branches there are customers who are not able to differentiate various forms available in the banks. With a hesitation to ask with others they may fill the wrong
one and get into trouble. To avoid this, the branches may have displays with the specimen form stating about the title of the form.

21. In the front office, the terminals may be provided in adequate numbers for the customers to check their status of various accounts, to take report of every transaction, to know the changes in interest rate and the information’s about new products and services by the banks.

   Automated device may be introduced for issuing DD drafts, which will help the customers to have a better service.

22. The employees of both in the private and public sector banks should have better approach to the customers. They should realise the importance of the customers and serve for the benefits of the customers. Even in advising the customer instead of looking the banks benefits, the customers benefit should be given prime important.

23. ATM becomes very common usage. The problems occurring through ATMs also increase drastically. The banks should ensure to rectifying those problems which will ensure safest transaction by the customers. Moreover, in case of any error occurs while utilising the ATM service it should set right within two working days.

5.4 CONCLUSION

Banking services is more vital important for every individual. Now-a-days, the banking services become very essential for all human beings even
for educated and Illiterate persons like businessman, professionals and even to the students. To facilitate the transactions very easy and convenient to the customers, a bank must provide numerous facilities in order to satisfy the customers.

Banks should take necessary steps to fulfil the expectations of the customers which in turn builds brand image for the banks. Banks by appointing a special customer relationship officer where they fulfil the needs of the customers and there exists smooth relationship between customers and banks. This may result in excellence in services and sustainability of the customers. This in turn increases the bank’s profitability and sustainable growth in business.

The satisfaction of the customers should be the mantra for all the banks and they should focus towards achieving it. If the customers are satisfied with the service provided by banks they will be loyal towards the banks which may result in customer retention.

The growth of the banks is a clear indication of economic development, but to develop the business, the banks should not charge much with the customers and moreover it should not induce them to avail more loans which may lead to complications for the customers towards the repayment. Thus, marketing of banking services should be designed in a way which contributes for the upliftment of the customer’s living standards.