CHAPTER – VIII

SUMMARY OF FINDINGS AND SUGGESTIONS AND CONCLUSION

The main findings resulting from a study of customer perception on service quality and customer behaviour in SBI and ICICI banks in the Vellore District are summarized in this chapter. The appropriate suggestions to overcome the problem are listed in this chapter. The conclusion drawn from the analysis and scope for the research are also presented at the end of the report.

8.1 8.1 FINDINGS

The major summary of the findings of SBI and ICICI banks in the Vellore District are listed below bank wise:

The demographic profile of SBI bank customers in the Vellore District

- It is found that 60% respondents represent male and 40% respondents belong to female. It is inferred that male dominate in the samples chosen for this study as they are frequently access with the bank than the female.
- It is inferred that 40% respondents belong to the age group of 36-45, 36.7% respondents represent the age group of 26-35, 20% fall under the age group of above 46, 3.3% respondents belong to the age group of less than 25. It is observed that 36-45 (Middle aged) and 26-35 (Youngsters) age groups constitute more in the sample selected.
- It is found that 5.3% of the respondents belong to the category of school level education and 21.3% of the respondents represent the category of Higher
Secondary level education and 34.7% of the respondents represent the category of under graduation level followed by post-graduation level by 33.3% of the respondents and others 5.3%. It is concluded that the under graduation group constitute more and followed by Post graduation in the sample distribution suggesting that 67% the respondents are well educated perhaps their perceptions can be taken considerably.

- Of 300 samples, 10% of the respondents fall under the Income level of Less than 10000 and 26.7% of the respondents fall under the Income level of 10001-20000 subsequently 36.7% of the respondents represent the Income level of 20001-50000 followed by 23.3% of the respondents fall under the Income level of 50001-75000 and 3.3% of the respondents represent the Income level of Above 75000. It is concluded that 20001-50000 Income level category respondents and 10001-20000 Income level followed by 50001-75000 Income level represent by 36.7%, 26.7% and 23.3% respectively indicating Middle Income group occupies predominantly.

- 10% of the respondents represent Govt. Employees and 36.7% of the respondents belong to Private employees followed by 20% of the respondents self-employed and 20% of the respondents are students and rest is Retired people. It is inferred that the private employees constitute predominantly followed by self-employed and students occupation hold equally in the samples taken for this study.

The demographic profile of ICICI bank customers in the Vellore District:

- Of the 300 respondents, 73.3% of the respondents are Male and 26.7% respondents are Female from the samples chosen for this study. It is inferred that majority (above 73%) are male who visit often banks instead of female who have less access with the ICICI banks in the Vellore District.
Out of 300 respondents, 3.3% of the respondents fall under 25 years age group, 46.7% of the customers fall under the age between the groups of 26-35 years followed by 40% of the respondents come under the age group of between 36-45 years and 10% respondents represent above 46 years age. It is inferred that Youngsters and Middle aged customers lead the sample distribution indicating that youngsters and Middle aged group have more access with the ICICI banks in the Vellore District.

Of the 300 respondents, 6.7% of the respondents have the qualification of less than grade 10, 20% of the respondents have higher secondary qualification, 33.3% of the respondents have the Under Graduation qualification, 33.3% of the respondents have the Post-graduation qualification and rest are others. It is concluded that Under Graduation and Post-graduation qualifications that majority of the customers possess with the ICICI banks in the Vellore District.

10% of the respondents fall under the Income level of Less than 10000, 6.7% of the respondents fall under the Income level of 10001-20000 subsequently 26.7% of the respondents represent the Income level of 20001-50000 followed by 33.3% respondents fall under the Income level of 50001-75000 and 23.3% of the respondents represent the Income level of Above 75000. It is concluded that 50001-75000 Income level customers hold leading position in the normal distribution.

10% of the respondents are Government employees, 26.7% of the respondents are private employees, 53.3% of the respondents are self-employed, 10% of the respondents are students and rest 3.3% are house wives. It is concluded that self-employed (Business People) capture the sample distribution signaling the ICICI banks in the Vellore District have more number of business people as their customers.
With Reference objective two that to elicit the customers perceptions on the service quality of the SBI banks and the ICICI banks in the Vellore District. The perceptions of the SBI banks customers in the Vellore District are listed below based on the dimensions of the service quality.

- On tangibility the customers rated high over the bank has good conditioned ATMs with the mean value of 3.4867 followed by parking facility with a mean value of 3.3867 Bank’s Building and amenities (Lighting and Ventilation), Bank’s Modern looking equipment’s and Communication materials were yielded mean values of 3.3333, 3.2867 and 3.2533 respectively.

- On Reliability the respondents scored very high over Reliability dimension of the Service Quality. My Bank performs the service right at the first time fetched the highest mean value of 3, 9333 followed by My Bank has sincere interest in solving problem with a mean score of 3.8400. My bank delivers error free records rated 3.7933 as mean value and fulfilling the promised services rated on an average score of 3.7800.

- The Selected customers’ response over Service Innovation was very poor. They were very much not comfortable with the service of the Service Innovation dimension. “My Bank provides Innovative service than other banks” has a mean of 1.400 which was very low followed by ‘My Bank uses advanced technology’ with a mean of 1.633 which is slight higher than the former one.

- On Responsiveness the customers rated consistently above average of the mean (2.5) and neutral level of the Service Quality. The employees performing servicing time, willingness to help, ready to respond the request and providing prompt service have the mean values of 3.2600, 3.1333, 3.2400 and 3.2533 respectively. On the whole, the respondents are on the moderate level of reporting about Responsiveness dimension of the Service Quality.
• On Assurance the selected customers of the State bank of India in the Vellore District reported their views on the assurance of the Service quality of the Bank. Employee’s behaviour creating confidence, Personal safety of the customer in the bank, Employees courtesy, Employees Knowledge answering customer’s questions and Technical Knowledge of the employee in the bank showed the mean values of 3.0200, 3.0533, 3.1867, 3.200 and 3, 1933 respectively. The means scores of the items imply it is consistently above average mean (2.5) of all items.

• On Empathy the chosen customers of State Bank of India in the Vellore District responded very badly over empathy dimension is concerned. Their responses can be stated as Bank’s Individual attention, Convenient Operating hours, personal attention, showing best interest at heart and Employees understand customers’ specific need have the means of 2.0200, 2.2067, 2, 6733, 2, 6267 and 2.6000 respectively. On the average the mean of Empathy dimension is 2.4253 which are below the average for their dimension of service.

• On Price and Complaint handling the respondents very highly rated on this dimension with all items except the complaint handling system. The respondents scored relatively high over the item on “My bank does not follow stringent policies and uses third party for recovering debts” with a mean values of 4.6400 followed by “My bank does not levy charges indirectly” with a mean value of 4.6300 followed by “My bank collects very reasonable service charges” with a mean value of 4.6200 followed by “My bank provides me competitive interest rates for deposits and loans” with a mean value of 4.5933. The least rated item was “My bank has a good complaining system to resolve my problem” with a mean value of 2.0200.
- On overall service quality, the respondents of SBI banks in the Vellore district felt on over all services rendered by them were better as the item’s mean value was .3.9500, which was above average of the items used in this study.

The perceptions of the ICICI banks customers in the Vellore District are listed below based on the dimensions of the service quality.

- The tangibility aspect of the ICICI banks has been moderately performed well as reported by the chosen customers of it. The statements “My bank has good conditioned ATM’s with new features scored the highest among the Tangibility items with a mean value of 4.5667. Second, the modern looking buildings and amenities rated with a mean of 3.8600. Third, the bank has modern looking equipment’s scored with a mean value of 3.7200. Fourth, Materials associated with the service are visually appearing rated 3.6400. Fifth, the banks parking facility scored the least among the tangibility dimensions with a mean of 3.1933.

- On Reliability, the respondents perceived two types of reactions on the Reliability dimension. “My Bank provides the service at the time it promises to do so” was rated high with a mean value of 3.1667 followed by “My bank performs the service right at the first time” with a mean of 3.0800 and “My bank delivers error free records with a mean of 3.0067. The least rated items were “When I have a problem banks shown sincere interest solving it” with a mean of 2.7733 and “When bank promised to do something by a certain time, it does so” with a mean value of 2.7600.

- On Service Innovations, the statements “The bank uses advanced technology” rated with a mean of 4.5067 followed by “Bank provides innovative services other than banks” scored a mean of 4.4200. It is inferred
that the ICICI banks in the Vellore District out performs on Service Innovations dimension as it’s Grand Mean is 4.4633 which is the highest among all the dimensions. It seems the customers always need usage of advanced technology by the banks for their best services.

- On Responsiveness dimension the respondents rated employees telling service performing time, Employees willingness to help, Employees ready to respond the request and providing prompt service rated with mean values of 3.7533, 3.4200, 3.4333, 3.7133 respectively. Out of the items, Employees telling the performing service time rated higher and least rated was willingness to help.

- On Assurance, the respondents perceived technical knowledge of the employees, Adequate knowledge of the employees in answering, Consistent courtesy of the employees, Employee behaviour creating confidence and personal safety in the bank scored the means of 3.5800, 3.4267, 3.1200, 2.6333 and 2.5267 respectively. The Chosen customers have mixed reactions over Assurance dimension that is personal safety and employees behaviour creating confidence have lower means on par with average 2.5 which is very poor service perceived by the customers and rest of the items yield the mean values of above three (3).

- On Empathy, the respondents viewed, firstly, “My bank has operating hours convenient to all customers” rated extremely high with a mean of 4.4773 implied that the bank provided convenient operating hours to them. Secondly, Individual attention was rated with a mean of 4.2000. Thirdly, “Employees understand my specific need” was scored at a mean of 4.1000.
Fourthly, “Employees giving personal attention” was opined at a mean of 4.0333. Finally, “My bank has shown best interest at heart” viewed at a mean of 3.7267 which was least rated among the items of the Empathy dimension.

- Price and Complaint handling dimension was the very worst rated one and each and every items were: “My bank does not levy charges indirectly” rated the least among the Price and complaint handling system dimension with a mean of 1.0333 followed by “My bank collects very reasonable service charges” scored at a mean of 1.0867 and “My bank does not follow stringent policies and uses third party for recovering debts” yielded at a mean of 1.2933 and “My bank provides me competitive interest rates for deposits and loans” rated a mean of 1.2933. Finally, “My bank has good complaint handling system to resolve my grievances” rated with 2.0800.

- On Overall service quality, the respondents of ICICI banks in the Vellore district felt on over all services rendered by them were better as the item’s mean value was 3.7800 which was above average of the questionnaire.

With Regard to objective three that to study the relationship between the Service quality dimensions of both the SBI banks and ICICI banks in the Vellore District. The results are as follows:

- It is inferred that the tangibility services of SBI and ICICI banks in the Vellore District are not same but it differs each other as per opinion of the both the bank respondents.
• It is inferred that the Reliability services of SBI and ICICI banks in the Vellore District are not same but it differs each other as per opinion of the both the bank respondents.

• It is inferred that the Service Innovation dimension differs each other of both the banks.

• It is inferred that both banks differ in responsiveness dimension by the respondents.

• It is inferred that there is no significant difference between the Assurance of SBI and ICICI banks in the Vellore District.

• It is inferred that there is a significant difference between the Empathy of SBI and ICICI banks in the Vellore District.

• It is inferred that there is a significant difference between the Price and Complaining handling system of SBI and ICICI banks in the Vellore District.

With regard to objective four that to examine the association between the demographic profile and overall service quality of the customers of the SBI banks and ICICI banks in the Vellore District. The following are the results of the SBI banks customers in the Vellore District:

• There is a significant relationship between the gender and the overall service quality of the SBI customers in the Vellore District.

• There is no significant relationship between the age and the overall service quality of the SBI customers in the Vellore District.

• There is a significant relationship between the qualification and the overall service quality of the SBI customers in the Vellore District.
• There is no significant relationship between the Income and the overall service quality of the SBI customers in the Vellore District.

• There is no significant relationship between the Occupation and the overall service quality of the SBI customers in the Vellore District.

The following are the results of the ICICI banks customers in the Vellore District:

• There is a significant relationship between the gender and the overall service quality of the ICICI banks customers in the Vellore District.

• There is no significant relationship between the age and the overall service quality of the ICICI banks customers in the Vellore District.

• There is no significant relationship between the qualification and the overall service quality of the ICICI banks customers in the Vellore District.

• There is no significant relationship between the Income and the overall service quality of the ICICI banks customers in the Vellore District.

• There is no significant relationship between the Income and the overall service quality of the ICICI banks customers in the Vellore District.

With regard to objective five that to identify discriminating factor between the SBI banks and ICICI banks in the Vellore District. (Boon or ban) are as follows:

• It is inferred from the Discriminant Analysis that Pricing and Complaining dimension is the distinctive and unique dimension between SBI banks and ICICI banks in the Vellore District. The SBI banks in the Vellore District are bestowed with a BOON in Pricing and Complaining dimension as it delivers the best services to their customers. On the other hand, the ICICI banks in the Vellore District are cursed with a BAN in Pricing and Complaining dimension as it delivers poor services with regard to Pricing and Complaining.
With regard to objective six that to explore the factors that determines the service quality of the SBI banks and the ICICI banks in the Vellore District. (Natural strengths) are as follows:

- The Researcher identifies the factors that determine the service quality of the both the SBI and ICICI banks in the Vellore District applying factor analysis test which states that SBI have six factors namely Tangibility and Assurance, Reliability, Responsiveness, Competitive interest rate, Hidden charges, Reasonable Service charges whereas the ICICI banks yield the six factors that influence the service quality such as, Responsiveness and tangibility, Reliability, Empathy, Service Innovation and Good conditioned ATMs.

- It is inferred from the above analysis that Reliability dimension, is the ability to perform the promised service dependably and accurately and good image, makes SBI banks customers very loyal followed by Tangibility, physical facilities, equipment and appearance of personnel, and assurance, means the courtesy and knowledge of staff and their ability to inspire trust and confidence, succeeded by Competitive rates for deposits and loans.

- It is inferred that the reason why customers switch to other service providers due to one and only Responsiveness dimension, means the willingness to provide prompt service that determine the customers to defect the SBI banks suggesting the customers’ need services get done immediately without any delay.

- It is inferred that the reasons of being loyal by the customers of SBI banks in the Vellore District First the tangibility (Outlook appearance of the equipment personnel and materials) and responsiveness (Willingness to provide prompt
service). Second, Empathy (Individualized care) are the predominate dimensions determining the loyalty of the customers of the ICICI banks in the Vellore District. However, the present study reports above known reasons but also some other reasons for being loyal to ICICI banks in the Vellore District which can be studied in the further studies.

- It is inferred that the reason why customers switch to other service providers due to one and only Reliability dimension, means ability to perform the promised service dependably and accurately and good image about the bank which determines the customers to defect the ICICI banks suggesting the customers lose the trust on the bank. However, there are some other reasons for which customers switch over to other service provider which is beyond our study as its adjusted R square value is 28.5% only.

8.2 SUGGESTIONS

A few suggestions are offered to the SBI and ICICI Bankers, policy makers and planners. It is offered suggestions to the SBI Top Management are as follows:

1. The SBI management has to pay more attention to introduce innovative services that customers need day in and out and it is a never ending process. The bank must create an R and D department which has to ponder the new services, which even other banks do not perform, that customers expect in the future and the efficacy of present services.

2. The Higher ups focus more over using advanced technology in delivering services either inventing newly or taking support from the expertise from the IT Industry people.
3. The administration has to take special steps doing banking services with the customer’s choice that late hour in the evening and Sundays and in the festival days so as to facilitate the customers to utilize banking services during their free hours.

4. The top management should insist all the employees to have personal touch and individual interest with each and every customer by appointing a person to monitor the employees and resolving the differences of the customers then and there.

5. The management must have a special mechanism to deal with complaints of the customers and it has to be redressed with a time frame and communicating the customers concerned in time and separate department must be created to audit and special squads to monitor these departments periodically and the customers are encouraged to lodge the complaints with the top management freely keeping it confidential.

6. The management has to vigilant enough in dealing with female customers opening banks exclusively for women if possible and arranges the system in such a way that women must be provided fast services.

7. The top management must aware the qualification of the customers so that while introducing the new services taking in to account of their needs.

8. The Higher ups must continue the pricing policy that collecting the reasonable service charges and not charging the hidden charges and charging the competitive interest rates for the deposits and loans which has to followed at any cost as it is the boon the SBI banks. The bank should not scrap the above services in order to retain and attract the new customers.
9. The Top management has to instill humanity, values, computer literacy to their employees by providing them regular orientation programs, motivational workshops and training programs on technology. They must be provided yoga and meditation programs to get rid of stress of the employees thereby assisting the customers very promptly.

10. The top management has to create the system in the bank that mentioning the time frame for every transaction on the notice boards if it is delayed, it can be assisted immediately by the special team.

A few suggestions offered to the ICICI top management are as follows:

1. The Top management has to be very vigilant enough while formulating the policies of the bank taking it in to account that their customers are business people and are well educated and youngsters a middle age grouped.

2. The Top management fix the penetrating pricing policy, lower margin, that could reach mass customers rather than fixing skimming pricing policy by having keeping customers.

3. The administration must be very fair and transparent in every transaction ensuring there is no hidden charges and be keeping informed customers regularly by which creating confidence and trust over the bank by their customers.

4. The ICICI banks should have the aim of earning the profit through satisfying and convincing the customers by excelling in services.

5. The Management has to take special steps to sustain the tangibility services tangibility (Outlook appearance of the equipment personnel and materials) and Responsiveness services (Willingness to provide prompt service) and empathy (Individualized care) service continually as customers perceive it as a best service.
6. The ICICI bank has to create among the customers trust and confidence and good image on it thereby providing services at reasonable rates which must result in attracting new customers and retaining customers.

8.3 CONCLUSION

The present study is undertaken to study the customers’ perceptions on service quality and customer behaviour in SBI and ICICI banks in the Vellore District aiming to examine the not only service quality of the banks and its strengths and weaknesses but also its natural strengths and its boon or ban of services. In addition to it, it studies the reasons for loyalty and switching to other banks.

The SBI banks in the Vellore District have the strengths of Reliability (Good image and trust and performing services at promised time), Pricing and weaknesses on Empathy and service Innovation. The bank has natural strengths in the order of following services Tangibility and Assurance, Reliability, Responsiveness, Competitive interest rate, Hidden charges, and Reasonable Service charges. The SBI banks customers are loyal with the bank due to following reasons Reliability, Tangibility and assurance, Competitive interest rates. The reason for the switching to other service providers is one and only that Responsiveness as it does not provide prompt services.

The ICICI banks in the Vellore District have the strengths on Service Innovation, Empathy services and weaknesses on Pricing and complaining and Reliability services. The bank has natural strengths in the order of following services Responsiveness and tangibility, Reliability, Empathy, Service Innovation and Good conditioned ATMs. The ICICI banks customers are loyal with the bank due to following reasons Tangibility, Responsiveness and Empathy services. The reason for switching to other providers due to one and only reason is Reliability services but some other unknown reasons also persist which the present could not identify.
8.4 SCOPE FOR FURTHER RESEARCH

The scope for further research in this same area is as follows:

- As the present study is confined only to the Vellore district, it could be extended in other districts as well by comparing the results.
- The study can be taken into account of employees of the banks and customers perceptions together.
- The study can be taken into account referring the new generation private banks and foreign banks.
- The study can know the work culture of the banks and its influence in the service quality of the banks.
- Finding the mediation and moderation factor between service quality dimension and customer behaviour dimensions.