CHAPTER - VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

INTRODUCTION

The present study focuses on three important aspects namely profile of the customers, service quality in the commercial banks and the outcomes of service quality. At the first stage, the profile of the customers and the factors leading to choose the commercial banks by the customers have been analysed. It is followed by the analysis of the service quality in the commercial banks, the SERVPERF scale and the SERVPERF scale on service quality factors among the customers. At the final stage, the outcome of service quality namely customers’ satisfaction and customers’ loyalty have been examined. The impact of service quality factors on customers’ satisfaction and customers’ loyalty and among the customers in the public sector banks (PSBs) and the private sector banks (PRSBs) have been analysed. The results of the analyses were presented and discussed in the earlier chapters. The work done and its findings are summarized in this chapter to draw specific inferences and their policy implications.

The specific objectives of the study were: i) to exhibit the socio-economic profile of the customers; ii) to analyse the factors influencing the choice of the commercial banks among the customers in the PSBs and the PRSBs; iii) to identify the important service quality factors (SQFs) in commercial banks iv) to examine the SERVQUAL and the SERVPERF scales on the SQFs among the customers in the PSBs and the PRSBs; v) To analyse the various
outcome of the service quality of the commercial banks; vi) to evaluate the impact of the SQB on the outcomes of the service quality in the commercial banks; and vii) to identity the important discriminant factors among the customers in the PSBs and the PRSBs regarding their factors influencing the choice of the banks, the SERVQUAL and the SERBVPERF scales on the SQB, and customers’ satisfaction.

The concepts and methodology were formulated according to the objectives of the study with the help of a comprehensive review of the previous studies. A pre-structured interview schedule had been used to collect the primary data from the customers of the commercial banks in Sivaganga district. In total, there are 93 PSBs and 36 PRSBs branches in this district. All the banks have been included for the present study. From each branch, 5 customers are purposively selected for the study. The total sample size came to 645 (465 + 180) customers. Hence, the applied sampling technique in the present study is purposive sampling. The interview schedule had been pre-tested among 20 customers in each PSB and 36 PRSB branches in this district. All the banks have been included for the present study. From each branch, 5 customers are purposively chosen for sampling. Necessary modifications, alterations and deletions had been carried out. The final draft of the questionnaire was used to collect the primary data. The collected data were analysed with the help of appropriate statistical tools to fulfill the objectives of the study.
SUMMARY OF FINDINGS

The important age groups among the customers are 35 to 40 years and 41 to 45 years. The most important age group among the customers in the PSBs is 41 to 45 years whereas in the PRSBs, it is less than 50 years. The average age of the customers in the PSBs is greater than the average age of the customers in the PRSBs. The important gender among the customers in both the PSBs and the PRSBs is male customers.

The dominant level of education among the customers is under-graduation and post-graduation. The most important level of education among the customers in the PSBs and the PRSBs is under graduation. The important family sizes among the customers are 3 to 5 members and 6 to 8 members. The most important family size among the customers in the PSBs and the PRSBs is 3 to 5 members.

The important occupations of the customers are business and private employment. The most important occupation of the customers in PSBs is private employment whereas in the PRSBs, it is business. The important monthly income among the customers is Rs.1,000 to Rs.10,000 and Rs.10,001 to Rs.20,000. The most important monthly income among the customers in the PSBs is Rs.10,001 to Rs.15,000 whereas among the customers in the PRSBs, it is Rs.15,001 to Rs.20,000.

The dominant family incomes per month among the customers are Rs.10,001 to Rs.18,000 and above Rs.21,000. The most important family income among the customers in the PSBs is Rs.15,001 to Rs.18,000 whereas among the customers in the PRSBs, it is Rs.18,001 to Rs.21,000. The important banking experience
years among the customers are 9 to 12 years and above 12 years. The most important years of experience among the customers in the PSBs and the PRSBs is above 9 years.

The important average amount of annual bank transactions among the customers is Rs.1.0 to Rs.2.0 lakhs and Rs.2.01 to Rs.3.00 lakhs. The most important average amount of annual banks transaction among the customers in the PSBs and the PRSBs is Rs.1 to Rs.2.00 lakhs and above Rs.4.0 lakhs respectively.

The important level of innovativeness among the customers is moderate and poor. The most important level of innovativeness among the customers in the PSBs and the PRSBs is moderate. The important level of economic motivation among the customers in the PSBs and the PRSBs is at moderate. The important levels of sociability among the customers are very high and high. The most important level of sociability among the customers in the PSBs and the PRSBs is high.

The important levels of media exposure among the customers are moderate and high. The most important levels among the customers in the PSBs and the PRSBs are high and moderate respectively. The important levels of banking orientation among the customers are moderate and low. The most important level among the customers in the PSBs and the PRSBs is moderate.

The dominant level of scientific orientation among the customers is very low and low. The most important level of scientific orientation among the customers in the PSBs and the PRSBs is low and moderate respectively. The important range of the overall personality scores among the customers are 2.01 to 3.00 and
The most important range of score among the customers in the PSBs and the PRSBs is 2.01 to 3.00.

The important factors leading to the choice of the commercial banks among the customers are credibility, customization, service consistency, access, service components, reliability, tangibility, innovation, employee behaviour, record maintenance and responsiveness.

The important variables in credibility are credit facility and safety of investment whereas in customization, these two are personalization and technology. The important variables in service consistency are working hours and time taken for work whereas in access, these two are network of branches and instructions. In the case of service components, these are features of services and variety of service.

In the case of reliability factor, the important variables are reliability of service and employees. The important variables of tangibles are equipments and seating arrangements. The important variables in innovation factor are new technology and new products whereas in employee behaviour, these, variables are interaction and manipulation.

In the case of record maintenance factor, the important variables are maintenance of records and entries in pass book whereas in responsiveness, these two variables are employee responses and promptness of employees.
The highly perceived factor leading to choose the bank among the customers in the PSBs is reliability and credibility whereas in the PRSBs, these two factors are employee behaviour and customization. Regarding the perception on the factors leading to the choice of the bank, the significant difference among the customers in the PSBs and the PRSBs have been noticed in the case of credibility, customization, service consistency, tangibility, innovation, employee behaviour and reliability.

Regarding the perception on factors leading to the choice of the bank, the higher discriminant power of the factor have been identified in the case of customization and services consistency among the customers in the PSBs and the PRSBs. The important discriminant factors leading to the choice of the bank among the customers in the PSBs and the PRSBs is a customization and service consistency which are higher in the PRSBs than in the PSBs.

The significantly associating profile variables with the perception on credibility are the level of education, occupation, monthly income, family income, banking experience and overall personality score among the customers whereas in the perception on ‘customization’, these profile variables are level of education, family size, monthly income, family income, and banking experience. Regarding the perception on service consistency, the significantly associating profile variables are family size, occupation, monthly income, family income, banking experience, number of banks dealt and overall personality score.
Regarding the perception on ‘access’, the significantly associating profile variables are occupation, and number of banks dealt whereas regarding the perception on service components, these profile variables are level of education, occupation, monthly income, number of dealt and overall personality score whereas regarding the perception on ‘reliability’, these profile variables are age, occupation, monthly income and family income.

The significantly associating profile variables with the perception on tangibility is occupation, monthly income, family income, banking experience and overall personality score whereas regarding the perception on ‘innovation’, these profile variables are age, level of education, monthly income, and banking experience. The significantly associating profile variables with the perception on employee behaviour are age, level of education, family size, occupation, monthly income, family income, banking experience, number of banks dealt and overall personality score. Regarding the perception on responsiveness, the significantly associating profile variables are age, occupation, monthly income and family income.

The identified important service quality factors in the commercial banks are reliability, responsiveness, assurance, tangibles and empathy. The important variable in reliability is providing service as promised whereas in the case of responsiveness, it is ‘customers are properly informed’. The important variable in the ‘assurance’ is ‘employees are trustworthy’ whereas in the case of tangibles, it is up-to-date equipment. Regarding the ‘empathy’ factor, the most important variable is ‘individual attention’.
The highly expected service quality factors (SQFs) among the customers in the PSBs are ‘Reliability’ and ‘empathy’ whereas among the customers in the PRSBs, these are ‘empathy’ and responsiveness. Regarding the level of expectation on the SQFs, the significant differences among the two groups of customers have been identified in the case of expectation on reliability, responsiveness, tangibles and empathy.

The higher discriminant power is noticed in the case of responsiveness and reliability in order to discriminate the customers in the PBBS and the PRSBs. The important discriminant service quality expectations among the two groups of customers are assurance and reliability. The highly influencing SQFs in discriminant function is responsiveness and reliability.

The highly perceived service quality factors among the customers in the PSBs are reliability and tangibles whereas among the customers in the PRSBs, it is also the same. Regarding the perception on the SQFs, the significant difference among the two groups of customers is identified in the perception on reliability, responsiveness, assurance and tangibles. The important discriminating SQFs among the two groups of customers regarding their perception on the SQFs is reliability and assurance.

Regarding the SERVPERF scale on reliability, responsiveness and assurance, the significant differences among the different age groups of customers have been noticed. The higher SERVPERF scale is noticed among the youngsters than among the elders. The significant differences among the male and female customers have been identified in the SERVPERF scale on reliability,
responsiveness, assurance and empathy. The SERVPERF scale among the female customers is greater than that of the male customers.

Among the different groups of educated customers, the significant difference is noticed in their SERVPERF scale on reliability, responsiveness and empathy. The SERVPERF scale is higher among the highly educated customers than among the less educated customers. Regarding the SERVPERF scale on reliability, assurance, tangibles and empathy, the significant difference among the customers with different family sizes have been noticed. The higher SERVPERF scale on the SQFs is identified as higher among the customers with lesser family size.

The significant difference among the customers with different occupations is noticed in the case of their SERVPERF scale on reliability, responsiveness, assurance and empathy. The customers with profession and business are having a higher SERVPERF scale on the SQFs compared to the agriculturalists. Among the different personal income groups of customers, significant differences have been noticed in the case of SERVPERF scale on reliability, tangibles and empathy. The higher income customers are having lesser SERVPERF scale on SQFs compared to the lower income customers.

The significant difference among the customers with the different family incomes have been noticed in the case of their SERVPERF scale on reliability, responsiveness, assurance and empathy. The higher SERVPERF scale on the SQFs have been identified among the higher family income groups than among the
lesser family income groups. The customers with the high banking experience are having a higher SERVPERF scale on the SQFs compared to that of the lesser experienced customers. Regarding the SERVPERF scale on the SQFs, the significant difference among the different experienced groups of customers have been identified in the case of reliability, responsiveness, assurance and empathy.

Regarding the SERVPERF scale on the SQFs, the significant difference among the customers based on the number of banks dealt have been noticed in the case of responsiveness, assurance and empathy. The SERVPERF scale on the SQFs is identified as higher among the customers dealing with more than four banks compared to their counterparts. The significant differences among the customers with different overall personality score have been noticed in the case of SERVPERF scale on all the five SQFS. The higher SERVPERF scale is noticed among the customers with higher overall personality score than those of the others.

The higher perception on the SQFs (SERVPERF scale) is noticed among the aged customers than the youngsters. The significant differences among the different age groups of customers have been identified in the case of their SERVPERF scale on reliability, responsiveness and empathy. Among the male and female customers, it is identified in the case of responsiveness, assurance, tangibles and empathy. The female customers’ perception on the SQFs is lesser than the perception among the male customers’.
Regarding the SERVPERF scale on the SQFs, the significant differences among the different educated customers have been noticed in the perception on reliability, assurance and empathy. The perception on the SQFs is lesser among the highly educated customers than among the less educated customers. The SERVPERF scale on the SQFs is higher among the customers with higher family size than others. The significant difference among different groups of customers based on their family size is identified in the perception on all the five SQFs.

Regarding the SERVPERF scale on the SQFs, the significant differences among the different by occupied customers have been seen in the case of responsiveness, assurance, tangibles and empathy. The higher SERVPERF scale on the SQFs is identified among agriculturalists than others. The income of the customers is inferior on their perception on the responsiveness, assurance, tangibles and empathy. The higher SERVPERF scale on SQFs is noticed among the lesser income customers compared to other higher income groups.

The higher SERVPERF scale on the SQFs is noticed among the less family income groups compared to those of the higher family income groups. The significant differences among the different family income groups have been noticed in the SERVPERF scale on responsiveness, assurance, tangibles and empathy. The higher SERVPERF scale on the SQFs higher was banking experienced customers. Regarding the SERVPERF scale on the SQFs, the significant differences among the different family income groups have been noticed in the perception on reliability, responsiveness, assurance and empathy.
The lesser SERVPERF scale on the SQFs have been noticed among the customers with higher number of banks dealt. The significant difference among the customers based on the number of banks dealt is seen in the case of perception on reliability and responsiveness. The overall personality scores among the customers in the important criterion for their perception are reliability, responsiveness, assurance and tangibles. The customers with higher personality scores are having only lesser SERVPERF scale on the SQFs compared to others.

The significantly and negatively influencing profile variables on the perception on reliability among the customers in the PSBs is age, gender, level of education, monthly income, family income, banking experience and overall personality score whereas among the customers in the PRSBs, it is also the same profile variables. The change in profile variables explains the changes in the perception on reliability are higher among the customers in the PRSBs than in the PSBs.

Regarding the perception on responsiveness, the significantly influencing profile variables among the customers in the PSBs are age, gender, monthly income, family income and overall personality score whereas among the customers in the PRSBs, they are age, gender, level of education, monthly income, family income and overall personality score. The changes in profile variables explain the changes in the perception on responsiveness are higher among the customers in the PRSBs than in the PSBs.
The significantly influencing profile variables on the perception on assurance among the customers in the PSBs are age, gender, monthly income, family income, banking experience and overall personality score whereas among the customers in the PRSBs, they are age, gender, level of education, monthly income, family income, banking experience and overall personality score. The change in profile variables explains the changes in the perception on assurance to a greater extent among the customers in the PSBs compared to customers in the PRSBs.

Among the customers in the PSBs, the significantly influencing profile variables on the perception on tangibles are gender, level of education, monthly income, family income and overall personality score whereas among the customers in the PRSBs, it is level of education, monthly income, family income, banking experience and overall personality score. The changes in profile variables explain the changes in the perception on tangibles to a higher extent among the customers in the PSBs than in the PRSBs.

The significantly influencing profile variables on the perception on ‘empathy’ among the customers in the PSBs are age, level of education, monthly income, family income and overall personality score whereas among the customers in the PRSBs, these profile variables are age, gender, level of education, monthly income, family income and overall personality score. The changes in profile variables explain the changes in perception on empathy to higher extent among the customers in the PSBs than in the PRSBs.
The important factors in customer satisfaction identified by the factor analysis are functional quality, technical quality, and individual banking service and office operation. The highly perceived factors in customer satisfaction among the customers in the PSBs are functional quality and office operations whereas in the PRSBs, these are functional quality and individual bank service. Regarding the perception on the factors in customers’ satisfaction, the significant difference among the customers in the PSBs and the PRSBs have been noticed in all the five factors in customers’ satisfaction. The important discriminant factors in customers’ satisfaction among the two groups of customers are individual bank service and office operation. These are identified as higher among the customers in the PSBs than in the PRSBs.

Regarding the perception on the factors in customer satisfaction, the significant differences among the different age groups of customers have been identified in all the four factors. It is identified as higher among the aged customers than the young customers. The higher customer satisfaction is identified among the male customers especially in all the four related factors than among the female customers. The significant differences among the male and female customers have been identified in the perception on functional quality, technical quality and office operations.

The higher perception on factors in customer satisfaction are identified among the customers with lesser educated customers than the highly educated customers. Regarding the perception on factors in customers’ satisfaction, the significant differences among the different age groups of customers have been noticed in the case of functional quality, individual business service and office operation.
The higher perception on the factors in customers’ satisfaction is identified among the customers with higher family size than among the customers with lesser family size. Regarding the perception on all the four factors in customers’ satisfaction, the significant differences among the different by occupied customers have been noticed. The higher customers satisfaction is noticed among the agriculturalists than among the others.

The monthly income of the customers is an important criterion on the customers satisfaction. The higher satisfaction is identified among the customers with lesser monthly income than among the customers with high monthly income. The significant difference among the customers with different family income is identified in the perception on technical quality, individual bank service and office operation. The higher perception is noticed among the customers with lesser family income than among the customers with higher family income.

The banking experience among the customers is the intention on the customers’ satisfaction. The higher customers’ satisfaction is identified among the customers with lesser experience than among the experienced customers. The significant differences among the customers with a number of banks dealt have been noticed regarding the perception on technical quality, individual bank service and office operation. The overall personality score is the important criterion in the customers’ satisfaction. The customers’ with lesser overall personality score is having a lesser customers’ satisfaction than the customers with higher overall personality score.
The overall customers’ satisfaction is identified as higher among the customers in the PRSBs than the customers in the PSBs. The higher consistency in customers’ satisfaction have been identified among the customers in the PRSBs than in the PSBs. The significantly influencing profile variables on customers satisfaction among the customers in the PSBs is age, family size, occupation, monthly income, family income and overall personality score. Among the customers in the PRSBs, these profile variables are age, gender, level of education, occupation, family income, banking experience and overall personality score. The changes in profile variables explain the changes in customers’ satisfaction to a higher extent among the customers in the PSBs than in the PRSBs.

The customers’ loyalty among the customers in the PRSBs is higher than among the customers in the PRSBs than in the PSBs. The profile variables namely age, gender, level of education, family size, occupation, monthly income, family income, banking experience, number of banks dealt and overall personality score among the customers are significantly associating with the score of customers’ loyalty among the customers.

The significantly influencing profile variables on the customers’ loyalty among the customers in the PSBs are age, level of education, monthly income, family income, banking experience and overall personality score whereas among the customers in the PRSBs, they are also the same. The changes in the profile variables explain the changes in the customers’ loyalty to a greater extent among the customers in the PSBs than in the PRSBs.
The significantly influencing service quality factors on the customers’ satisfaction among the customers in the PRSBs are only ‘reliability’ whereas among the customers in the PSBs, it is nil. The changes in perception on the SQFs explain the changes in the customers’ loyalty among the customers in the PSBs and the PRSBs is not an appreciable level.

The direct and significant impacts of reliability, responsiveness, assurance, tangibles and empathy have been noticed on the customers’ satisfaction. At the same time, the above said five SQFs have no significant by direct impact on customers’ loyalty. The customers’ satisfaction has a significant positive impact on the customers’ loyalty. All the five SQFs have a significant impact on customers’ loyalty. The total effect of the SQFs on customers’ loyalty is identified as higher in the case of reliability and responsiveness. The above said results are analysed with the help of structural equation modelling.

SUGGESTIONS

Based on the findings of the study, the following suggestions have been drawn.

1. Since the service quality factors have a significant positive impact on the customers’ satisfaction and that customers’ satisfaction leads to customers’ loyalty, the banking authorities are advised to formulate appropriate marketing strategies to create the service loyalty among their customers’ minds. Initially, the banks should focus on the customers’ satisfaction and their customers’ loyalty because only the extreme level of customers’ satisfaction can generate the service loyalty among the customers.
2. These have several managerial implications. These are supported by the findings of the previous researches, which indicate that customers’ contact with the employees, play an important role in affecting customer perception of service quality (Bitner, 1990\textsuperscript{134}, Bitner et al., 1994\textsuperscript{135} and Hartline and Ferrell, 1996\textsuperscript{136}). In general, it is important for managers to identify the relevant intrinsic and extrinsic cues used by the consumers in order to communicate the relevant quality signals to them.

3. Therefore a managerial priority should be to identify the most important performance cues used by the consumers in assessing quality within their respective establishments, and thereafter ensure that the key performers are equipped to perform well (Kelley, et al., 1992\textsuperscript{137}). This implication of this research is to design a service delivery system that promotes positive “moments of truth”. Moreover using a service quality assessment like SERVQUAL score one ensure that fail points in customer encounters are reduced, leading to a positive experience and strong customer refusals.

4. For delivering high service quality to the customers, the service quality programmes should become high priority with expenditure viewed as long-term investment for future growth and profitability


apart from the investment in the relevant banking technology. The banks should:

5. Investment is to be done in research and understand customers’ needs and estimation at all service encounters i.e., at all stages in the service delivery process so as to determine key components of service quality.

6. Banks should also conduct frequent training programmes in areas like prompt cash payments and receipts at the counter, efficient passbook and statement service, prompt collections and remittance services, early decisions on credit applications and patient attention to complaints. All these areas also have direct bearing on customers’ perception towards service quality.

7. Offer such services as would fully meet customers needs and develop systems and procedures that are customers and employee-focused, responsive, flexible and reliable.

8. Best use of technology must be made in products / services, systems and environment so as to ensure speed, accuracy and efficiency.

9. Banks must pay attention to potential failure points and service recovery procedures, which become integral to employees training. In other words, it amounts to empowering employees to exercise responsibility judgement and creativity in responding to customers’ problems.

10. In order to keep the gap between the estimated service and the perceived service as narrow as possible it is important that the promises about how the service will perform, given by traditional
marketing activities, which are normally speculated / communicated by word of mouth, must not be unrealistic when compared to the service the customers eventually will perceive.

11. Since the profile of the customers plays an important role in their level of expectation and perception on the SQFs in the commercial banks, the banking authority should establish a research and development cell in order to analyse the customers’ behaviour in a continuous manner. Then only they can formulate a right service to the customers at right time. The customers expectations on the SQFs are significantly different among the different groups of customers based on their profiles. The expectations on the SQFs have to be properly assessed and generate the differentiated product/service to satisfy all groups of customers.

SCOPE FOR FURTHER STUDIES

The present study has made an attempt to analyse the service quality in the commercial banks on the basis of customers’ perspective. The future study may be based on both customers and employees perspectives. The future study may link between the human resource management in the commercial banks and also the service quality offered to their customers. The comparative study on service quality in the commercial banks may be extended to the new private sector banks and also the foreign banks. A sector wise analysis on service quality in commercial banks may be focused in near future like the comparative study on individual household, business firms, corporates and government corporations. The antecedents of customers perception and expectation on the service quality of commercial banks may be examined as a separate study in
future. The scope of the study may be extended to the state level or national level.

CONCLUSION

The present study concludes that the important service quality factors in commercial banks are reliability, responsiveness, assurance, tangibles and empathy. The customers in both the public and the private sector banks are not satisfied up to their level of expectation on the SQFs except the tangibles. The profile of the customers plays an important role in their level of expectation and perception on the SQFs. The customers’ satisfaction and loyalty is identified as higher among the customers in the PRSBs in the PSBs. The highly influencing profile variables on the customers’ satisfaction and customers’ loyalty are their monthly income, family income, overall personality score and age of the customers. Even though the SQFs have a significant positive impact on customer satisfaction, it has only significant indirect impact on customers’ loyalty i.e., though the customers’ satisfaction. The important discriminant SQFs among the customers in the PSBs and the PRSBs is reliability and assurance which are higher in the PRSBs. The study concludes that the PRSBs are well ahead in satisfying the customers’ needs and creation of customers’ loyalty. The PSBs have to formulate suitable strategies to compete with the PRSBs with regard to this aspect. Then only these banks can survive in the competitive banking world.