CHAPTER IX: MAJOR FINDINGS AND SUGGESTIONS

9.1.1-Introduction:
This chapter, being the final chapter of this research report, brings together the conceptual and analytical framework in the preceding chapters and presents the findings of this investigation and the suggestions based thereon.

After having analyzed the collected information, researcher has developed certain findings based on analytical information which is divided in two parts –

1] Findings based on customer’s opinion survey
2] Findings based on bank manager’s opinion survey

1] Findings based on customer’s survey
   A) Findings based on collected information
   B) Findings based on personal discussions

9.1.2. Demographic profile findings
The demographic profile of both private and public sector banks are very diverse, less number of females i.e. (11.2%) of private and (16.8%) of the public sector bank customers are active in banking, and it is seen that major share of respondents i.e. 42.8% of private and 38.8% of public sector bank customers are youngsters. Service class customers i.e. employees 42% & 43.6% in both private and public sector respectively dominate the business group. Professionals have shown more preference to private sector banks due to their busy schedule and hence they have high expectation of quick service. Income and occupation are closely interrelated in preferring various banking services.

Again it is seen that less educated customers (45.6%) are preferring public sector banks as compared to private sector banks 62%. This trend is observed due to large presence of public banks and wide range of product. And post graduates and educated respondents are inclined towards private sector banks. Evidently educational levels in both private and public sector bank is significantly higher.
Furthermore private sector banks are offering services for special group of
customers only i.e. class banking for high income customers (13.2%) for variety of
personalized and value added services rendered by these banks thereby charging
higher services. Where as public sector banks are rendering services to the masses
with wide product range due to its infrastructure and investment.

This infers that more customized banking services are needed to be designed
and catered to the diverse type and needs of customers. Hence the need of these
customers should not be neglected. [Ref.Table 1-6]

9.1.3. Banking details

In bank account holding details it is seen that majority of the private sector bank
respondents (28.63%) have their alternative account in State Bank of India, and public
sector bank respondents (18.97%) in Axis bank. Majority of the Account holders both
from private and public sector bank customers have savings account i.e. (70% &
73.6%) and (25.2%) customer’s hold current account from private sector and (15.2%) are loan account holders in public sector banks.

Public sector bank customers are holding longer relationship with their banks as
compare to private sector banks. Working hours of private sector banks is round the
clock i.e. 8 to 8 banking and it is found that banking convenience is utmost in private
sector banks as compare to public sector banks. Private sector banks focus on few
customers those are really profitable.

Private sector banks surpass the public sector banks in quick service as compared to
public sector banks. On the contrary it is found that public sector banks are highly
accessible due to its high network of branches and ATM services. [Ref. Table 7-13]

9.1.4. Customers bank selection and preference criteria’s

It is also observed that Excellent opinion is obtained on convenient banking service
and safety of deposits as the prime factors preferred by the customers for selecting the
banking service by both private and public sector bank customers. Public sector banks
surpass the private sector banks in providing and attracting the mass class service for
deposits business due to one very important attributes i.e. safety of the deposits.
Again it is seen that Safety of the deposits is important factor considered to prefer the public sector banks (71.79%) by the depositors. Where as quick and prompt service provided by the private sector banks (51.42%) is the prime reason customers prefer various deposit schemes offered by these banks. Further it is also observed that for current account or business account customers prefer private sector banks and for fixed deposits and loan, customers prefer public sector banks. Private sector banks are advertising heavily to attract and retain their high net worth depositors by various schemes and offers by promoting the higher interest rates on current and saving account.

In addition to this it is analyzed that majority of the respondents (97.14%) and (85.47%) are satisfied with the deposit schemes offered by both the private and public sector banks respectively. But number of non investors is more as compare to existing depositors. Both private and public sector banks need to provide keen attention on this aspect and try to find out feasible solutions for these as rate of interest is lower and as there are various other options for customers to invest like securities, mutual funds.

Again findings regarding loan facilities revealed that public sector banks(37.6%) surpass the private sector banks(16%) in providing and attracting the mass class service for loan facilities. Surprisingly it is found that not a single private sector bank is inclined towards providing loan facilities to the mass class or general customers. The credit appraisal system of private sector bank specifically offers the loan facilities only to the selected or high net worth individuals. Also it is seen that for both private and public sector banks customers are dissatisfied with the loan processing and sanction. Especially private sector bankers need to consider this factor as pressing problem to retain the customer’s in future. Further it is also revealed that most of customers are unaware about loan foreclosure facility and those that are aware are dissatisfied. It is found that private sector banks in comparison with public sector banks are organizing maximum number of customers meet to maintain a very strong bond of relationship with its core customers.

From the findings it clearly reveals that customers while selecting and preferring banking services clearly stated that safer, speedier and convenient service as important criteria for selecting banking service. [Ref. Table 14-29]
9.1.5. Customers preferences for modern banking services

It is observed that private sector bank customers i.e. (34.85) are heavy users of telebanking, internet banking (29.6%) and ATM facility as compared to public sector bank customers. However it was brought to the notice of researcher regarding several problems related to public sector banks with ATM networks, i.e. failure of system, out of cash, and server problems which causes the dissatisfaction among the customers. Further it is found that very less number of customers are using internet service due to fear of security of transaction and no proper education provided by the bankers in making the customers aware of these services. [Ref. Table No.30-37]

9.1.6. Complaints about various services

In managing customer relations there are certain general complaints of customers regarding both private and public sector banks. Of these major complaints include no quick service, time consuming and tardy service process, high documentation regarding the public sector banks. Also it is found that customer service executives of public sector banks are not responsive to the customers as compared to the private sector banks.

On the contrary there are negligible complaints regarding private sector banks regarding heavy charges, penal charges, cheque bounce charges, high interest rates specifically from the loan availing customers which may be barrier in maintaining healthy relationships with the customers.

Again it is found that both the private and public sector banks customers are not using insurance services offered by the banks. However there is tremendous scope to provide the insurance service to the customers to improve better customer banker relationship.

It is reflected that majority of the private and public sector bank respondents visit the branch premises for two main reasons i.e. for depositing the money and withdrawal of the cash. With advent of ATM and net banking the physical relationship between banker and customer is getting rare. It is also found that public sector banks are
organizing customer meets very rarely whereas private sector banks are regularly arranging customers meet. [Ref. Table No. 38-47]

9.1.7. Most preferred competitors
It is found that major competitors for private and public sector banks in banking sector predominantly are State bank of India (SBI) in public sector as the most preferred which obtained Superb ranking by the private sector bank respondents whereas HDFC bank is one of the most preferred it obtained Excellent ranking by public sector banks in comparison with other banks. Furthermore it can be concluded that quick service is the important criteria preferred and obtained Good ranking by the private sector bank respondents whereas security is one of the prime factor criteria preferred as Excellent ranking by public sector banks in comparison with its competitors.[Ref. Table -44, 45]

9.1.8. Expectations from banking services
It is observed that private banks customers prefer these banks and are loyal because they expect quick and prompt service whereas public sector bank customers expect more reliable services. It is evident from the fact that prompt, quick service and reliable service are the utmost important aspects that customers expect from their bankers.

It is found that customers are highly dissatisfied with loan services. They expect very efficient and speedy loan process; again insurance service is very widely neglected service by both private and public sector banks. Where there is tremendous scope in improving better bank customer relationship. [Ref. Table 47-50]

9.1.9. Service quality dimensions
It is found that high degree of cleanliness, ambience and quality in day to transactional banking service is the prime factor which is instrumental in quality of banking service for both private and public sector banks that customers rated as important factors.
Further it is found that both private and public sector banks are convenient and easy to reach (81.2%) & (82%). Most of the customers prefer ATM to access the banking services. Furthermore it is observed that private banks customer service executives obtained Excellent ranking and surpassed the public sector banks in providing better and effective services as compared to public sector bank which obtained as Good ranking score over its customer service executives.

It is found that private sector customers view their banks as providing better customer service (42.25%) and modern computerized services (22.8%). Whereas public sector banks have impression of the safety factor that comes in customers mind. Customers of private sector banks prefer these services because of its technological advances. Both private and public sector bankers need to study and try to resolve the problems related to the quality issues in solvable manner to retain the customer loyalty. [Ref. Table 51-52]

9.1.10. Opinion about modern value added services offered

It is found that private sector banks surpass the public sector banks in modern value added services. Customers of public sector banks were found to be using fewer IT enabled services as compared to private sector banks. ATM is predominantly important modern value added service preferred by both the private (62.4%) and public sector banks (29.48%) customers. [Ref. Table 55-56]

9.1.11. Customer loyalty status

In studying the loyalty status of both private and public sector banks it was found that both the private and public sector bank customers are hard core loyal but in comparison Private banks customers (76.8%) are found to be more loyal as compared to public sector banks (70.8%). Further it is found that there are significant number of respondents from both private and public sector bank those opined as they may switch anytime and one cannot neglect these customers.

Loan facilities need more attention from both the private as well as public sector banks which may be the prime factor to retain the customer loyalty for competitive advantage. Especially for private sector banks higher transaction charges, hidden...
charges and penal charges are important criteria’s these banks need to concentrate for bankers where customers may switch the bank due to these criteria’s.

It is found that both the private and public sector bank respondents do not conduct any loyalty programmes. Furthermore it is also found that public sector banks are conducting more loyalty programmes as compare to private sector banks.
[Ref. Table 53, 57, 59, 60]

### 9.1.12. Other reasons for switching the existing bank

It is found that transaction charges, hidden charges and penal charges are important criteria’s to concentrate for bankers where customers may switch the bank due to increase in this criteria’s. It is also found that Private sector is offering better cash credit and locker facilities than public sector banks.

Again it is found that public sector bank customers are highly dissatisfied with the bank employees and it is a major problem with all public sector banks.
[Ref. Table 61, 62, 63, 64]

### 9.1.13. Service quality and loyalty programs

It is found that public sector banks are conducting more loyalty programmes (20.4%) as compare to private sector banks i.e. (10.4%).

To check the clarity in communication to provide service related information properly to the customers it is unfavorably responded by the customers of public sector banks furthermore it is also imperative from the fact that private sector banks inform its customers about new schemes and offers and promote heavily, where as public sector banks did not inform their customers about any new schemes and offers.

It shows that poor communication with customers is the prime reason behind this. Whereas few private sector banks like ICICI, AXIS, KOTAK found to be very aggressive in this regard and it is also revealed that they have good communication with their customers. Further it is also found that most of the respondents are satisfied with overall service quality in both private and public sector banks.
[Ref. Table 65, 66, 67, 68]
B) Findings based on bank manager’s survey

It is found that there is equal representation of the sample size. Again it is observed that every branch has average customer base of 5000-25,000 customers. Average of 1-10 branches are operated by both private and public sector banks. And on an average 9 ATM centers are operating in the city of both private and public sector banks. [Ref.Table 1-4]

9.1.15. Repeat customers and loyalty programs
It is found that public sector banks have more repeat customers, every year 10-20% customers are added by every bank. Again it is also found that private sector banks are conducting more loyalty programs as compare to public sector banks [Ref.Table5-7]

9.1.16. Training programmes conducted for employees
It is found that almost all banks provide sufficient training and awareness programmes for its employees. However it is found that though public sector banks conduct the training program for their employees, it is not satisfactory as there is wide dissatisfaction amongst the customers about the employees of public sector banks. [Ref.Table -8]

9.1.17. Application of CRM Technology
It is found that private sector banks surpass the public sector banks in usage of CRM technology applications. [Ref. No.9]
9.2. Suggestions

9.2.1-Introduction:
Customer Relationship Management in banking is need of hour. In the present competitive environment of globalization, deregulation, various multinational banks are entering in India with array of banking services that were never before offered in banking like doorstep service, Personalization and customization. Technology significantly today is changing the face of entire banking. This poses the major challenge before Indian banks.

The key challenge before Indian bankers is retaining the existing customer base, for both private and public sector banks in western Maharashtra region. Maintaining strong bonds of relationship has become prerequisite to hold the customers intact.

The present research work investigated the applications of customer relationship management principles in banking in order to make certain contributions for improving banker customer relationship in selected private and public sector banks in western Maharashtra. Looking customer as transaction is not merely sufficient but maintaining a life long relationship with customer and making him advocate or partner in banking those generate strong customer base and competitive advantage as referral sales needs to be the prime focus.

Towards this approach, appropriate suggestions together with supporting model, framework and similarly theoretical explanations wherever necessary are being presented as follows.

9.2.2. Maintain and sustain existing customer base
In banking services safer speedier and cost effective service is the prime expectation of customers. As far as safety and reliability is concerned public sector banks has successfully managed its brand image intact due to the long standing banking
experience. This is the prime reason it is seen that majority of the customers are holding longer relationship with public sector banks. Hence public sector bankers are advised to learn from existing customers that as customers have trust in them they have to overcome the speedier and cost effective service by regular interactions with profitable customers those provide various new and rich information in augmenting the banking services. Similarly the existing major share of customer base should not be overlooked. Because the existing customers are generating new customers for the banks. Similarly the private sector banks are advised to maintain the same quality of banking service they are rendering to its customers. However the potential drawbacks need to be removed from their current banking service like high charge levied on various value added service. Putting oneself in the shoes of customer to feel as he or she feels and by not forgetting old customers while looking for new is the key for understanding truly the customer experience management.

9.2.3. Generate prospective customers through referrals

It is suggested to both private and public sector bankers to ensure that every branch should generate at least 10 new and prospective customers list every month, similarly they have to provide satisfactory service levels to existing customers by understanding their problems in their respective regions. So that these customers will generate referral sales. This customers list will be also useful in managing promotional activities and when the respective branch managers will track and record every detail of existing customers they will communicate their problems to their branch heads. And thus there will be more referral generated by existing customers.

9.2.4. Implement loyalty programs

As all the banks are offering free account opening and other value added banking services. Customer switching cost is becoming very low. Both the private and public sector banks should focus on strengthening the loyalty of customers. For this they have to implement effective loyalty programs. Specifically for most profitable
customers. Some of these techniques include reminders of festivals, birthday or anniversary reminder cards, offering holiday packages, use of corporate gifts, family get together and so on. This will be significant in forming strong contractual and social bonding between customers and banks. Higher cost of switching may maintain relationship but when there is price difference gap customers may switch. It is because commitment that is based affection or calculative commitment.

Commitments normally increase the switching costs, such as social bonds, financial bonds, and contractual bonds with the customers.

Affective commitment is based on feelings towards benefits and Calculative commitment is based on monetary losses if customers switched the bank.

On the contrary it is observed that Trust plays an important role under uncertainty. A perception of genuine concern for customer equity and service may override other short term transactional determinants like relational bonds and termination costs. Contractual bonds are not important to maintain relationship with customers as faith and perception of intention is very important in long term.

Similarly it is seen that Repeat purchase is because of behavioral loyalty. Attitudinal loyalty is due to emotional connect. Bankers are advised to attract the customers on attitudinal loyalty. So that it would be difficult to break the relationship easily with the bank.

CRM model for implementing loyalty program
9.2.5. Implement customer retention strategies by improving quality in core service

Switching customer rate is the major cause of concern to build relationship with customers that may be due to high charges, delayed service, core service failures, and competitor’s technology which are the prime reasons for customer switching. Bankers need to understand that by providing inferior service quality it is not possible to retain customers. Many of the customers of both private and public sector banks have switched the services due to aforesaid few or more reasons, specifically like poor service quality, delayed service, ATM network failure, high interest rates, and high charges on value added services. No quick service. Under such circumstances it is advisable to both private and public sector bankers to conduct lost customers survey and find out the probable reasons for switching and to take effective steps to win back the lost customers.

Private and public sector banks need to keep the service quality standards high. Thus bankers should maximize customer satisfaction by creating high perception about service quality.

9.2.6. Know customer categories accurately

Bankers need to rightly assess the needs of the customers before providing the banking service for the customers. Banking services are used by diverse class of the customers. From the business class customers to employee’s, students and housewives at each level the needs are quite diverse and hence bankers in absence of studying the need analysis are unable to maintain relationship with its customers.

It is suggested that banks need to categorize the customers properly before implementing any customer relationship management programme to rightly target the profitable customers. If the clear customer categories are known to the bankers they
can decide the tailor made banking product offerings as per the share of wallet of the customers.

Knowledge about customer’s interest their needs, priorities can be understood by having ongoing dialogue so that banks can offer customized products and services. Generally for lower income clients banks strategies should be divided as per client income. This approach should involve developing a distinctive value proposition for a well-defined segment of sufficient size.

For example the emerging youth segment, educated, urban professionals from western Maharashtra region would be generating significant revenues in the years to come. Majority of the customers are from middleclass category. But there also exists a class of affluent customers. They are techno savvy, preferring online –banking and are Smartphone users. Similarly they are price conscious, service oriented and are reluctant to visit bank branches.

To target this potential, banks must learn to better understand the needs of customer sub-segments and put in place differentiated value propositions and service models rather than traditional one-size-fits all approach. Affluent customers expect a distinctive experience, and they are frequently disappointed because they get the service of mass class market.

9.2.7. Customer value management:

Adding value to the banking service is really challenging which in turn adds value to its customers. Managing value in the banking service can surely help in maintaining long term relationship with the customers. By various campaign management systems there has to be some differential factor over the competitor that may attract and retain the customers. It is necessary for the bankers of both private and public sector to understand their core competence in the service and accordingly they can add the
value to the existing service to foster the customer loyalty for gaining maximum market share for the longer period of time.

Public sector banks are advised to concentrate on value added services as compared to its counterparts as they are far behind in providing the value added services. This certainly is necessary for favorable brand image building for the banks in western Maharashtra.

When it comes to phone banking, SMS banking, NEFT/RTGS, and modern third party services, public sector banks are found to be less preferred by the customers instead of these customers prefer private sector banks. Hence due weightage should be given by public sector banks to these services. There is need to address these issues by changing the mindset of public sector bankers in western Maharashtra region to deliver promising service to their customers as value addition.

9.2.8. Arrange frequent customer meets

Bankers should develop various contact channels for convenience banking, by implementing the need to implement the customer contact programmes through regular and frequent customer meets. It is suggested that both the private and public sector bankers need to provide various platforms for developing better customer banker relationship. By organizing seminars, awareness camps, and monthly customer meets. Customer’s problems should be addressed with solvable manner to retain the customer. It is suggested that frequent customers meet needs to be organized by both private and public sector banks.

Due to ATM and net banking today customer physically is rarely coming to the branch. Hence to bridge this gap frequent customer banker interaction is needed which will be beneficial to cross sell and up sell other banking products.
9.2.9. Customer engagement

Due to lack of tangible cues present for the customers for the buying decision in the banking service. Involvement of customer is necessary for customer satisfaction. Bankers at primary level should try to engage customers by

- Reducing customer waiting time
- Pursuing key customers to participate in privacy of banking hours and providing them special service or benefits.
- By adding excitement in service at every touch points.

Similarly psychological engagement of customer is very important this should be done by Managing the customer dissonance in banking.

It is observed that many bankers in western Maharashtra have the traditional transactional focus approach. Customers are inclined to prefer the service on habitual basis. They rely on available service. Prospects are converted to loyal customers there is no differentiator factor that converts the customer as loyal patron of the banks. However it is necessary to have

*Relationship focus of banking:* The dissonance factor is reduced in other approach of banking. It is reflected from investigation that three factors are important for customers in western Maharashtra where both private and public sector banks should concentrate on i.e. Trust, assurance, and peace of mind. If some different element in service is added on these factors bankers can establish loyal customers for their banking services which surely will add value to the brand image of the banks as differentiator factor in managing the dissonance.

This will change the behaviour in terms of

*Cognitive belief:* Customer Awareness about various banking services available. Knowledge and belief about banking brand.

*Affective attitude:* likes and dislikes towards particular banking brand.

*Conation (behavior):* behaving or intention to behave (select service or reject)
9.2.10. Design tailored marketing programmes in cost effective way

Both the bankers from the private and public sector banks have to design the tailored marketing programs to attract the diverse customers. Customization is the solution to provide the tailor-made marketing programmes.
For the high net worth individuals bankers need to provide different banking services whereas for other customers they have to design the cost effective service. It is seen that most of the private sector banks focus on high net worth individuals thereby neglecting other customers which can also form a significant share of wallet if these customers are provided with right kind of tailor made service design process.

Finally bankers need to tie very strong bond with its customers so that no competitor can take away their share by implementing effective retention strategies.

Effective customer relationship management practice requires various technological supports in designing service process, like data mining technologies, which track and record details of every individual customer’s previous satisfaction / dissatisfaction levels with the help of decision support system which can help further cross selling up selling decisions.

For this various customer relationship management software’s are available which is designed according to the needs of the customers. The branches should be linked and to be ensured that there is speedy and timely communication between banks and its customers.

The technology which facilitates the decision making process the bank should establish central data warehouse with the help of better CRM software to help the banks employees in segmenting profiling customers and in cross selling banks products and services.

Banks should send out an automated email response many banks record voice call centers as a cost of doing business but they do not review email. Developing right contact strategy and avoiding an unwanted marketing offer that helps to reach right prospect.

All bankers are providing similar services, in order to build favorable image banks should include in their communications the characteristics of service offering which express value of brand.
9.2.11. Predict customer churn and recover lost customers.

High churn rate is due to increased competition and deregulation. High churn rate adversely affect bankers because they stand to lose a great deal in price premium, decreasing profit levels and a possible loss of referrals from banking customers. Banks from western Maharashtra need to recognize the relevance of maintaining a solid base of loyal customers for long term survival, growth and good financial return. Bankers need to determine predictive churn model for the threshold levels beyond which customers may switch to different banks or decide to reduce the business. If it is done at early stage they can identity the reasons for leaving and try to predict and manage the churn rate. The following CRM model for predicting the customer churn is developed and proposed as follows:

New Customer: Prospective new customer should be dealt with equity and genuine service by enhancing Trust and commitment.

Established customer: For these customers certain special benefits to be provided to keep the relationship intact, and the lifetime value of the customer to be estimated to understand the customer is profitability for long term. While doing this bankers should not take short term focus but understand the long term profitability of the customer.

Switching behavior: With the help of Data mining & Decision support system and with help of predictive analytics like demographic data, number of customers switched in last 12 months the primary prediction of switching behavior should be done, bankers should assess bank loyalty of the customer.

Identify Causes of switching: It is found in western Maharashtra that core service failure, poor quality of service, No quick service, ATM network failure are the prime reasons for customer dissatisfaction and are subsequent causes for switching the bank. Recency of purchase, Frequency of purchase, monetary value of customer, Cost of churn can help understand the causes of switching.

Threshold level: Those customers highly dissatisfied should be identified and categorized as most profitable or least profitable customers. And those have decided to switch bankers need to offer special loyalty programs, to convert their
dissatisfaction into satisfaction by understanding Customer Satisfaction criteria’s, and implementing right Loyalty Programs. 

*Customer recovery strategies:* Conducting lost customer survey, giving assurance, win back programs, rejoining incentives can help banks to recover lost customers. While conducting recovery strategies bankers need to categorize most profitable customers and focus on them to win back effectively. However bankers should not neglect the least profitable customers those may turn profitable in long term but can reduce the expenses on such customers by providing basic services.

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**Predictive churn model of CRM**

- **Customer satisfaction**
  - Recency of purchase
  - Frequency of purchase

- **Customer recovery**
  - Threshold level (Very High dissatisfaction)
  - Loyalty Programs
  - Cost of churn
  - Bank Loyalty

- **Customer benefits**
  - Adjusting Causes of switching
  - Establishing customer

- **Data mining & Decision**
  - Identify Causes of switching
  - Measure Customer life time value

- **New Customer**
  - New Customer

- **Established customer**
  - Switching behavior
  - Measure Customer life time value

- **Voluntary churn**
  - Do not Neglect
  - Offer limited services
  - Low

- **Customer**
  - Satisfactory
  - Loyalty Programs

- **Commitment**

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9.2.12. Innovate customized service offerings for customers

It is suggested that both private and public sector banks should implement some innovative and customized programs for example, online rewarding programme instant lucky draw and so on. Those using internet banking have to fill some basic information and can have an interaction with customer by rewarding with some offers or gifts like digital camera, free spouse account, senior citizen account as value addition.

These innovations should act as Structural bonds which become generally difficult to copy for the competitors. Financial advices, insurance benefits on loans are most neglected activities in both private and public sector banks especially in western Maharashtra region.

As personalization strategy, bankers can give statements to the customer on their spending of online shopping through debit card and credit card in a given month. Customers are curious about such kind of services if banks provide such intelligent services it will help to have competitive advantage. Online customer service for 24 x 7 advanced features for automated teller machines and point-of-sales devices, biometric identification, and mobile payments are some innovations in service that bankers from western Maharashtra can adopt.

Bundling of such services has become important today in banking services. Banks should leverage relationship by offering customers Atm assistance and effective service support.

9.2.13. Strategies for changing attitude of employees for customer centric focus

It is observed that employees attitude in public sector banks in western Maharashtra is very dissatisfactory as compared to private sector banks.
Thus it is suggested that friendliness is key value that needs to be created by the bankers. To overcome this problem bank management should keep job rotating. Introduce banking incentive schemes for employees, continuously measuring attitude of different employees to fellow employees to ensure highly level of commitment. Ensure that every employee knows personally the client. Frequent interaction, pleasant atmosphere will increase the trust and equity among employees.

It is suggested that following steps to be undertaken to keep the workforce relationship oriented.
1) Training for staff on how to deal with customers.
2) Using the active and efficient professional’s in the bank.
3) Close monitoring of staff performance
4) Motivating different employees in order to achieve the goal and encouragement
5) Creating a working group or committee to review complaints and requests of customer that require time and fund.

9.2.14. Create awareness and encourage women for active banking
Banks need to be more sensitive to encourage more female customers especially in western Maharashtra because very few women are active in banking and those active are joint account holders only as signatory authority supporting spouse in business as banking partner. Hence by introducing program like special women account benefits, can encourage women customers and this segment can emerge as significant share of wallet for bankers. As females are more sensitive they are more emotional than male customers and due care be taken to build socio economical bond with these customers.

Micro financing, special housewife account, joint mother and kid’s account, micro saving account for self help group, these new and innovative accounts can attract more female customers.
Banks can specifically recruit some females to take care of these customers So that clients may feel more comfortable interacting with bank employees similar to them in gender and age group.

9.2.15. Create awareness for internet usage and other neglected services

Internet usage in both the private and public sector banks is discouraging and the prime reasons are security of transaction and less awareness in educated customers and no inclination of illiterate customers.

Hence it is advised to the bankers in western Maharashtra to promote the internet banking awareness, which will help in more paperless work. Stationary of bank can be saved which are overheads for the banks. Use of high end software’s well trained and well qualified active professionals need to be employed to channelize the operations. Better security system can create trust and simultaneously educate the customers for safer speedier, internet banking options through several customer touch points.

Majority of the customers are not using internet service, banks need to educate these customers to use the internet banking. This could be an added advantage for bankers to keep intact these customers for long term.

Regarding the Insurance service awareness no banks in western Maharashtra are inclined towards providing insurance services. Number of customers opting for insurance services however is very negligible.

This is good opportunity for bankers to provide the services in combination with home loans.

Similarly customers are unaware about the loan foreclosure facility. Very few banks are offering loan foreclosure facility. Banks should create awareness regarding loan foreclosure facility.
9.2.16. Manage customer expectation

Both customers of private and public sector banks in western Maharashtra are highly dissatisfied with loan facilities and value added services provided by the bankers over other banking services.

To enhance the relationship bond with these customers’ banks should focus on these two services on their priority list and prepare the action plan as suggested below.

The first part is the steps designed for providing value added services

1. *Customer profiling*: In the first step in managing customer expectations for loans and value added services bankers should make is profiling of the customers as per profitability.

2. The Second critical step should decide the *priority banking* where banks services according to provide priorities to most profitable customers.

3. *Cross sell/ up sell*: It is suggested in the next step to cross sell and up sell by Making frequent use of proper complementary offerings by providing and updating various offers to the customers. It is advised to keep the customers intact by marketing various products to the single customers for the lifetime. For example when home loan customers have repaid the loan then banks should get the intimation about the customers’ repayment track record. So that the bankers can come to know when to sell the other products when the customer is ready to buy the new banking product.

4. *Mass customization technology*: Use of mass customization technology helps bankers in identifying personal need of every customer and the value added services should be designed as per the need of every individual customer.

5. *Cost to sell vs. profitability*: Finally cost of providing service to each customer has to be determined so as to provide the necessary service for most profitable customers to the least profitable customers.
The second part suggested are the steps designed for providing better loan services.

Credit scoring: customers credit scoring should be done by conducting what if analysis, by providing loans to truly potential customers. Bankers should use their own value judgment. Considering the potential long term relationship of the customer and his life time value and not on the stringent parameters which do not consider the long term profitability of customer.

Customer life time value: Education loan for students when educating may not be better portfolio for bankers but when the same student gets an employment opportunity after some years is profitable customer for bank. Bankers need to keep in mind the long term benefit of customers while providing the credit to such customers.

Repayment track record: banks should also constantly monitor the repayment track record of the customers and identify the right time to cross sell different banking products and services accordingly.

Loan customers: The major problem with loan customers is of high penal charges levied by private sector banks and delayed sanctions by public sector banks. Hence banks need to reconsider and change their existing banking products by providing quick service and by reducing the penal and hidden charges.

Auto recovery mechanisms: to ease of the burden of interest especially to the middle class segment banks must make use of insurance services, reverse mortgages, rebates, reduced interest rates; no charges on loan foreclosure facility should be made available this will enable to enhance the auto recovery of loan.
- Action plan for managing customer expectations for loan and value added services