ABSTRACT

INTRODUCTION

Customer satisfaction, a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four perspectives of a Balanced Scorecard.

In today's fast changing world, Businesses survive because of customers who are willing to buy products or services. However, some times businesses fail to "check in" with their customers, if they are happy or unhappy. What it will take to make or keep them happy. The answer may be available, if they measure customers' satisfaction level. There are different ways of obtaining customer feedback; what is needed to ensure an effective survey.

With easy access to technology, the traditional feature and cost advantages are no longer relevant. Still, product and service quality provide an enormous opportunity to distinguish an organisation from the rest.

Through customer satisfaction, an organisation hopes to achieve a range of objectives namely; higher sales revenue, growth in the customer base, retention of existing customers etc. Therefore, customer satisfaction is important today, as it was in the past. Marketers consider customer satisfaction and delight to be very crucial for the survival of the organisation. Practising customer delight is the name of the game.

It is fair to assume that customer delight will lead to greater customer loyalty and retention. As such, customer delight is a higher playing field than customer satisfaction. In the process of delighting customers, it is important to
recognize that higher costs may have to be incurred. Therefore, a careful balance should be achieved between customer delight and the costs that have to be incurred in this process. It is very pertinent to remember that ‘it is not customer delight at any cost’.

THE PROBLEM

Following the liberalization of the Indian economy and the introduction of financial sector reforms, the competitive climate in the Indian financial markets has been fast changing for the last few years. Banking is one of the key factors for all economic activities. In fact, banking activities are considered so vital for economic development of any country that any changes in its processes are deemed to have close repercussions on the economy of the country.

It is a well known fact that those banks which have the ability to face new challenges absorb technology, withstand pressure on decreasing spreads, look for innovative products; can alone survive in the present scenario. Customer care is an integral part of Banks’ marketing strategy.

Banks have adopted many technologies to develop products and services to suit customer preferences of varied segments. Successful marketing of banking products & services is a prerequisite for organizational success.

Every employee of a bank is required to develop a sense of belonging, a sense of worthiness, a sense of competence and a sense of responsibility. They should have a frame of mind full of positive attitude; have thorough information of all the products and service; have the skill of empathy, i.e.
looking from customers' angle and not to complain against a complaining customer. It takes longer time and effort to get a new customer but it takes only few seconds to loose one.

A pertinent question arises: what are the determinants that make customer service effective, i.e. which factors contribute most towards the physical, financial, intellectual, psychological and emotional, satisfaction of customers of banks. Is it the variety of deposit and credit schemes, high tech products such as ATM, ABB, internet banking etc, infrastructure facilities of a branch, prompt service rendered by the branch staff, interest and other service charges or a combination of one or two more of these inputs make a branch more effective and attractive to a customer.

Some experts are of the view that branch manager is the key person in the banking matrix who, due to his/her abilities and competencies, influences other staff members on one hand and customers on the other. Many officers claim that it is they who take the lead in the all-round development of the branch more particularly rendering best customer service. The clerical staffs on the other hand claim that it is because of their efficiency and involvement, customer service is excellent in branches, which lead to overall improvement of branches.

The quality, competence and character of branch staff may be the most significant factor influencing the quality of customer service and its contribution to business development of branch.
International experiences and Indian research indicate that excellent customer service is largely due to branch based management and proactive support system from top management of banks.

Under this scenario, it is of paramount significance to study the customer satisfaction level of various banking products and services in banks in India. With this objective in mind, the present research is conducted to study the above aspect in major banks in Uttaranchal state.

JUSTIFICATION

Despite the need and potential to improve customer service with a view to attract and retain customers, little empirical research has been done to ascertain the feelings and expectations of customers in our country in general and in Uttaranchal state in particular. Research focused on determining the variables influencing customer satisfaction level vis-à-vis staff motivation and staff involvement may ultimately contribute to banks’ ability to retain customers for not only improving bottom line of banks, but also strengthening the banking system, which is an important tool for the growth of socio-economic conditions of the public at large.

REVIEW OF LITERATURE

Survey of related studies helps the researcher in identifying the exact topic on which he/she wants to do research. It gives a clear picture of the related studies that have already been done. It enables the researcher to focus on the exact area on which he/she wants to do the work. Thus, a collection of
research studies is a bird eye-view of the various allied researches that have taken at various places or even different countries.

Abstracts of the research studies so collected are presented in broadly three sub headings:

i. Studies on customer satisfaction in general
ii. Studies on customer satisfaction in service organizations
iii. Studies on customer satisfaction in banking

The related studies of the present research have been given under both theme-wise and in chronological order.

The present study aims at finding the role functions of customers, staff members of banks especially public sector banks in rendering highest level of customer satisfaction. Therefore, the researcher's task has been to locate studies pertaining to these parties.

RESEARCH METHODOLOGY

Research Design:

The present study seeks to find out the determinants of the effective customer service and their relative contribution in banks' business parameters (both financial and non-financial) and also in the proper deployment and development of human resources in banks. This requires the views, observation and expectations of both the customers and all the three categories of staff such as branch managers, officers and clerks. Besides, it is also pertinent to study the relationship of opinions expressed by the three
categories of staff as well as that of customers. The present study falls under the category of descriptive research.

Research gap:

As detailed in previous chapters, fairly a good number of researches have been done in the field of customer service, customer satisfaction in banks and also in other related matters such as product development, distribution, pricing, marketing, human resources etc. These surveys are carried out both in and outside the country by different banks, financial institution and outside agencies. From these studies, it is observed that there is lot of gaps exist between the expectations and views of customers on one hand and products and service delivery by banks on the other hand. Also there exist many socio-cultural-economic aspects quite specific and relevant from the viewpoint of customers as well as banks. Many of these issues are either not addressed so far or to a little extent. These can be summarized as; (a) Issues that have been covered by previous studies, as explained above

- Payment mechanism to be fast
- Speedy disposal of complaint
- Product quality, price (interest, service charges)
- Customer education
- Customer commitment
- Customer loyalty
- Redressal of grievances
- Customer committee and staff committee
• Technology up-gradation: ALPM, TBA, CBS, E-see banking, ATM, Online banking
• Marketing of products and services
• Retail banking
• Proactive-ness of top management for customers
• Proactive-ness of top management for staff
• Proactive-ness of branch staff of all cadres
• Well behaving front-line staff (clerks)
• Improving HR system

(b) However, the researcher has come across either very 'little' or 'nil' study in certain areas and these are:

• Views of staff members regarding top management’s concern regarding their proper placements, incentives, motivation aspects
• Customer’s choice and preference of type of ‘deposits’, ‘loans’ and ‘services’ product.
• Customer’s views on the qualitative aspects of supervisory and clerical staff
• Customer’s views on the infrastructure available in branch; such as premises, security, parking space, drinking water etc
• Customer’s views on banking holidays available
• Customer’s views on adherence to ‘time norms’ for completing different transactions
• Staff member’s views on adherence to ‘time norms’ for completing different transactions
- Customer's views on interest and other service charges levied by banks for different transactions
- Speedy disposal by branch staff on certain basic banking; such as opening of accounts, renewal of fixed deposits, replying to letters of NRE customer etc
- Customer's views on benefits of technology such as ATM, ABB, CBS, e-banking, single window etc.
- Overall satisfaction of customers on three different types of banking products; deposits, loans and services
- Opinion of customers (intra opinion) based on the period of their experience in banking
- Opinion of staff (intra opinion) relating to three broad categories: branch manager, officer and clerk

Apart from above, particularly in Uttaranchal state, very little or no research on all the above-mentioned aspects has been done.

The present research is a humble attempt to cover the gaps in the previous studies made as enumerated above.

RESEARCH OBJECTIVES

The relevance of this research is both from banking (bank as well as customer) and academic point of view. The study particularly focuses on customers and bank staff of major commercial banks in Uttaranchal state.

To accomplish the research purpose, the following objectives have been formulated. The researcher would endeavour to find out:
1. Likes, dislikes, expectations, needs, views, grievances of the customers regarding various types of banking products & services.

2. Involvement of staff members to meet the ever-increasing needs and expectations of customers.

3. To find out Concern and proactive-ness of Top management of banks in meeting the expectations of customers.

4. Concern and proactive-ness of Top management of banks in streamlining the work force to render effective customer service.

5. The determinants that facilitates customers’ satisfaction.

6. Various determinants that help staff members achieve higher level of customers’ expectation.

7. The various determinants those help top management of banks as well as other policy makers such as Reserve Bank of India and Finance ministry to enhance customer satisfaction to optimum level.

8. Relationship of opinion among three categories of bank staff (branch managers, officers and clerks) on different banking and non- banking parameters.

9. Relationship of opinion among customers depending on their period of banking experience, on different banking and non- banking parameters.

10. The relationship of opinion between bank staff and customers on various banking and non-banking parameters.

11. The opinion of customers regarding the qualitative aspects of different categories of staff members of banks, in meeting the desired level of customer satisfaction.
12. To suggest remedies for improving customers satisfaction at branch and bank level.

Hypotheses of study

After establishing objectives of the study, the next step is to formulate hypotheses, so as to find out the causes or possible explanations for the problem. The process of establishing hypotheses is an important step in the research process because any conceivable pertinent hypothesis is the basis for tracing out the possible causes of the problem. Accordingly, there are sixteen hypotheses are formulated and verified in the present research work. These include following aspects:

- The necessity of marketing of banking products and services for improving customer satisfaction level in banks
- Effect of customer service to business growth at branches
- Customers' satisfaction level in respect of various deposits products in banks
- Customer satisfaction level in respect of various loan products in banks
- Customers' satisfaction level in respect of various ‘services products’ (non financial products) in banks
- Promptness of responses to NRE customers at branches
- Level of customer service after computerizations
- All types banking facilities to customers at a “single counter” in branch
- ATM/ABB services offered by banks and the level of satisfaction derived
o Participation in ‘customers meet’ organized by banks and implementation of their suggestions

o Infrastructure facilities such as location, accessibility, parking facility and suitability of branch premises

o The upkeep and ambience of branch premises.

o Availability of various amenities in branch premises; like drinking water, resting chairs, writing table etc

o Opinion of three categories of staff (branch managers, officers and clerks) regarding staff meetings at branches and implementing the suggestions made in the meetings

o Staff members, as the source of imparting information to customers regarding various types of ‘loan’ and ‘service’ schemes available in banks

o Overall customer satisfaction level in banks

Variables of the study

Variables are the conditions or characteristics that the researcher manipulates, controls or observes. These variables should be operationally defined so that hypotheses can be tested. The researcher specifies what operations were conducted or test used to measure each variable.

There are three types of variables:

(i) Independent variables are the conditions or characteristics that the researcher manipulates or controls in his attempt to ascertain their relationship to observe phenomena.
(ii) The dependent variables are the conditions or characteristics that appear, disappear or change as the researcher introduces, removes or changes independent variables.

(iii) The intervening or the extraneous variables are those variables, which put barriers in the way of independent variables and because of which it becomes difficult to study the effects on dependent variables accurately. If intervening variables are not controlled properly, the results of the research become inaccurate.

Independent variables of the study – These are the attempts on the part of branch managers, officers, clerks and top management for achieving total excellence in customer service

Dependent variables of the Study – Dependent variables are the outcomes of the contribution of various groups viz. the branch managers, officers, clerks and top management in achieving the desired level of customer satisfaction. It has been seen how much each group contributes against its expected contribution towards achieving desired level of customer satisfaction.

Intervening variables of the study - The various impinging factors may be the outside disturbance that can disrupt the growth under which the various groups are contributing their respective share. Such elements like the political system; environmental factors, government policy, messengers, industrial relations climate etc. were controlled administratively. Another extraneous factor is the trade unions. These variables can accelerate customer service in a branch or otherwise.
Sample of the study

(i) Selection of districts:
Uttaranchal state has total 13 districts, 7 in Garhwal mandal (division) and 6 in Kumaon mandal (division). To have a fair coverage of the state, the researcher selected 7 districts (54% of total districts), 4 in Garhwal mandal (57% of Garhwal mandal) and, 3 in Kumaon mandal (50% of Kumaon mandal). These seven districts are Dehradun, Hardwar, Tehri, Pauri, Almora, Nainital and Udham Singh Nagar. Banking business in these seven districts constitutes about 90.5 percentage of the total business of the state. These seven districts have total 894 bank branches, which are about 78.8 percentage of the total branches in the state. Even from other aspects such as population, literacy, employment, trade, industries and business point of view, these seven districts have more than 75 percentage shares in the whole of the state. Hence, these seven districts may be said to be the true representation of the whole state (population) for this study purpose.

(ii) Selection of banks:
The state has total 39 banks (23 nationalized banks, 3 regional rural banks, 2 cooperative banks, 11 private banks). These banks have total 1135 branches (694 of nationalized banks, 167 of regional rural banks, 218 of cooperative banks and 56 of private banks). The researcher has selected 10 banks (25.6% coverage); eight nationalised banks, one regional rural bank and one private bank. These ten banks have 676 branches, which are about 59.55 percentages of total branches in the state. These ten banks’ total business is Rs.26851 Crores and this amounts to 75.92
percentage of the total business of all banks. List of these banks are given in Annexure-17. Hence these ten banks may be taken as the true representative of all banks in the state.

(iii) Selection of branches:

Out of total 1135 branches of all banks in the state, the number of rural, semi urban and urban branches in the state are 644, 285 and 206 respectively and their percentage to total is 57 percentages, 25 percentages and 18 percentages respectively. On the other hand, the researcher has selected 10 banks, their total branches in the state is 676; the share of rural, semi urban and urban branches are 409, 177 and 90 respectively and their percentage to total is 61 percentages, 26 percentages and 13 percentages respectively.

Out of 72 branches, selected by the researcher as sample for this study purpose; the share of rural, semi urban and urban branches being 29, 23 and 20 respectively; their percentages are 40, 32 and 28 respectively. Also these branches are having adequate coverage of small, medium, large and extra large category.

(iv) Selection of staff members:

All banks in Uttaranchal state have in total 8690 staff members (1135 branch managers, 2065 officers and 5400 clerks). Out of these; total staff strength in these 72 branches is 677 (72 branch managers, 170 officers and 435 clerks). Out of these 677 staff members, 350 staff members are randomly selected as follows:

Branch managers- 72 (out of 72 branch managers available in the sample)

Officers- 131 (out of 170 officers available in the sample)
Clarks- 147 (out of 435 clerks available in the sample)

Out of 350 staff members taken in the sample, 65 members are from rural branches, 114 are from semi urban and 171 are from urban branches. Their percentages are 19, 32 and 49 respectively.

It may be pertinent here to mention here that, the staff strength in branches has considerably gone down, after the last VRS (voluntary pension scheme) in 2000; wherein about twenty percent of staff in all banks has been retired under VRS; and practically no inflow of fresh staff members made in banks. This has drastically reduced manpower especially in rural branches; where the staff strength in average has been reduced to 4 (branch manager, one officer and two clerks). Therefore, the researcher could not get adequate respondents in rural branches and has to compensate from urban and semi urban branches.

(v) Selection of customers:

There is no confirmed data available regarding the number of ‘bank customers’, Uttaranchal state has. However from the latest SLBC (State level bankers’ committee) data released in November 2006 and from discrete enquiry made by the researcher, the followings are the available data in this respect:

Total number of deposit accounts- 55, 21,065

Total number of loan accounts- 8, 19,134

Total number of accounts (both deposit and loan) = 63, 40,199

Average number of accounts, a customer has in a bank: 5 accounts

Therefore, the total number of customers in Uttaranchal state is around 12.68 lakhs.
In the above-mentioned trend, it can be said that these 72 sample branches have about 80,240 thousands customers with them. It was a pretty difficult task for the researcher to select 343 customers from them, on average six to seven customers per branch. With the help of concerned branch manager, local block development officer and local village head ('gram pradhan'), the researcher selected 343 customers on simple random basis. They comprise various age group, occupation, trade, industries, student, professionals, non-resident Indians, pensioners, senior citizens etc.

In short, the researcher selected the sample of 350 staff members (72 branch managers, 131 officers, 147 clerks) and 343 customers related to 72 branches of ten banks in seven districts of the state. And this sample may well be construed to be the true representation of the entire population of the state.

Procedural Stages:

A planned procedure facilitates the conduct of the study. It guides the researcher what to do, how to do and when to do. The procedural steps have been outlined as follows:

Identifying the customer service determinants — The researcher identified the major the customer service determinants on the basis of his experience as an officer and branch manager in a nationalized bank for more than three decades. Then these were discussed and corroborated by educational experts, customers, other officers, bank staff, senior bankers, academicians, faculty members of staff colleges of many banks, government officials, RBI and NABARD executives etc.
He developed an interview schedule in respect of the open-ended questions of the 
Questionnaires (Customer’s Views and Expectations Questionnaire CVEQ-A and 
Staff member’s Views and Expectations Questionnaire: SVEQ-B), which was 
administered to sample customers, branch managers, officers, clerks and 
customers for finding out the customer service determinants.

**Developing tools for the study** – As described earlier, various tools viz. CVEQ-
A, SVEQ-B and interview Schedules were developed.

**Establishing reliability and validity** – The reliability and validity of each tool 
was established in consultation with experts. The statistical techniques were also 
used for establishing reliability and validity of the various questionnaires. These 
tools were put to vigorous use for collecting the data, the details of which are 
given in the latter part of this chapter.
FINDINGS

Perception of staff members of banks

1. The combination of ‘Savings bank, Current account and Term deposit’ constitutes the most sought after deposit portfolio of branches.

2. Collection of bills (including cheques, drafts etc) is the most preferred ‘Services’ business at branches; next being ‘Lockers’ and then ‘remittances’.

3. Term loan is the most preferred ‘Loans and advances’ at branches; next is ‘Home loan’ and then ‘Overdraft facilities’.

4. The main reason for a customer choosing a branch is ‘speedy disposal’, i.e. prompt handling of the matter. The other important reasons are ‘staff cooperation, and then ‘proximity’ i.e. nearness of the branch from the customer’s place.

5. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about conducting staff meeting regularly.

6. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about implementing the suggestions given in the staff meeting.

7. Fairly a good percentage of staff members (37.7 %) say that, staff meetings are not held in branches regularly. The main reason stated by the respondent staff for not having ‘staff meeting’ is ‘non-availability of time (53%)’. Other reasons are ‘manager does not convene the meeting (23.5%) and ‘staff not interested (23.5%).
8. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about conducting customers meeting regularly.

9. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about implementing the suggestions given in the customers’ meeting.

10. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about the necessity of marketing of products and services to improve customer service.

11. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about the linkage between customer satisfaction and business parameters of the branch.

12. There is significant difference in the opinion among three categories of staff (branch managers, officers and clerks) about overall customer satisfaction at branch level.

13. There is significant difference in the opinion between branch managers and clerks about top management’s concern for improving customer satisfaction at branches.

14. None of the five important Goipuria committee recommendations (such as; Time norms, dishonored instruments, complaint box and register, compensation for delayed collection and exchange of soiled and mutilated notes) are being complied perfectly.
Customers' perception

1. 'Savings bank' is the most sought after 'deposit' portfolio in branches. Next important portfolio is the combination of 'savings bank account and term deposits.' Following these is the 'current account.'

2. 'Collection of bills' (including cheques, drafts etc) is the most preferred 'Services' business at branches; next being 'ATM/ABB' and then 'Lockers' and then 'remittances'.

3. Home loan is the most preferred advances portfolio in branches. Next is the term loan and then 'auto loan'.

4. 'Friends' are the main source of introduction of bank accounts and next are 'staff members'.

5. 'Savings' is the main reason for opening accounts, next is 'to avail loans and other facility'.

6. There is no significant difference of opinion among the three categories of customer (depending upon the period of banking experience) regarding their experience at the time of opening of accounts including availability of accounting opening forms etc. In other words, with banking becoming hi-tech, there is no improvement in formalities of the basic banking function i.e. opening of account.

7. In contrary to the past, at present the customers are promptly receiving the 'renewal notice' for renewing the matured deposits.

8. Only 37 percentage of deposit customers say that their deposits are renewed automatically, without reminding or requesting the bank. This
means, still majority of customers (63%) do not get this service from banks.

9. Only 37 percentage of deposit customers say that the overall satisfaction in respect of deposits accounts is ‘excellent’. In other words, majority of depositors do not feel that the service is ‘excellent’.

10. Majority of customers (52.8%) say that they are able to know about various ‘services’ (non financial products) of banks, through bank staff only. However, there is significant difference of opinion among the three categories of customers (depending upon the period of banking experience) on this. Contrary to the past, at present less percentage of customers get the information from ‘staff’. It means, still ‘staff members of banks’ act as a major source of conveying various types of ‘services’ available in banks. This is a very positive aspects in favour of bank and probably this is the main reason for banks particularly public sector banks in India not being very much aggressive in advertisement for banking products and services. Yet another point worth mentioning here is that the customers feel that staffs at present are less helpful and less communicative than the earlier staff in rendering advice on various ‘service’ facilities available in banks. This is certainly not desirable and the attitude has to be improved.

11. ‘Speedy disposal’ is the main reason for choosing any branch or bank.

Next important reason is ‘proximity’.

12. Only 36 percentage of customers availing various ‘service’ facilities say that the overall satisfaction in respect of ‘services’ is ‘excellent’. In other
words, majority of customer (64%) availing ‘service’ facilities from banks are dissatisfied.

13. Majority of customers (50.7%) say that they are able to know about various ‘loans and advances’ (financial products) of banks, through bank staff. Next important source is ‘existing customers’.

14. Customers choose a branch for loan purpose mainly because of ‘existing connection’. Next important reason is ‘easy formalities’.

15. Majority of customers (69.0%) say their loans are processed with ‘slight delay’ and ‘much delay’.

16. Seeking piece meal information is the main reason for delay in sanction of loans.

17. Only 36.2 percentages of respondent customers are able to avail all banking facilities in the ‘single counter’. This implies that, with all technological up-gradation in banking such as TBA and CBS; still customers are going to different counters for different jobs, as was requires in past.

18. Only 23 percentages of customers avail ABB and ATM facility in banks.

19. Regarding effect of computerisation on customer service, 41.6 percentages of respondent-customers say ‘excellent’.

20. Majority of respondents (50.1%) says that upkeep and ambience of branch premises is ‘good’.

21. Fifty-one percentages of customers says they are aware of the periodic customer- meetings. Of them only 21.6 percentage customers attend such
meetings and only 19.9 percentages of customers (attending the meeting) say that their suggestions are implemented fully.

22. Majority of customers say that they get loan less than their requirement.

23. Majority of customers say that rate of interest on loans are high and more than their expectations.

24. Nearly eighty percentages (79.9%) of respondents say that procedure for availing loan is 'time consuming' and 'cumbersome'.

25. Majority of the respondent (58.8%) say that they are willing to avail the next loans from the same bank.

26. Those wish to shift to other bank (for availing loans) say that the reasons for such decisions are ‘better terms & conditions, and interest rates’.

27. Sixty-two percentages of respondents rate the overall satisfaction regarding ‘loans’ portfolio in banks as ‘poor’.

28. Major causes of dissatisfaction regarding loan matters in banks are ‘undue delay’ (68.4%) and ‘cumbersome formalities (77.8%).

Perceptions of top management of banks

As detailed in earlier chapter, the researcher used open-ended and structured interview schedule to get the responses from top management of various banks. For this the researcher randomly selected fifty top executives from the ten banks, taken for this study. The executives comprise of chairman and managing director, executive director, general manager, deputy general manager and assistant general managers. The summary of the interview with the top executives of banks are furnished below:
1. Banks give maximum importance for best customer service. In fact, the objective is to achieve customer loyalty and customer commitment.

2. Banks are making huge investment in technology with the main aim of rendering hassle free and prompt customer service.

3. For handling of customers grievances: all banks have exclusive department at corporate office level, headed by a General Manager, who functions in direct coordination with CMD, and ED.

4. A customer can send complaint even by e-mail to CMD, MD, ED and not only they will send acknowledgement immediately, but also will take all possible steps to sort out the complaint/ grievances within the time frame.

5. Customer education: through letters, posters, citizen charter, customer meet and periodic meetings at branch and higher office level.

6. Quarterly customer meet is mandatory now at branches. During the visits to branches, executives from bank, RBI and NABARD, are required to meet customers at the branch and sort out problems if any, then and there.

7. Even officials from Finance Ministry and Parliamentary committee also visit branches and meet customers to redress their grievances.

8. Expectations of customers are sky-high. There is unprecedented competition among banks (PSB, private and foreign banks) to attract and retain customers. The level of service must exceed the expectations; then only customers will ‘stay’ and may help banks to get new customers and new business connections.
9. Banks do give thrust on ‘satisfaction’ of internal customers i.e. employees of all cadres. Banks take all steps to motivate staff members by giving proper placements, incentives, training and retraining etc.

10. Banks give more emphasis to product development and marketing of products and services to attract and retain customers. Presently banks have host of new products such as bancassurance, mutual fund, gold etc.

11. Unions and associations in banking sector do have a very positive role in influencing/convincing staff members to realize extending exemplary service to customers. Bank managements are taking all steps to involve trade unions to take a proactive role in motivating the staff members for imparting best customer service.

CONCLUSIONS: ANALYSIS OF HYPOTHESES

The present study was undertaken to find out different variables responsible for improving customer satisfaction level in banks. The data was analyzed; and interpretation led to the findings. The discussion reveals the following findings, which are answer to the Hypotheses, which were formulated before the study was undertaken.

As explained in earlier paragraph, the researcher has formulated total sixteen null hypotheses. Of these, eleven hypotheses are accepted and five are rejected.

The hypotheses, those are rejected are: -

- The necessity of marketing of banking products and services for improving customer satisfaction level in banks
- Customer service is linked to business growth at branches
o Infrastructure facilities such as location, accessibility, parking facility and suitability of branch premises

o Opinion of three categories of staff (branch managers, officers and clerks) regarding staff meetings at branches and implementing the suggestions made in the meetings

o Staff members, as the source of imparting information to customers regarding various types of ‘loan’ and ‘service’ schemes available in banks

The hypotheses, those are accepted are:

o Customers’ satisfaction level in respect of various deposits products in banks

o Customer satisfaction level in respect of various loan products in banks

o Customers’ satisfaction level in respect of various ‘services products’ (non financial products) in banks

o Promptness of responses to NRE customers at branches

o Level of customer service after computerizations

o All types banking facilities to customers at a “single counter” in branch

o ATM/ABB services offered by banks and the level of satisfaction derived

o Participation in ‘customers meet’ organized by banks and implementation of their suggestions

o Upkeep and ambience of branch premises.

o Availability of various amenities in branch premises; like drinking water, resting chairs, writing table etc

o Overall customer satisfaction level in banks

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RECOMENDATION

The educational research in improving customer service in banks is indispensable not only for the growth of business of banks or share holders' value but also is quite significant and of paramount importance for development of common people in particular and economy in general.

The present research is an effort not only for improving the customers' satisfaction level in banks; it also attempts to find out other factors such as staff members job profile, motivational aspect, views, aspirations; and also the expectations of and from the top managements of banks in this regard. The present study has been confined to 72 branches (in rural, semi urban and urban centres) of 10 banks in 9 districts of Uttaranchal state. There are many other allied areas in which further research may be done. Some suggestive areas of research in this field are:

- The role of various 'interested groups' in motivating branch staff members in improving customer service. (such as unions, association etc).
- Accelerating the contribution of various groups for improving customer satisfaction level.
- Relative effectiveness of various 'interested groups' in improving customer satisfaction level.
- Enhancing staff members' competence in meeting the growing expectations of customers.
- Marketing as a tool for increasing customer satisfaction level.
- Increasing the awareness of customers on various products and service in banks.
The case study of different types of banking products and services available in different banks.

Developing tools for measuring contribution of various groups in achieving increased customer satisfaction level.

The present study was undertaken for measuring customer satisfaction level in a few banks in Uttaranchal state. Similar studies can be taken up for other banks and other places. The present study was confined to five determinants namely customers, top management, branch managers, officers and clerks. A few other determinants like community, infrastructure and government etc can be included in the study.

The message for the staff members is that they should be more professional in identifying the nature of customers’ needs and expectations; and give them their best. The message for the Top management of banks as well as for the RBI and Government is that they should focus more on devising customer friendly and customer centric products and ensure that the staff members are truly trained, motivated and properly placed to deliver exemplary customer service and surpass the expectations of customers.

LIMITATION OF THE STUDY AND DIRECTIONS FOR FUTURE RESEARCH

The present research has following limitations:

Uttaranchal state is quite different from other states in many respects such as demography, social system, cultural milieu and economic conditions. The findings obtained here may not be fully applicable elsewhere.
The sample size is another limitation. There are thirteen districts, 39 banks and 1135 branches in the state of Uttarakhand but the present study is confined to 72 branches of 10 banks in 7 districts of the state. As the sample banks have a major share of banking business in the state, the present study can be said to be fair representation of the whole state. For this study the sample size is 343 customers and 350 staff members from 72 branches of 7 banks. This number is too small compared to the population of the study that is the total bank branches of the state. Hence, the conclusion drawn in this study may not be generalized fully and shall be applicable to the entire population.

The samples selected in this study are non-probability sampling. As such, non-probability sampling cannot be fully relied upon. Though the researcher himself is a professional banker, having many advantages however, this in itself is a limitation personal biases might have crept into the study.

There are always constraints of time and financial resources. These limitations might have affected the nature and quality of the findings. The present research is an effort not only for studying the factors responsible for improving the customers' satisfaction level in banks; it also attempts to find out other factors such as staff members' job profile, motivational aspect, views, aspirations; and also the expectations of and from the top managements of banks in this regard.

There exists vast scope for further study in this field.

The present study pertains to Uttarakhand state only and that too, on a small sample, however, there remains scope for study in following respect;
- Study can be made on a larger sample of customers and bank staff.

- An all India survey would provide substantive results.

- A study bank-wise can also be considered an option.

- Similarly, study on specific customer segments and specific product also opens an opportunity for research.

- A study can also help if it is done state-wise.