CHAPTER-6

MAJOR FINDINGS, SUGGESTIONS AND CONCLUSION
6.1. GENERAL

The North Eastern State of Meghalaya came into existence on 21st January 1972. The State was carved out as an independent State from the two hills districts of United Assam namely United Khasi and Jaintia Hills and Garo Hills district. The state is situated in the North East of India between 25·47' and 26·10' North Latitudes and 89·45' and 92·47' east longitudes. The temperature ranges from 2.C to 36.C depending on the altitude, which ranges from 300 metres above Mean Sea Level (MSL) and 2000 metres above MSL. Meghalaya is amongst the highest rainfall areas in the world.

The State has a geographical area of 22429 sq.kms and it constitutes 0.68% of the total geographical area of the country. It is one of the smallest States in India and is strategically located in the North East between 25· 5" and 26· 10" North Latitudes and between 98· 47" and 97· 47" East Longitudes. It is a strip of land spread along northern boundary of Bangladesh and it is bound by that country on the South as well as on the West. The State is surrounded on the other sides by Assam. The length of the International boundary is 423 Kms. The state is characterized by mountains, plains, innumerable hills and waterfalls. The State is categorized as a high rainfall zone of the region with average annual rainfall recorded at 2500mm spread over a period of 128 days. Rainfall is mostly concentrated during May to October. Places like Cherrapunji and Mawsynram experience highest rainfall. There are three hill areas viz. (a) the Khasi Hills area under the Khasi Hills Autonomous District Council constituting East Khasi Hills district, West Khasi Hills
and Ri-Bhoi. (b) the Jaintia Hills Autonomous District Council comprising of Jaintia hills district and (c) the Garo Hills under the Garo Hills Autonomous District Council, comprising of East, West and South Garo Hills. (http://megcooperation.gov.in/sfp/06-07/SFP%2006-2007%20contents.pdf)

The present work is carried on to study the status of customer satisfaction (CS) in State Bank of India (SBI) and other competing public sector banks (PSBs) situated in various parts of Meghalaya. The level of CS in SBI and other PSBs [Punjab National Bank (PNB), UCO Bank, United Bank of India (UBI) and Vijaya Bank (VB)] has been compared across different locations and personal characteristics like gender, age and educational qualification of the customers. The response of the customers \(n=650, \text{ SBI-250, other PSBs-400}\) in the process of filling up the questionnaire has been quite positive except few erratic experiences.

As explained in different chapters, the role of banking sector in the development of financial sector viz-a-viz the whole economy is praiseworthy and crucial. The most important stakeholder is recognized as customer in these institutions. The choices available to the customers have grown many folds which has made banking a very competitive and challenging venture. The PSBs including SBI have taken up the challenge of responding to the expectations of the customer quite sportingly even after lot of resistance from their employees. The state of Meghalaya has also been part of overall
development of banking sector; however the growth has not been as expected due to its inherent problems.

When the present study was initiated there were only PSBs operating in the state of Meghalaya, however lately the state has witnessed the emergence of private banks like ICICI, HDFC, and AXIS bank etc. The present work is carried out targeting the customers of PSBs only. The PSBs have their operations in almost all parts of the state, though their size is small. SBI is found to be most important and networked bank in the state. However it is facing competition from other PSBs at different locations like, Laitumukhrah, GS Road, Cherapunjee, Mehndipather, Byrnihat, and Jowai. These locations cover 4 districts of Meghalaya (East Khasi Hills, Jaintia Hills, East Garo Hills and RiBhoi). The customers of only those banks have been taken for this study where there are at least two banks facing competition and one of them is SBI. Shillong (East Khasi Hills) being the capital of the state has concentration of banks whereas at other locations many banks are not in operation.

The literature review as discussed in chapter 2 has brought out many facets of measuring CS, however the most popularly known and followed tool has been the one developed by Parasuraman and his associates in the name of SERVQUAL (Service Quality). The present work has used the 5 variables (Tangibility, Responsiveness, Reliability, Assurance and Empathy) as given in this measurement tool. Further response time for different types
of transactions has been also added to Service quality in order to get a final customer satisfaction index (CSI) on the basis of which the comparisons are made.

6.2. MAJOR FINDINGS:

On the basis of the whole work as explained and analysed in the earlier chapters the major findings are summarized as follow:

6.2.1. The customers of SBI Laitumkhrah branch have much higher satisfaction level than other branches of SBI as well as other PSBs situated in Laitumukhrah and other locations. However PNB Laitumukhrah has second highest level of CS across all the branches under study. Overall the customers of Laitumukhrah enjoyed highest satisfaction, whether they were customers of SBI, PNB or VB.

6.2.2. SBI Cherapunjee and Malki branch customers had lowest of CS across all the branches of SBI and other PSBs. All other branches had more or less similar trend in their level of satisfaction.

6.2.3. Overall amongst all the banks under study, PNB customers had better CSI as compared to all other banks including SBI which was second. However UBI customers had lowest CSI.

6.2.4. Though less in size (29% of total respondents), females were found to be having relatively higher CS as compared to males.

6.2.5. The customers of UBI were found to be least satisfied with the services of the bank as compared to the customers of all other banks.
6.2.6. The customers of SBI with graduate qualification were least satisfied (across other educational qualifications like, under matric, pre-university, post graduation or any professional qualification) whereas of other PSBs they were highly satisfied. Overall graduate customers were having highest CSI as compared to the respondents with other educational qualification background.

6.2.7. The customers of less than 25 years and above 55 years of age in case of both the types of banks had highest satisfaction as compared to other age groups in between, though their overall size was also small (6%). When clubbed with other groups overall it was observed that the customers between the age group of 36-45 years of age (42%) were having higher level of satisfaction for both SBI and other PSBs in Meghalaya.

6.2.8. From the result of the T-test, it is found that all the compared variables are highly significant at 1% level of confidence with varying degree of freedom that means there are lot of differences in the components/variables between two types of banks i.e., SBI and other PSBs.

6.2.9. All the customers (SBI as well as other PSBs) derived more satisfaction from service quality as compared to the time taken for various types of transactions.

6.2.10. Responsiveness was found to be most important variable for CS for SBI operating in East Khasi Hills and Other PSBs operating in East Garo Hills; however Response time as to providing different services to the customers was found to be more important than other variables for CS in all the banks and branches operating
in Jaintia Hills district and SBI in RiBhoi district. Tangibility was rated at top by other PSBs operating in East Khasi Hills district.

6.2.11. SBI had better bank performance as compared to other PSBs putting all the branches and variables together.

6.2.12. CS was found to be positively correlated with NPA and Net Profit in case of SBI whereas none of the performance parameter had positive relationship with CS in case of other PSBs

6.2.13. Business per employee was found to be having greater impact on the performance of both the types of banks viz., SBI and other PSBs.

6.2.14. There was significant difference in the level of customer satisfaction of SBI and other PSB’s customers in Meghalaya.

6.2.15. It was found that the customer satisfaction and bank performance is closely related across all PSBs including SBI in the state of Meghalaya.

The findings of the present work bring out the status of CS in the PSBs operating in the state of Meghalaya and its relationship with the performance of banks. There have been several studies in the area of assessing CS of the customers of banks; however the customers of the banks in Meghalaya have been assessed. Further the importance of service quality and time factor has not been studied together however they have been studied separately. In this light the findings of the present work become important. In some cases the findings are similar to other studies whereas there are variations as well.
Like in the work of Ahmed (2008) time taken for providing service was found to be most important factor for CS, similarly in our work also service time had better score over other variables. But as found by Vanniarajan and Manimaran (2008) where male customers were having better CS, our study shows just the opposite as females were found to be having better satisfaction. As concluded in the study conducted by Gani and Bhat (2003) the service quality of foreign banks operating in India was found to be better than the PSBs, our study presents that time factor played more important role as compared to service quality across all the PSBs including SBI which is quite similar to the study conducted by Varghese and Ganesh (Year), though service quality as such was found to be better delivered in case of SBI than other PSBs in Meghalaya. Amongst different variables of service quality reliability was found as most important factor influencing CS in the banks in the work of Aileni (2006), whereas in our work it was responsiveness. Through the observations it was found that the customers who were appreciative of banks’ responsiveness, caring attitude and reliability were referring these banks/branches to other people, an example of customer delight as also found by Lenka et al., (2009).
6.3. SUGGESTIONS

On the basis of the major findings of the study the following suggestions are offered for improving the level of satisfaction among customers through provision of better service quality and response time for different types of transactions:

6.3.1 The banks should introduce more schemes for the women and communicate those properly using appropriate media so that they are able to maintain better level of satisfaction with their female customers.

6.3.2. There is strong need of periodic assessment of customers’ expectations from different branches and services so that necessary steps could be taken to provide them satisfaction and compete.

6.3.3. The PSBs other than SBI have to invest hugely on developing better infrastructure through using latest technology which is also required for better integration of services provided. Specially UBI and UCO bank in East Khasi Hills were found to be having poor infrastructure facilities as compared to their competing branches and it was found to be one of the important reason for lower satisfaction level of customers of these branches.

6.3.4. The banks should conduct regular training programmes in the areas like prompt money transfer, prompt issue of remittance, updating the passbook, credit outstation cheques, cash receipt and payment at the counter, and correction of account balance as time taken to provide these services was found to be very important factor for the CS.
6.3.5. SBI and other banks should provide some kind of awareness programmes for their existing as well as prospective customers regarding new and innovative products and services offered time to time among the three districts i.e., Ri­bhoi, Jaintia Hills, and East Garo Hill as the customers were not being found updated with the latest banking products and services.

6.3.6. SBI branches in RiBhoi and Jaintia Hills district need to concentrate on response time for different transactions as customers of these branches were found to be having lower satisfaction as compared to other branches.

6.3.7. Last but not the least, the management of the bank should put its sincere efforts to match the expected service quality to the offered service quality so that loyalty of the customers can be achieved.

6.4. CONCLUSION

Financial sector in general and Banking sector in particular is growing at a very fast pace even in India. The emergence of different types of banks and financial institutions has raised the expectations of their valued customers both existing and potential. The banks are busy drafting and implementing strategies in order to respond to the expectations of the customers. The public sector banks are no exception to this phenomenon as they relatively wider reach as compared to their counterparts. The studies as reviewed in the chapter 2 have influenced much of the current work however it is one of its kind in the state of Meghalaya where banking sector has experienced growth especially in the last one
decade. The findings of the present work as discussed earlier in this chapter have provided a good insight into the issues related to customer satisfaction and its status in different PSBs as well as at different locations. The importance of different variables in contributing to the level of customer satisfaction has been studied thoroughly through different statistical tools. Some of the findings are following the trend in the literature and the works done at other places; however some of the findings are very different in nature specially as to gender perspective and the importance of response time of banks in responding to the needs of the customer.

The present work is not an absolute authority in the field as it further opens some questions as to the constituents of customer satisfaction and its the perceived quality of service by the customers which is one of the most important determinant for assessing the level of satisfaction of the customers. It is expected that the current work would provide a guideline to the bankers as well as would guide further research in the area of valuing customer satisfaction in banking industry in Meghalaya in particular and in other types of service industry in general. As during the course of this work number of private banks have started their operation in the state of Meghalaya, a comparative work on the level of customer satisfaction from PSBs and private sector banks operating here would go a long way in developing literature as well as guiding decision makers leading different banks in the state.
REFERENCES:


