CHAPTER 7

SUGGESTIONS AND CONCLUSION

This chapter deals with suggestions and conclusion of the study. The following suggestions emanates from the study.

7.1 SUGGESTIONS

7.1.1 Enhancing employee involvement

The employees of the bank in its value delivery system play a vital role in building the bank-customer relationships. Based on the study, it is felt that the bank employees are to necessarily be tuned towards adapting themselves to the constantly changing requirements of the customers. As such, it is suggested that, banks may often organize programmes to provide customer requirement based training to the employees. Banks may also initiate suitable reward schemes for employees in tune with the extent of cordial relationship they maintain with the customers. As such, suitable financial and non-financial incentive schemes may be introduced towards the contribution of employees in acquiring new customers, maintaining relationship with existing customers, prevention of customer defection and the like. In the process banks may often benchmark their employees’ performance against world class banking service providers.

7.1.2 Segment specific products/services

The expectations of customers in terms of banking products and services are undergoing constant changes. In this context it is suggested that bankers have to come
out with innovative products/services matching to the requirements of the expectations of the customers. Such innovative product/services would, obviously lead towards acquiring new customers and might also provide additional satisfaction to the existing customers. It is suggested that, bankers may encourage suitable contribution of ideas towards innovative products and services from all concerned in the process of products/services design and delivery system. Such an approach is suggested to be continuous in character.

7.1.3 Focus on profitable customers

The customer inventory of a bank consists of most profitable customers to least profitable customers. Bankers are expected to have a thorough knowledge in respect of the profit generated out of those customers. The resources employed, in building relationships is necessarily to be linked to the profitability associated with such relationship building. In this context it is suggested that, appropriate relationship strategies are to be evolved to gain the maximum profit. It is further suggested that, such relationship strategies may aim towards making the customer move upward in the profitability ladder across the customer life cycle.

7.1.4 Drawing attention of competitors’ customers

The customer base of a bank is expected to increase constantly and consistently. On this account, the attention of customers doing business with competing banks has to be drawn, of course by adopting ethical practices. For this purpose it is suggested that banks have to come out with value added products and services; promising, more value addition to the customers; than what they may might otherwise gain from the competing banks. For this purpose, appropriate strategies may be arrived at.
7.1.5 Improving customer interaction

Interaction with customers is an essential input for effective customer relationship. Active interaction at periodic intervals would reveal the relationship status. It is therefore suggested that, bankers may come forward with appropriate and effective interaction mechanism. In this context the researcher could observe that some banks have already initiated steps such as, appointment of relationship managers. Such approaches should further be activated aiming at total customer interaction leading to build up of better relationship.

7.1.6 Efficient customer complaint management

The study reveals that varying nature of customer complaints are in practice. Complaints that are expressed or otherwise should be addressed meaningfully; so that, the relationship chain would be strengthened. It is observed from the study that it takes on an average, approximately three days to redress the grievance of a complaining customer; which appears to be on the higher side. Therefore, it is suggested that, appropriate mechanism be initiated to minimize the customer complaint cycle which in turn, will contribute towards improving customer satisfaction levels which is the basis for relationship building.

7.1.7 Building meaningful databases

Relationship building revolves around the data available with the bankers. Therefore, data is the most valuable asset for bankers. Consistent attempt should be made to obtain adequate, appropriate and authentic data in respect of the past, present and the prospective service users. In this context, it is suggested that, appropriate data warehousing and mining techniques have to be designed to identify and explore data pertaining to aspects associated with customer relationship. It also involves extension of information technology to banking sector; thereby, specially identified software
professionals are to be dedicated to develop customer relationship models, as applicable to specific banks on a continual basis. This model should be constantly upgraded in relation to the changing micro and macro bank environment concerned.

7.1.8 Customization of Customer Relationship Management packages

The results of the study reveals that, there appears to be increasing awareness as well as adoption of customer relationship management packages available in the market specially in the private sector banks and foreign banks when compared to nationalized banks. Success in the implementation of Customer Relationship Management packages can be achieved only if the bank can create the right environment, culture and attitude of the employees aiming to serve the customers in the best possible manner.

Besides this, implementation of customer relationship management package requires development of new skills and technology together with technology enabled system of customer behaviour modelling. On this line it is suggested that, bankers have to customize the customer relationship management packages incorporating all needful features; which, might contribute towards value added customer relationship.

7.1.9 Strengthening variables initiating relationship

The study reveals the variables that contribute towards initiating relationships. Of the variables considered, voluntary enquiry is very prominent with regard to initiating relationship. It is therefore suggested that, bankers may initiate appropriate methods to encourage voluntary enquiries and further measures to be initiated for conversion of the enquirers into prospective customers. Following voluntary enquiry, the other variables such as, personal selling, advertisements, exhibitions, etc. also play significant role in initiating relationship. As such, it is
suggested that, bankers may pay due attention to these variables in the process of initiating relationship.

7.1.10 Strengthening variables influencing existing relationship

Among the variables that influence bank customer relationship, ATM facility and location are considered to be very much influential followed by quality of service, operational time and courtesy. Hence, it is suggested that, bankers may adopt strategies relevant to improve the facilities related to these influencing variables so that, existing customer relationship may be enhanced.

7.1.11 Strengthening variables influencing satisfaction

The study reports that, among the variables considered for the study location, ATM facility and computerized services are the three variables that influence the level of satisfaction very much. On this line it is suggested that bankers have to pay serious attention to these variables towards enhancement of satisfaction.

7.1.12 Attention on variables influencing dissolution

Among the variables considered for the study, it is found that bad location, less number of branches and high bank charges significantly contribute towards dissolution of relationship with the customers. Bankers therefore are expected to devote attention on these aspects so that the defection can be minimized or prevented to the possible extent.

7.1.13 Preventing defection

Customers who are likely to be defectors are likely to reveal some attrition signals in one form or other which may be explicit or implicit or both. It is suggested
that these attrition signals be tapped effectively by the bank employees and proactive strategies to be adopted to prevent defection of customers. Preventing an existing customer from defecting is likely to be more rewarding as compared to the reward that may be gathered from a newly recruited customer.

7.1.14 Recognize the interdependencies

Banks as on date to a greater extent depend on various agencies for their performance. Such agencies play significant roles in building the relationship with customers. It is suggested that bankers have to assign due recognition to such interdependencies so that, they in turn would contribute towards better customer relationship.

7.1.15 Providing total satisfaction to customers

It is suggested that, bankers have to concentrate on providing total satisfaction to customers by involving and empowering each and every employee of the bank (and not merely those who are directly interacting with the customers). In the process of providing total satisfaction, bankers have to experiment different measures that may add value to the service rendered or product delivered. Further, attempts are to be made to make the customer realize that his presence is recognized, his time is respected his efforts are rewarded and his requirements are met more than his expectations.

7.2 CONCLUSION

The study provides an insight into the development of banking in India with focus on retail banking. This provides a clear understanding of banking industry both in the retrospective and prospective perspectives.
The study brings to light the various aspects relating to relationship building in retail banking industry. The variables identified are contributing towards relationship building and dissolution of relationship will definitely help bankers to evolve appropriate strategies towards relationship building. On this line the study offers various suggestions towards improving bank-customer relationship. The study also found that there is difference in the perception of customers and bankers as regard to several aspects of relationship management. Such perception gaps are to be minimized so that the bankers can gain advantage in the competitive environment. The relationship models identified in the study would throw further light on strategic decisions pertaining to relationship building. An effective customer relationship management programme designed and executed will obviously provide a win win platform to both the service providers namely, the bankers and the service users namely, the customers. It is hoped that this study is a humble contribution towards achieving this goal.

**Directions for Further Research**

Further research may be attempted on the following lines:

- The present study takes into account, select number of banks only. Attempts may be made to study the Customer Relationship Management practices by including other banks.

- The research has been conducted in Chennai city and hence similar studies can be conducted in the other cities like Mumbai, Delhi and Calcutta to gain further insights into the subject in the national perspective.

- A comparative study as to how the banker-customer relationships are prevailing in the global context can throw more light on the subject.