CHAPTER VIII
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS
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INTRODUCTION

The present study investigates the contribution of bank staff, top management of banks, Reserve Bank of India, Ministry of Finance, Government of India and customers themselves towards increasing customer satisfaction level in major banks with special reference to Uttaranchal state.

Seventy-two branches of ten major banks in Uttaranchal state are chosen for this study. Three hundred fifty staff members (72 branch managers, 131 officers and 147 clerks) and 343 customers attached to these branches are surveyed for this purpose.

To achieve the purpose of the study, following procedures are applied:

i. Need of the study was established.

ii. Related literature was studied

iii. Tools were developed and administered for data collection.

iv. Data was analyzed.

v. After the analysis of data, the interpretation of the data was obtained.

vi. On the basis of interpretation, some findings were obtained which are elaborated in the present chapter.

The ultimate purpose of research is to draw out valid conclusions, which can be generalized within limits to other situations and to other sections of the population other than the one studied. Such generalizations must not be hasty and far-fetched and must be comparable with limitations of the research design.

The extent to which the findings of study can be generalized depends upon
several important factors such as:

i. The size and nature of the sample studied.

ii. The extent to which the control of variables is secured.

iii. The nature of the data gathering tools

iv. The types of statistical analysis used.

The present sample is not very small but then, neither too - neither large nor very

Therefore, conclusions have to be drawn cautiously and safeguards must be taken

against faulty generalizations.

The present chapter, as the title indicates, has been classified into three main

parts, viz. findings, conclusions and recommendations. The results have been

consolidated and presented under the first part, ‘Findings of the study’. The

possible conclusions relating to hypothesis to the study have been presented under

the second part, ‘Conclusions’. The conclusions are presented concisely and are

related directly to the hypotheses that were tested. This has helped the

investigator to announce whether the findings of the study accept or reject the

hypotheses. Thus the conclusion will provide answer to the questions raised and

will help in suggesting modification in the existing theory. Certain significant

theoretical as well as practical implications of the results and suggestions for

improving customer satisfaction level as well as for further study; have been

drawn and presented under the third part: ‘Recommendations’.

FINDINGS OF THE STUDY

The findings of the study are based on the analysis and interpretation of the data
collected from customers, staff members and top management of banks. The various determinants of customer service, as suggested by the senior executives of banks through interview schedule are top managements, branch managers, officers, clerks and customers themselves. The financial experts and the researcher himself in the capacity of senior banker opined that these five are the main determinants of customer-service effectiveness.

**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 opting 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 percentages of deposit customers say that their deposits are renewed automatically, without reminding or requesting the bank. In other words, still majority of customers (63%) do not get this service from banks.

9. Only 37 percentages 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 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 aspect 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 present staff set-up 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 percentages 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 upgradation 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 jist of the interview with the top executives of banks are furnished below:

Banks give maximum importance for best customer service. Infact the objective is to achieve customer loyalty and customer commitment.

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

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.

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

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

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

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.

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.

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.

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.

Hypothesis-I
**H₀:** There is no significant difference in opinion among three categories of staff (branch manager, officer and clerk) regarding the necessity of marketing of banking products and services for improving customer satisfaction level in banks.

**H₁:** There exists significant difference in opinion among three categories of staff (branch manager, officer and clerk) regarding the necessity of marketing of banking products and services for improving customer satisfaction level in bank.

The responses of the three categories of staff (branch managers, officers and clerks) were tabulated and χ² test was applied. Chi-square value comes to 9.70, which is significant at 0.5 levels. This means, all categories of staff differ significantly on the issue that, marketing of banking products and services are absolutely necessary at branches in order to keep the customers happy and satisfied.

It is further observed that; in all the three categories of staff, fairly large percentage (more than 80%) opines that marketing of product and services is necessary to improve customer service and customer satisfaction level. However, among the three categories, branch managers exhibit the highest percentage (94.4%), while the percentage of officers and clerks are 89.3 percentages and 80.3 percentages respectively. The reason for this significant difference could be as follows.

Marketing concept is not very old in banking scenario. The top managements of banks are very keen to implement this concept so as to reap the benefits of higher customer satisfaction level, which will culminate in improving the bottom line of banks. In this era of stiff competition among banks especially with private sector...
banks and foreign banks; the public sector banks especially are very much concerned and they have accepted marketing as an important tool in improving customer service vis-à-vis customer satisfaction at branches. Both the phenomenon (Marketing and customer service) are interlinked and dependent on each other. Probably, this concept has not been fully understood and accepted by banks (particularly the PSBs). This is the biggest problem, facing the banks at present.

Singhvi (1999) agrees that only marketing oriented banks can achieve success in satisfying customers. Similarly, Ramachandran (2002) found that keeping existing customer happy and satisfied, in turn brings in new customers and becomes easier to market the products. Arora and Malhotra (2000) suggest that comprehensive marketing strategies to be formulated to lure customers. Bhatt (1997) says the ultimate aim of a marketing oriented bank should be to provide total satisfaction to its customers. Sen (2006) discusses the importance of ‘marketing’ for satisfying consumers. Jabeen and Mishra (2005) also emphasize regarding adopting new ways of gaining markets and customer loyalty. Yadav and Sharma (2005) emphasize the need and importance of TQM to satisfy the customers. Narayanan (2000) says that marketing is the conversion of potential customer to real customers. Muneer (2005) analyses the relevance of database marketing for improving customer service. Mohanty (2005) pinpoints on segmenting customer profile for effective marketing. Contrary to the literature studied above, the researcher finds from the analysis of the above hypothesis that the three categories
of staff (branch managers, officer and clerks) differ significantly on the issue of ‘necessity of marketing for better customer service’.

Here, Null Hypothesis is not proved and therefore rejected.
Alternate Hypothesis is proved and therefore accepted.

Hypothesis-II

H₀₂: There is no significant difference in opinion among three categories of staff (branch manager, officer and clerk) that customer service has direct relations to business growth at branches.
H₁₂: There exists significant difference in opinion among three categories of staff (branch manager, officer and clerk) that customer service has direct relations to business growth at branches

The responses of the three categories of staff (branch managers, officers and clerks) were analyzed and chi-square test was applied. Chi-square value comes to 23.17, which is significant at 0.01 levels. This means, all the three categories of staff differ significantly in their opinion that ‘customer service has direct relations to business growth at branches’. The reason for this could be like this. The parameters such as business growth, profitability, recovering non-performing assets are usually the focused concern of the branch managers and it is not so with officers or clerks. Probably this is the reason, why they differ ‘significantly’ in their opinion.
From study of various literatures, the researcher observes the followings:

According to Gopinath (2007), the customer signifies the single purpose of business. “We are what we are today because of our customers and nothing else. Listen to him carefully and constantly to serve him better and you will see profits growing. This is the only viable business model that I know of”. Venu Srinivsan (2005) says, “Fifty years after Peter Ducker expounded it people have begun to accept the precept that the fundamental reason for existence of a business is to create a satisfied customer. Says Swain (2006) that a satisfied customer is a brand ambassador of bank and obviously is the biggest source of business growth. In short, all the authors quoted above, agree that customer service leads to business growth. But, from the study, it is seen that there is no coherence of opinions among branch manager, officer and clerk on this issue. This implies that this is really the problem with banks, particularly PSBs. Staff, irrespective of cadres, are not convinced on this point and therefore they do not devote whole heartedly to ensure rendering exemplary service to customers.

Her also, Null Hypothesis $H_02$ is not proved and therefore rejected.

Alternate Hypothesis $H_12$ is proved and therefore accepted.

**Hypothesis-III**

$H_03$: It is hypothesized that customers’ satisfaction level in respect of various deposits products in banks is not excellent.

$H_13$: It is hypothesized that customers’ satisfaction level in respect of various deposits products in banks is excellent.
The respondent customers are asked for their overall ‘satisfaction level’ in respect of their various deposits accounts in banks. It is seen that only 128 customers (37.3%) rated their feelings as ‘excellent’. Remaining 62.7 percentages of respondent customers is not feeling ‘excellent’ regarding the affairs relating to deposit accounts in banks.

Here the researcher has not come across any study relating to customer satisfaction on ‘deposits’ aspect of banks. But considering the importance and usual opinion regarding transacting various types of deposits in banks, hypothesis was formulated and customers were asked for their views.

In this case, Null Hypothesis \( H_03 \) is proved and therefore accepted.

Alternate Hypothesis \( H_13 \) is not proved and therefore rejected.

Hypothesis-IV

\( H_04 \): It is hypothesized that customers’ satisfaction level in respect of various loan products in banks is not excellent.

\( H_14 \): It is hypothesized that customers’ satisfaction level in respect of various loan products in banks is excellent.

The respondent customers were asked to express their views on the loan accounts they have in banks. Their responses were tabulated and analysed. Out of 274 customers, 31 customers (11.3%) rated their feelings as ‘excellent’, 72 customers (26.3%) rated as ‘good’; whereas, 171 customers (62.4%) rated their satisfaction level as ‘poor’.

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From study of various literatures, the researcher observes the followings:

Highlighting on retail loans to customers, Nathan (2001) says ‘retail is hot and happening. It is next sunshine industries next to software. Customer is truly the king”. Focusing on retail credit portfolio, Bhasin (2006) says, “Bank may open retail marts at prominent locations, and be self sufficient to handle marketing, disbursal and post disbursal process relating to retail loans. Shenoy (2004) advises branches to educate customer and lend retail loans. In short, the authors have unanimously agreed the need for banks to give highest satisfaction to loan-customers. But, present research finds that overall satisfaction on loan products from bank is not excellent. Hence, there is need for the bank to improve upon this aspect.

Hence the Null Hypothesis $H_04$ is proved and therefore accepted.

Alternate Hypothesis $H_14$ is not proved and therefore rejected.

**Hypothesis-V**

$H_05$: It is hypothesized that customers are not highly satisfied (excellent) in respect of various ‘services products’ (non financial products) in banks.

$H_15$: It is hypothesized that customers are highly satisfied (excellent) in respect of various ‘services products’ (non financial products) in banks.

The respondents were asked for their overall ‘satisfaction level’ in respect of the various types of ‘services’ available in banks. Their responses were analysed. Only 36.1 percentages of customers rated their ‘over all satisfaction’ as ‘excellent'; majority of the respondents are not ‘extremely satisfied’. Here, further
analysis was done to know if there is a significant difference of opinion among
the three categories of customers (depending upon their period of banking
experience) on this issue. The responses were tabulated and Chi-square test was
applied. Chi-square value comes to 7.43, which is 'not significant' at 0.05 levels.

From study of various literatures, the researcher observes the followings:
Gopalkrishnan (2005) stresses the need for a world-class customer service.
“Customers do not just want to be marketed to; they want to be well served.”
excellent service. Cusac (1999) advocates for outstanding customer care by
companies. Kervin (1997) says that customer service is more than a trend; it is a
way of life. From these studies, it is quite evident that all authors and researchers
are of the same view that the ‘service’ to customers should be excellent. But in
reality, it is observed from the sample respondents that the position is not so.

Hence the Null Hypothesis $H_{05}$ is proved and therefore accepted.
Alternate Hypothesis $H_{15}$ is not proved and therefore rejected.

Hypothesis-VI

$H_{06}$: It is hypothesized that NRE customers are not highly satisfied
(excellent) in respect of promptness of responses of branches

$H_{16}$: It is hypothesized that NRE customers are highly satisfied (excellent) in
respect of promptness of responses of branches
From analysis of data, it is clearly seen that only 28.2 percentages of NRI customers are highly satisfied with the response of the branch; majority customers are expressed negative.

The researcher has not come across any specific studies relating to feelings and comments of the NRI customers. But from the experience of the researcher and from other sources such as RBI, Finance ministry etc, there is abundant thrust for giving exemplary service to NRI customers. It was quite interesting to observe the findings, which is contrary to the literatures studied.

As stated above, Null Hypothesis $H_0$ is proved and therefore accepted.

Alternate Hypothesis $H_1$ is not proved and therefore rejected.

**Hypothesis-VII**

$H_0$: It is hypothesized that level of customer service after computerizations is not excellent.

$H_1$: It is hypothesized that level of customer service after computerizations is excellent.

It is worthwhile to mention here that, the respondent customers were asked regarding ‘the level of computerization’ and more than 91 percentages of them opined that their branches are computerized (Table-7.69). But when they were asked to express their opinion regarding the ‘effect of computerization’, only 41.6 percentages of respondent customers give their opinion as ‘excellent’. Nearly twenty percentages of respondents feel ‘either no difference’ or ‘manual operation was better’. It is quite interesting to mention the views of staff members of banks,
on this issue. From Table-7.9 it is observed that only 45.7 percentage of staff members say the effect after computerization is excellent. More over, there is significant difference in opinion exist among three categories of staff (branch manager, officer and clerk) on this matter. All these cited above signifies that even if banks computerized most of their branches; the customers are not getting ‘desired’ level of benefit out of this.

From various literatures reviewed for this purpose, it is observed as follows:

Kopp (2005) suggests that technology plays a role with other drivers of customer satisfaction, such as quality of service and product innovation.” But when it comes to speed of service and the attitude of the people who deliver that service, banks should improve their personal touch”. Verma (2004) says ‘PSBs are going whole hog for implementing core banking solution (CBS) but what is needed is ‘better delivery channel’ (i.e. human resources rendering effective customer service. Similar points are also pointed out by Narayanan (2004) “Technology is taking banking closure to customers, but it is also making the bank less human”. Rao (2003) hopes adoption of technology will help banks to become more responsible to the customers’ needs. Subramaniam (1997) says all banks are investing heavily on technology and trying to offer superior service. Gupta (1997) also advocates for banks adopting latest technology and offer new products competitively priced.

From the above it is quite evident that all the authors have supported banks to adopt computerization in a big way and also to effectively utilize it for the
satisfaction of customers. But what revealed from the findings is that customers are not properly benefited in this process.

Hence the Null Hypothesis $H_0$ is proved and therefore accepted.

Alternate Hypothesis $H_1$ is not proved and therefore rejected.

**Hypothesis-VIII**

$H_0$\: It is hypothesized that customers are not able to get all types banking facilities at a “single counter”.

$H_1$\: It is hypothesized that customers are able to get all types banking facilities at a “single counter.”

As a measure of rendering best customer service, banks are expected to provide all types of facilities, such as savings bank, current account, fixed deposit, remittances etc. to every customer through a ‘single counter’ instead of number of counters for each type of services. More so, with computerisation and net working of various functions at branch level; it is much easier and also mandatory to provide such facilities to customers. Majority of the respondents (63.8%) replied negative (Table-7.71); they do not get services at ‘single counter’.

Further analysis is made by comparing these data ‘Opinion of respondents regarding availing all services at a single counter’ with other variable ‘Period of banking experience’ and interpreted as follows. Chi-square test is applied and it is found that there is no significant difference in the opinion of three categories of customers regarding their perception on ‘single counter’. In other words, in past, banks were not rendering this facility may be because of ‘manual operation of
accounts'. But surprisingly, and even today with much technological advancement of all banking functions, the same situation prevails; customers do not get ‘single counter’ facilities.

The need for rendering service at one point, particularly in a CBS environment, has been pointed out by various authors in the literature studied for this research purpose. Gosnev (2001) opines that the technology ‘should always remain transparent and user friendly’ to customers. Gupta (2002) emphasizes that ‘despite technology aided product and service’, what is pertinent is that ‘better and quicker customer service would make the difference between the winners and losers’. Better and quicker service can only be possible and feasible in ‘single window’ concept. More specifically, Ramachandran (2002) says that the present day customer is becoming more and more demanding. He wants all the services under one roof and expects to save time while doing business and wants transactions to be as simplified as possible’. This is possible only with ‘single window’ environment.

From the above it is clearly evident that even though banks are expected to implement ‘single window’ facility for the benefit of customers; but there are huge deficiencies in implementing this.

Hence the Null Hypothesis $H_0$ is proved and therefore accepted.

Alternate Hypothesis $H_1$ is not proved and therefore rejected.
Hypothesis-IX

H₀⁹: It is hypothesized that level of customer satisfaction in ATM/ABB facilities is not excellent’.

H₁⁹: It is hypothesized that level of customer satisfaction in ATM/ABB facilities is excellent’.

From the Table-7.73, it is seen that 58.3 percentages of respondents are using ATM/ABB facilities. However, among those who are using this facility (Table 7.74), only 23 percentages of respondents say the facilities are excellent and 77 percentages of respondents deny.

In this aspect many authors’ views have been studied for this research. Shenoy (2004) advises ‘to improve efficiency’ and move customers to ‘automated channels’, such as ‘ATM and online banking. Rana and Ram (1997) elaborates that the ‘biggest draw for the average consumer, of course, is the ATM. Though most private Indian banks have these machines at their branches, some have also started opening off-site ATMS”. Taylor (2006) conducted retail-banking survey among banks in California. According to him, over all in person branch transactions are conducted most frequently and next highest transactions are by ATM and online banking. Manoj and Sudeep (2005) advise that PSBs in order to catch the private banks and foreign banks should implement fully the advanced technology available to them.

Hence, the Null hypothesis H₀⁹ that ‘level of satisfaction in ATM/ABB facilities is not excellent’ is accepted.

Alternate Hypothesis H₁⁹ is not proved and therefore rejected.
Hypothesis-X

\( H_0 \): It is hypothesized that majority of customers do not take part in the customers meet organized by banks and their suggestions are never implemented fully.

\( H_1 \): It is hypothesized that majority of customers take part in the customers meet organized by banks and their suggestions are implemented fully.

Banks are supposed to conduct periodic ‘customers meeting’ at branches and implement fully the suggestions, discussions made in the said meetings in order to enhance the customer service. From the analysis of Table-7.79, 7.80, 7.81 and 7.82, it is observed that majority of the respondent customers (50.1\%) are unaware of such meetings being held in branches. Among those who are aware of such meetings, only 21.6 percentages attend the same regularly. Out of those, who attend the meeting regularly; only 19.9 percentages of these customers opine that their suggestions are implemented ‘fully’. This reveals utter failure of the purpose behind the concept of holding periodic customers meeting. Further analysis is made by comparing these data ‘Opinion of respondents regarding implementation of suggestions made in customers’ meeting’ with other variable ‘period of banking experience’ (Table-7.82) and Chi-square test is applied. It is found that there is no significant difference in the opinion of three categories of customers regarding their perception on level of implementation of suggestions made in customers’ meeting’. This implies that, in spite continued thrust given by
controlling offices and RBI to successfully comply this aspect (customer meet),
there is no improvement over a period of time.

There are many literature surveyed by the researcher on this matter. Customer
meet are not only the mandatory requirement for banks, also it acts as ascertaining
views, expectations and likes & dislikes of customers. Brown (2000) focuses the
need for such meet but his analysis is on different angle- customer dissatisfaction.
According to him, ‘dissatisfied customer is an indication of unfulfilled customer’s
needs. To be able to react to this, it is necessary to uncover what factors affect
customer dissatisfaction’. Suggesting indirectly the need to have customer meet;
Susan (2005) says, “Every time a customer complain, he is really telling you that
he wants to continue to do business with you. Dealing with challenging customer
situations is part of service provider’s job”. Stressing the benefit of meeting
customers, Sandhu (1999) says that Ajim Premji of WIPRO spends about 30
percent of his time with customers. . Tschohl (1997) says that American Express
have a customer service task force, made up of key people from each division.
The task force is a clearinghouse, where individuals meet to discuss problems of
customers, relating to their department. Batra (1997) clarifies the benefit of
facing customers, “Have faith in the fact that 96 percent of the customers are very
reasonable. Most customers will forgive you for your mistakes, when you accept
those with sincerity.” Focusing on the advantage of customer meet, Swain (2006)
says, “Rectification of errors pointed out by a customer is the solution, not a
problem”.
From the above, it is very clear that customer-meet is not only mandatory but also beneficial. But, the preset survey reveals that banks are far behind to implement this.

Hence the Null Hypothesis $H_0$ is proved and therefore accepted.

Alternate Hypothesis $H_1$ is not proved and therefore rejected.

**Hypothesis-XI**

$H_{011}$: It is hypothesized that the infrastructure facilities such as location, accessibility, parking facility and suitability of branch premises are not excellent.

$H_{111}$: It is hypothesized that the infrastructure facilities such as location, accessibility, parking facility and suitability of branch premises are excellent.

The responses was tabulated in Table-7.75 and interpreted. It is observed that majority of the respondent customers state that the branch premises are in good location (65.9%). Regarding ‘accessibility’ of branch premises, 87.2 percentages of respondents say the premises are easily accessible. 83.1 percentages of customers say that there are no problems of security and parking space for vehicles.

Similar point has been focused by Gupta (2002), “We have to keep our branches / offices with a presentable get-up commensurate with the requirements at different centers”.

Here, the Null Hypothesis $H_{011}$ is not proved and therefore rejected.

Alternate Hypothesis $H_{111}$ is proved and therefore accepted.
Hypothesis-XII

H_{012}: It is hypothesized that the upkeep and ambience of branch premises (V45) are not excellent.

H_{112}: It is hypothesized that the upkeep and ambience of branch premises (V45) are excellent.

From the Table-7.76, it is evident that only 26.9 percentages of respondents are of the view that the up keep and ambience of branch premises are excellent. In other words, majority of the respondent customers (73.1) are of the view that up keep and ambience of branch premises are not excellent.

In the literatures reviewed by the researcher, he has not come across any specific studies made regarding this aspects even though, many authors have advocated good ambience of the premises in order to attract and retain customer. But this a very pertinent point, the researcher came across during the initial period of research. Especially in PSBs and more particularly in rural and semi urban branches; the upkeep and ambience of branch premises are invariably not good.

Hence the Null Hypothesis H_{012} is proved and therefore accepted.

Alternate Hypothesis H_{112} is proved and therefore rejected.

Hypothesis-XIII

H_{013}: It is hypothesized that availability of various amenities in the branch premises; like drinking water, resting chairs, writing table etc are not excellent.
H$_{13}$: It is hypothesized that availability of various amenities in the branch premises; like drinking water, resting chairs, writing table etc are excellent.

From the analysis in Table-7.83, and 7.84, it is observed as follows.

Only 49.3 percentages of respondents say that the amenities available at branches are excellent. Thus, majority feels that the amenities available at branches are not excellent. Further analysis was made by comparing these data ‘opinion on availability of amenities in branches (V 51)’, with other variable ‘period of banking experience (V 11)’. It is observed that there is no significant difference in the opinion of three categories of customers regarding availability of amenities for customers, in branch premises. This implies that in past as well as at present also, the amenities available to customers in branches are not up to expected level.

Even though, there is no specific research or review material found by the researcher during the study; yet, many authors have advised for improvement of infrastructure to customers. Many a time it acts as an accelerating agent for satisfying customers. On the other hand, absence of these may end up in losing a customer.

Here, the Null Hypothesis $H_013$ is proved and therefore accepted.

Alternate Hypothesis $H_113$ is not proved and therefore rejected.

Hypothesis-XIV

$H_014$: There is no significant difference of opinion among the three categories of staff (branch managers, officers and clerks) regarding
conducting staff meetings at branches and implementing the suggestions made in the meeting.

H₁₁₄: There is significant difference of opinion among the three categories of staff (branch managers, officers and clerks) regarding conducting staff meetings at branches and implementing the suggestions made in the meeting.

The responses of staff members (branch managers, officers and clerks) are analyzed in Table-7.10 and 7.11; and Chi-square test is applied. Chi-square values (in both cases) are much above the accepted level. Hence it can be construed that that there is significant difference of opinion among the three categories of staff (branch managers, officers and clerks) regarding ‘conducting staff meeting regularly’ and also regarding ‘implementing the suggestions given in the meeting’. The overall compliance level is also around 50%. This clearly shows that, banks have to improve much in this aspect.

There is no specific study found in the literatures reviewed for this research. Talking on employee involvement Bhatia (2005) says, “Employee involvement within and between levels and functions becomes a way of life’. Adds Sanghwan (2005) “banking industry is primarily a labour intensive service sector; hence it will not be possible for the banks to sustain effectiveness unless human resources is given more importance”. It is a well-known fact that at branch level, ‘staff meeting’ assumes probably the greatest mode of developing HR, as other matters relating to HR are dealt at higher offices.

But, what observed here is that, banks don’t give due weightage to this matter.

Here, the Null Hypothesis H₀₁₁₄ is not proved and therefore rejected.
Alternate Hypothesis $H_{14}$ is proved and therefore accepted.

Hypothesis-XV

$H_0_{15}$: It is hypothesized that staff members are not the main source of imparting information to customers regarding various types of ‘loan’ and ‘service’ schemes available in banks.

$H_{15}$: It is hypothesized that staff members are the main source of imparting information to customers regarding various types of ‘loan’ and ‘service’ schemes available in banks.

The responses are obtained in respect of different variables; ‘awareness of loan schemes’, ‘awareness of ‘service’ schemes’ and analysed in Table-7.30 and Table-7.49. In respect of both the variables, majority of the respondents opine that they know about the schemes from the branch staff members (52.8 and 50.7 percentages respectively). This means, even with so much advancement in technology, advertisement, publicity etc; still customers continue to expect and depend on branch staff to appraise them regarding the various ‘loan’ and ‘service’ schemes available in banks. Probably this is a strong point in favour of banks particularly PSBs who still depend more on staff than technology in publicity and canvassing marketing of banking products.

These have been substantiated from the review of literatures. Srinivasan (2005) says that employee engagement is always the key to customer engagement. Sanghwan (2005) says that human resources assume a very important role in banking industry for providing better services to customers. Ray (2003) deals the
subject from a totally different angle, “Staff members in the front line determine the fate of the branch. They come in direct contact with the customers. In other words, good staff at front desks can act as advertising agent or publicity agent and in case of need can convince customers regarding any matter, be it loan, deposit or any other schemes. Sundarsan (2003) also emphasizes the importance of clerical cadre especially in a challenging situation where every customer wants to given best service. Gupta (2002) says, “We should be friend, philosopher and guide to the customer”.

From the above, it is quite evident that, the findings in this case are in line with the literature reviewed.

Hence the Null Hypothesis $H_0$ is not proved and therefore rejected.

Alternate Hypothesis $H_1$ is proved and therefore accepted.

Hypothesis-XVI

$H_0$: It is hypothesized that overall customer satisfaction level in banks is not “excellent”.

$H_1$: It is hypothesized that overall customer satisfaction level in banks is “excellent”.

From the analysis made (Table-7.99), it is observed that only 20.1 percent of the respondents say that the overall customer satisfaction’ is excellent. Majority of the respondent customers opine in negative. On further analyzing the matter, by comparing the opinion among the three categories of customers (depending on their period of experience), it is seen that there is no significant difference of

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opinion. This implies, over the period, customer satisfaction in banks remained the same and is not ‘excellent’.

There are many literatures studied in this regard. Singhal (2007) advises ‘all strategies to win the customer not with mere words but with service. Booker (2006) says,” In order to be the banker of choice for its targeted customer base, a bank needs to keep the customer at the centre of every thing. Customer delight is arguably the most effective way to increase the customer retention ratio. Customer delight is more than mere customer satisfaction. A delighted customer is more likely to recommend a product or service to friends and associates. According to American customer satisfaction index, produced by the University of Michigan; the average customer satisfaction score for the banking industry is 75, followed by postal service, with score being 73. Taylor and Pingitore (2006) advise bankers to make strategies with a view to retain and attract customers. According to Gupta (2002), the present day customers expect that not only their needs to be served well, but also they are to be ‘cared for’ as never before. It requires keen listening and understanding of their needs and aspirations. Aurora and Malhotra (2000) say that the idea of customer satisfaction is gaining momentum and banks to formulate marketing strategies to lure customers. Shanmugham (2000) adds that, the bank that will be able to serve the customer beyond his expectation, will only survive. Kumar (1999) says that superior customer service is becoming great differentiator. Chari (1997) however regrets on the quality of customer service offered by our PSBs.He mentions as a rule, service has taken a ‘back-seat’. His observation is in line with the findings in this
research. From a different angle Silver (2006) analyses. For him, only the ‘enabling organizations’ are able to generate satisfaction for their customers. The Robert Research Group (2002), involved in conducting customer satisfaction survey in ANZ bank; opine that providing superior level customer service is a must.

Here, the Null Hypothesis $H_0$ is proved and therefore accepted. Alternate Hypothesis $H_1$ is not proved and therefore rejected.

**RECOMENDATIONS**

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: -

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- 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 Uttarakhand 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 present study was undertaken to identify the determinants of customer service. It also aims at finding out the ways and means for improving the competence of these functionaries so that their respective contribution may be enhanced. The data collected was analyzed and interpretations led to the findings. The present study has revealed the state of affairs prevailing in different types of ‘services’ and ‘products’ being extended through banks. The study has also found out the extent of contribution of various functionaries in these areas. It has further found how the competence of various functionaries such as branch managers, officers and clerks can be improved so that they can enhance their respective contribution towards achieving higher degree of customer satisfaction level.

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

The present research has following limitations:

Uttaranchal state has rural, semi urban and urban branches, but no metro branches. The study has taken care of proper representation of rural, semi urban and urban branches; hence the findings can well be extended to these category branches of the country. However in respect of ‘metro’ branches, majority of the
findings can be associated; but it may not be fully applicable to these centers. There is no ‘foreign bank-branch’ in Uttranchal. Hence the present study could not include various issues relating to these banks. The 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 Uttranchal 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 8 banks. This number is 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.
DIRECTIONS FOR FUTURE RESEARCH

The empirical 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 helping common people in particular and economy in general.

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 Uttaranchal 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.