CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

The final chapter aims to conclude by providing a summary of the earlier section. It helps us to have a quick look on the key findings from the primary field section of the study, Implication of the study, conclusion and Recommendations for future researchers.

6.1 Summary

Technology readiness or stage of e-service adoption may have an impact on the service experience and perceptions of e-service quality. Technological developments have removed repetitive, time consuming tasks, reduced human error and extended access to banking related facilities. Technology also provides customer information that it would be much more expensive to provide on a person-to-person basis. Telephone banking facilities allow non-cash transactions to be carried out, which would have required a visit to a branch earlier. Similarly, Internet banking allows customers to perform tasks at a time and in a place convenient to them. Direct contact with such technology also gives customers a feeling of greater control. Technology was introduced in banks originally to reduce costs but that, by dividing front and back office operations, technology can be targeted to enhance different functions. The dilemma still remains, however, as to how to maintain a satisfactory number of face-to-face interactions with the customers. This study aims to analyse on the Role of Technology in Customer Satisfaction in Banking Industry, with particular reference to State Bank of India (Chennai).

The researcher intends to achieve the over-arching aim of the study by examining the following specific objectives: to draw a detailed theoretical discussion on the trend in technology adoption by the banks in India, to study the demographic and Scio-economic status of the State Bank of India customers in Chennai, to find out the range of services offered by State Bank of
India using latest information technology to its customers and customers level of awareness towards these services, to analyze the customer attitude towards updated technology service offered by the State Bank of India in Chennai and their opinion on the service quality dimension of e-services, to examine the customer level of satisfaction towards technology based service practices and service quality dimension of e-services offered by State Bank of India in Chennai and to measure the Gap in customers’ satisfaction towards technology based service practices and to offer feasible recommendations for enhancement of customers’ satisfaction.

This empirical study is both explorative and descriptive in nature. The contribution of Chennai city and the growth of financial market operation in India have motivated the researcher to select Chennai for the study. For the effective conduct of this study the researcher applied multi-stage random sampling techniques. In the first stage of the researcher adopted stratified random sampling techniques for classification and selection of geographical regions in Chennai city. In the second stage, researcher adopted convenience sampling techniques for collection of first-hand information on customers’ level of satisfaction towards technology (e-banking) services offered by the State Bank of India in Chennai.

In the first stage, the study covered all 196 Branches of SBI branches are in operation in Chennai city. The entire Chennai city is stratified (classified) in to four zones North, South, East and West. These four zone branches were selected based on the importance of the geographical location of the area and volumes of business operations with SBI. In the second stage of the sampling, the customers from these four zones were selected, based on the convenience sampling techniques. A pilot study was conducted with 50 respondents for the preliminary investigation to check the reliability and validity of the questionnaire. The pilot survey made is found to be reliable (KMO sample Adequacy: .737 and Cronbach Reliability of: .768). Hence the researcher made
use of the questionnaire in the main study without any changes in the preliminary study. A total of 400 samples were chosen, from these four zones (a sample of 100 respondents from each zone) using convenience sampling technique, the relevant data required for the study collected. Out of 400 questionnaire distributed only 374 samples were considered for analysis as the remaining samples those were not answered properly and they were discarded were deducted from actual population for the study. Thus, the study is confined to 374 sample respondents only. A well-structured questionnaire consists of five major parts to ascertain the opinion of the customers on technology enabled banking services offered by the SBI and it was used as research tool for primary data collection.

6.2 Findings of the Study

The key findings of the study are briefly presented in this sub-section of the study.

I. Competitive Status of SBI & Its Associates in E-banking Services

From the elaborate data analysis it has been found that the SBI has proved competitive in offering e-banking services in comparison to this public sector nationalized banks and other domestic and international level foreign banks: in term of ATMs service, computerization of bank branches, issuance of debit and credit cards.

- As on the March 2013, SBI had achieved cent percentage of computerization. Whereas, the other public sector nationalized banks had not achieved cent percentage of computerization even by the end of the financial year 2011-12.

- As on March 2013, SBI & its Associated have owned 32591 ATMs operating across the country, of which 57.40 per cent were installed within the campus of bank location and 42.60 per cent of ATMs functioned off-site.
• As per the RBI report 2013, the public sectors banks have possessed 69652 ATMs centers across the country, of which 72.17 per cent were installed within the campus of bank location and 50.49 per cent of ATMs functioned off-site.

• Similarly, the nationalized banks have owned 35359 ATMs operation across the country, of which 37.05 per cent were installed within the campus of bank location and 25.24 per cent of ATMs functioned off-site.

• Based on the RBI report 2013, the private sector banks have possessed 43101 ATM centers across the country, of which 27.32 per cent were installed within the campus of bank location and 47.83 per cent of ATMs functioned off-site.

• As on March 2013, the old private sector banks have owned 7566 ATMs operation across the country, of which 7.27 per cent were installed within the campus of bank location and 6.03 per cent of ATMs functioned off-site.

• It has been inferred that, the new private sector banks have owned 35535 ATMs operating across the country, of which 20.05 per cent were installed within the campus of bank location and 41.80 per cent of ATMs functioned off-site.

• It has been found that, the foreign banks have owned 1261 ATMs operating across the country, of which 0.51 per cent were installed within the campus of bank location and 1.68 per cent of ATMs functioned off-site.
• As on March 2013, the Public sector banks have issued highest number of debit cards. SBI had issued high percent of cards as compared to other nationalized banks and private sector banks.

• It has been found that, the public sector banks have issued (260.6 debit cards), SBI (136.4 debit cards), Nationalized banks(118.60 debit cards), Private sector banks (67.3 debit cards), New Private sector banks (51.9debit cards), Old Private sector banks (15.4 debit cards) and Foreign banks have issued (3.3 debit cards).

• As on March 2013, the new private sector banks have issued highest number of credit cards. Whereas the public sector banks, SBI, Nationalized and Foreign banks did not achieve its target.

• It has been found that, the number of credit card holders of new private sector banks was recorded at (11.1 per cent), Foreign banks (5.0per cent), Public sector banks (3.5per cent),SBI (2.6per cent), Nationalized banks (0.9per cent) and the credit card holders of Old Private sector banks registered at (0.04per cent).

II. Demographic Profile of the Customers

From the elaborate data analysis it has been inferred that out of 374 SBI customers surveyed, 70.85 per cent of the respondents surveyed are male and the remaining 29.15 per cent of bank customers are female. Further it has been observed that 46.79 per cent of the SBI customers in Chennai are aged between 25-40 years, 35.03 per cent of respondents are Post Graduates and 26.20 per cent of bank customers’ in Chennai are self-employed entrepreneurs. The survey results claim that 38.77 per cent of respondents’ annual income ranges between $1- \$2 lakhs.
III. Banking Service Availed by the Customers’

From the above empirical data analysis it has been observed that, most i.e., 94.39 per cent of respondents’ have held loan accounts in the State Bank of branches of India, it is a very rational finding as it is notified in Table:4.4 that 26.20 per cent of bank customers in Chennai are self-employed entrepreneurs. Out of 374 respondents’ surveyed, 33.42 per cent of customers are availing State Bank of India’s services for the past 5-10 years. The survey results declare that majority i.e., 90.91 per cent of sample subjects in Chennai are mostly transacting through internet banking. Further, it has been inferred that majority i.e., 78.34 per cent of bank customers are utilizing e-banking services for account transactions and for balance checks.

IV. Bank Customers’ Level of Awareness towards E-Banking Technology

Majority i.e., 76.60 per cent of the bank customers in Chennai city are aware of the core Banking facilities, ATM, Internet, Mobile, Phone banking etc., facilities offered through e-banking, and it is ranked as first place with the mean score of 3.83. Similarly, most of the respondents’ (73.14 per cent) have opined that the net banking services are very beneficial as they were able to access their accounts from anywhere & anytime, and it is ranked as first place with the mean score of 5.12.

Majority i.e., 88.80 per cent of the bank customers and believe that debit/credit card services offered by SBI are highly beneficial, and it is ranked as first place with the mean score of 4.44. It has been found that out of 374 respondents surveyed, majority i.e., 93.20 per cent of the bank customers have said that the SBI ensures safety to their personal information, and it is ranked as first as the mean score of 4.66.

V. Customers Perception towards Service Quality Dimension

Majority i.e., 90 per cent of the customers in Chennai have opined that the SBI branches maintain clean and pleasant environment and the material
associated with the services are good, and it is ranked as first place with the mean score of 4.50. Further, it has been understood that majority i.e., 70.60 per cent of the customers’ have agreed that the bank fulfills promises in certain time; it is ranked as past with the mean score of 3.53.

Most i.e., 99.20 of the SBI customers in Chennai have opined that the work nature of the bank employees is flawless and it is convenient to them, and it is ranked as first place with the mean score of 4.96. Out of 374 respondents’ surveyed, majority i.e., 69.80 per cent of the bank customers have opined that the bank employees give individual attention to them, it is ranked in first place with the mean score of 3.49. Most of the sample i.e., 71 per cent bank customers feel that the SBI ATM centers are located at accessible distance, and it is ranked in first place with an average score of 3.55.

On an average 85.40 per cent of the customers have agreed that SBI banks site is secured for credit card information, and it is ranked as first place with the mean score of 4.27. It has been observed that majority i.e., 93.80 per cent of the sample subjects’ in Chennai city have said that SBI bank’s interest charges on loan are competitive in comparison to other; it is ranked as first place with the mean score of 4.69. Out of 374 respondents surveyed, majority i.e., 85.40 per cent of the sample subjects have said that the SBI banks offer product and services according to the needs of individual, it is ranked as first place with the mean score of 4.27.

**VI. Bank Customers’ Level of Satisfaction**

It has been inferred that, majority i.e., 98.20 per cent of the bank customers exhibit high degree of satisfaction towards the ATM facilities offered by the SBI, and it is ranked as first place with the mean score of 4.91. Sixty per cent of the sample bank customers have said that the SBI banks ensure safety to their personal information and are highly satisfied with it and, it is ranked in first place with the mean score of 3.00. It has been inferred that 93.40 per cent of the bank customers exhibit high degree of satisfaction.
towards the product variety offered in SBI, it is ranked as first place with the mean score of 4.67.

VII. Results of Hypothesis Testing

From the empirical results of Chi-Square test it has been found that SBI customers' level of awareness toward e-banking technology is not influenced by their Educational Qualification and the SBI Customers’ level of awareness toward e-banking technology is not influenced by their Occupational Status.

The results of Chi-Square test indicate that there exists no close association between customers’ knowledge on the advantages of the technology enabled banking services and their Educational Qualification and there exists close association between customers’ knowledge on the advantages of the technology enabled banking services and their Occupational Status.

From the empirical results of Rotation Factor analysis it has been found that there exists significant correlation on bank customers’ level of perception on technology enabled banking services offered by SBI.

The results of Paired ‘t’ test indicate that there exists a wide gap in customers’ perception towards nature of technology, quality of services and service quality dimension of technology enabled services offered by SBI and their level of satisfaction.

6.3 Suggestions and Recommendations

The banking institutions in India in general and State Bank of India in particular should frame performance grid as strategic tool according to the customers’ need and demand for service usage and also to retain them as satisfied with banking technology.

- From the empirical findings it has been observed that only Majority i.e., 76.60 per cent of the State Bank of India’s customers in Chennai city are aware of the core Banking facilities, ATM, Internet, Mobile, Phone
banking etc. and facilities offered through e-banking. Similarly, 70.60 per cent of the customers have agreed that the bank fulfills promises in certain time, 69.80 per cent of the bank customers have opined that the bank employees give individual attention to them; 85.40 per cent of the customers have agreed that SBI banks site is secured for credit card information and 60 per cent of the sample bank customers’ have said that the SBI banks ensure safety to their personal information and are highly satisfied. Based on these findings it has been understood that certain E-banking services offered by SBI are not flawless, thus State Bank of India has to frame effective strategies to overcome the service inconveniences referred by their customers, in order to retain them in the long run.

- The State Bank of India must draw effective strategies to make all its account holding customers be ‘aware of the IT enabled e-banking service, which is currently at 76.60 per cent. The bank can promote the benefits of the features of e-service etc-banking through personal campaigns at the branch offices, through television commercial, internet, mobile phone messages and outdoor poster advertisements.

- The State Bank of India must implement personalized aspect to the service i.e., getting to understand what the customer needs and improve their services per the demands.

- The banks should pay special attention to convenience by providing the customers with electronic banking service at points which can easily be accessible. For instance, some ATMs are the most used services by the SBI clients, and so the bank must encourage their customers to operate online transaction i.e., cash less transaction in all aspects of banking services.
The banks’ management should also improve their ATM systems so as to minimize waiting time in the queue. This will improve the efficiency in the cash delivery which boosts customer relations.

Banks should also provide customers with a toll free number. This could handle customers complaints and general feedback about the electronic banking services. This would not only provide a service to a customer that is free, but also post the bank with valuable information for future development on electronic services.

Bank must ensure effective online security to its valuable customers by means of adopting adequate e-banking security systems. The security should be extended to all the areas of E-banking services i.e., ATM, internet, core banking, mobile banking, telephonic banking etc. The bank management must understand the fact the Reserve Bank has recently come out with the recommendations of a Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds. Implementation of the recommendations calls for an assessment of the nature and scope of activities supported by technologies engaged by banks.

The study found that only 75.94 per cent of respondents’ are utilizing mobile banking services. Thus, it is suggested to the bank management that they must realise the fact that despite large base of mobile phones, mobile banking is yet to pick up momentum. Mobile banking has huge potential and the stakeholders need to collaborate much more proactively for common benefit. Thus, the banks need to promote mobile
banking especially among the customers above 30 years of age category.

- The study found that 69.80 per cent of the bank customers’ have opined that the bank employees give individual attention to them. Thus, it is suggested that banks should develop in-house training of IT skills to their employees, further deepen and broaden the IT management and leadership competencies among its staff. Because, these days all nationalized banks operating in India have become increasingly dependent on third party IT service providers for all technology needs, to the extent that in many cases service providers are in control of the banks technology agenda. Thus, it is strongly recommended, in order to offer personalized services to banking, that customers’ banks should develop in-house training of IT skills to their employees.

- It is also suggested to IDRBT that they may explore the possibility of connecting the secured INFINIT with the Government NICNET so that the entire sensitive massive financial transfers take place under secured environment.

6.4 Conclusion

The opening up of the Indian economy in 1991 almost corresponded with the worldwide internet revolution which doubly impacted the Indian private and public sector banks that were still stuck in old ways of functioning. Once Indian IT services companies started booming, it was just a matter of time before Indian banks wholeheartedly embraced technology. This paved the way for business process automation in banking, which enhanced customer service, reduced manpower costs and increased profitability. Apart from normal banking products, Indian banks started selling third party products such as mutual funds and insurance to their customers as well. This single window selling saves the customers time and enable the bank to enrich the relationship.
The Reserve Bank of India, India’s Central Bank, not to be left behind, played its part in this transformational journey by issuing regulations and recommendations on banking mechanization and computerization. Establishment of computerized inter-connectivity across bank branches, introduction of MICR-based cheque clearing, modernization of payment services and settlements through Electronic Clearing Services (ECS), Real Time Gross Settlement System (RTGS), National Electronic Funds Transfer (NEFT), were all significant landmarks in the banking technology revolution.

Continuing advances in technology rise in middle class income levels, and increase in demand from a consumer-oriented financial market, soon catapulted the Indian banking sector to a customer-centric, technology driven, financial supermarket catering to the varied needs of its customers.

The study aims to conclude with the note that the banking industry is going through a period of rapid change to meet competition, challenges of technology and the demands of the end users. Clearly technology is a key differentiator in the performance of banks. The bank needs to understand this fact and frame their operational strategies for future success, i.e., profitability and retention of customers.

6.5 Recommendations for Further Research

The researcher conducted a survey in the banking industry in Chennai and recommends that a study should be carried out to determine the parameters of the customers in Chennai. Due the geographical limitation of the study researcher recommends that future researches should be carried out to make

- Comparative study on customers’ satisfaction towards e-banking services offered by SBI in various cities in TamilNadu.
- Future move, researcher can focus on the challenges encountered by the customers with the process of using electronic banking in the service delivery, in special reference to SBI and other public sector banks in general.
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