CHAPTER - VII

Summary of Findings and Suggestions
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SUMMARY OF FINDINGS AND SUGGESTIONS

7.0. INTRODUCTION

The present study is classified into four important parts. In the first part of the study, the profile of the customers’ and their banking activities were examined. It was followed by the discussion on the customers’ views on various services offered by the banks. The third part of the study dealt with the discussion on the service quality of commercial banks and the factors determining the service quality of commercial banks. The last part examines the problems faced by the customers in availing banking service and also their consequences on the perception about the services of the bank and the overall attitude towards banks.

The primary data were collected with the help of structured interview schedule. The relevant variables related to banking activities, services offered by banks, customers’ perception about service quality and the factors influencing service quality of the banks were drawn from the review of literature. A pre test was conducted among prospective respondents and based on the feedback the interview schedule was fine tuned. The final draft of the interview schedule was used to collect the primary data from the respondents.

Leading nationalized banks in Tirunelveli district were included for the study. The banks included for the study are State Bank of India, Indian Overseas Bank, Indian Bank and Canara Bank. The number of branches of the above said four banks at rural, semi urban and urban is 48, 53 and 36 branches respectively. The sample size of the study was determined with the help of the formula \( N = \left[ \frac{Z\sigma}{D} \right]^2 \).
Where \( N = \) Sample size, \( Z = 1.96, \sigma = \) standard deviation of the selected variable in pilot study and \( D = 0.05 \). The determined sample size of the study came to 548. The sample size of 548 respondents is proportionately distributed among the various branches of the selected four important banks. Hence, the number of respondents from rural, semi-urban and urban banks came to 192, 212 and 144 respectively.

The collected data were processed with the help of appropriate statistical tools like percentages, one way ANOVA, multi discriminant analysis, exploratory factor analysis, KMO sampling adequacy and Bartlett test for sphericity, confirmatory factor analysis, Cronbach alpha test and multiple regression analysis. Inferences were used for developing findings and based on the findings recommendations were drawn. In this chapter, the summary of findings and suggestions are presented.

7.1. FINDINGS RELATING TO THE PROFILE OF THE CUSTOMERS AND BANKING SERVICES

- Among the urban, semi-urban and rural bank respondents majority (74 per cent) of them are male. Among the male respondents 39 per cent of them are semi-urban bank respondents.
- 25 per cent of the respondents belong to the age group of 41 to 50 years. Among them 42 per cent belong to semi-urban bank.
- 36 per cent of the respondents have degree qualification. Irrespective of the area where the banks are located majority of the respondents are degree holders.
On the whole majority (76 per cent) of the respondents are married. Among urban, semi-urban and rural bank respondents majority of them are married.

38 per cent of the respondents are engaged in private employment. Among the urban bank respondents majority of them are doing business. In the case of semi-urban and rural bank respondents majority of them are engaged in private employment.

23 per cent of the respondents are earning `30001 to 40000 per month. Majority (22 per cent) of the urban bank respondents are earning more than `50000 whereas among the rural bank respondents are majority (22 per cent) of them are earning less than `10000 per month.

45 per cent of the respondents are having bank account in Indian Overseas Bank. Irrespective of the category to which the respondents belong, majority of them are having bank account in Indian Overseas Bank.

Majority (51 per cent) of the respondents are having savings bank account irrespective of the category to which they belong.

Regarding the number of accounts of accounts possessed by the respondents, majority (79 per cent) of them are having less than three accounts. The number of accounts possessed by the urban customers is slightly higher than the number of accounts possessed by the semi–urban and rural customers.

45 per cent of the respondents are operating their bank account less than 5 times in a week. The frequency of operation of bank account is higher
among the urban customers than among the semi-urban and the rural bank customers.

- 38 per cent of the respondents are having less than 5 years of experience in operating bank accounts. The years of experience with the present bank among the majority of urban, semi-urban and rural bank customers are less than 5 years.

- 60 per cent of the respondents are operating their bank accounts in person among this the semi-urban and rural respondents are more. 27 per cent of the respondents are operating their bank accounts through ATM.

### 7.1.1 Findings relating to Sources of Awareness

- The important source of awareness about bank and bank services among the urban bank respondents is friends and business circle, whereas among the semi-urban bank respondents, these are television and relatives. Among the rural bank respondents these are banners and wall posters and pamphlets. Regarding the customers view on the source of awareness on banks and its services, significant difference among group of customers have been noticed in personal knowledge, relatives, business circle, news paper and magazines, television, pamphlets and banners and wall posters since their ‘F’ statistics are significant at five per cent level.

- The important sources of awareness among the male customers are friends and news paper and magazines, whereas among the female customers, these are relatives and pamphlets. Regarding the customers’ view on source of awareness, the significant difference among the male and female customers has been noticed in the case of personal
knowledge, friends, relatives, newspaper and magazines, internet, television, pamphlets and banners and wall posters since their ‘F’ statistics are significant at five per cent level.

The most important source of awareness about bank and banking services among the customers below 30 years and 30 to 40 years of age are friends and pamphlets respectively. Among the customers with the age group of 41 to 50 and 51 to 60 years, the important source of awareness is television, whereas among the customers with age group of above 60 years, the important source of awareness is pamphlets. Regarding the customers’ view about sources of awareness, significant difference among the different age group of customers has been noticed in the case of personal knowledge, friends, relatives, newspaper and magazine, radio, television, pamphlets and banners and wall posters.

The important sources of awareness among the customers with no formal education and below high school level are relatives and television respectively. Among the customers with the higher secondary education, the important source of awareness is television, whereas among the customers with degree and professional education, the important source of awareness is banner and wall posters. Regarding the customers’ view about various sources of awareness, significant differences among the different educated groups of customers are noticed in the case of most of the sources.

The highly viewed sources of awareness by the married and unmarried customers are relatives and banner and wall posters respectively. Among the widow / widower and divorced and separated cases, is banner and
Regarding the customers’ view about sources of awareness, significant difference among the customers with different marital status is noticed in the case of business circle since its ‘F’ statistics is significant at five per cent level.

Among students and business men, the highly viewed sources of awareness are friends and business circle respectively. Among professionals and Government employees, the highly viewed sources of awareness are newspaper and magazine and television respectively. Among the private employees and retired persons, these are television and relatives respectively. Regarding the customers’ view about the sources of awareness, significant differences among the different occupational groups of customers have been noticed in the case of personal knowledge, friends, relatives, newspaper and magazine, and banner and wall posters.

The important source of awareness among the customers with a monthly income of less than ` 10000 and ` 10000 to ` 20000 is relatives. Among the customers with monthly income of ` 20001 to ` 30000 and ` 30001 to ` 40000 is television. Among the customers with a monthly income of ` 40001 to ` 50000 and above ` 50000, it is television and personal knowledge respectively. Regarding the customers’ view about sources of awareness, significant differences among the different income groups have been noticed in the case of personal knowledge, relatives, newspaper and magazines and internet since their ‘F’ statistics are significant at five per cent level.
The important discriminant source of awareness about banks and banking services among the urban, semi-urban and rural bank customers are business circle, personal knowledge and banner and wall posters. Friends and Television sources of awareness are higher among the urban and semi-urban bank customers whereas the banner and wall posters as a source are higher among the rural bank customers.

7.1.2 Findings Relating to Banking Services

The highly availed banking services by the customers are loan and advances and deposit account services. The most important service availed by urban and rural bank customers are loans and advances, whereas among the semi-urban bank customers, it is deposit account services.

The highly utilized banking services among the urban bank customers are deposit account services and ATM services, whereas among the semi-urban bank customers it is loans and advances and debit / credit card services. Among the rural bank customers, it is loans and advances and deposit account services. Regarding the utilization of banking services, significant differences among the various group of customers have been noticed in the case of deposit account services, ATM services, internet banking services, agency services, safety locker facility services, debit / credit card services and broking services.

7.1.3 Findings Relating to Factors Influencing Service Quality of Banks

The highly viewed variables influencing the service quality of commercial banks among the urban bank customers are handling of
customers’ grievances and time management of the bank. Among the semi-urban bank customers, these variables are reasonable service charges and strict compliance with RBI guidelines. Among the rural bank customers the influencing variables are reduction of transaction charges and reasonable service charges. Regarding the view on variables influencing service quality of commercial banks, the significant differences among the three groups of customers have been noticed in the case of thirteen out of twenty one variables.

- The important factors influencing service quality of commercial banks narrated by the factor analysis are staff, procedure, tangibles, price, management, and products and services. The highly viewed influencing factors by the urban and semi-urban bank customers are management and price respectively. Among the rural bank customers, it is price. Regarding the view on the influencing factors leading to service quality of banks, significant difference, among the three groups of customers have been noticed in the case of staff, procedure, price and management.

7.1.4 Findings Relating to Association Between Profile of Customers and the Factors Leading to Service Quality

- The significantly associating profile variables of the customers with the factors leading to service quality of commercial banks are their occupation and marital status whereas the significantly associating banking activities are frequency of operation and year of experience. The important discriminant factors among the three groups of customers are products and services and procedure.
The significantly associating banking activities with the factors influencing the service qualities ‘staff’ and ‘procedure’ are frequency of operation and number of accounts possessed since their ‘F’ statistics are significant at five per cent level. As regards the service quality factors ‘tangibles’ and ‘price’ the significantly associating banking activities are frequency of operation, number of accounts possessed and years of experience whereas among the service quality factors ‘management’ and ‘products and services’ the significantly associating banking activities are ‘name of the bank, frequency of operation and years of experience since their ‘F’ statistics are significant at five per cent level.

As regards the determinant factors influencing the service qualities among the urban, semi-urban and rural bank customers are ‘product and services’ and ‘procedure’ since the discriminant coefficients are significant at five per cent level.

The highly viewed variable in overall banking service quality among the urban bank customers is ‘my expectations are fulfilled’, whereas among the semi urban and rural bank customers, it is ‘I wish to continue my relationship with the bank”. Regarding the customers view about overall banking service quality, significant differences among the three groups of customers have been noticed in all three variables. The level of perception on overall banking service quality among the urban customers is higher than the semi–urban and rural bank customers.

The significantly influencing factors on the overall service quality among the urban bank customers are staff, management and products and services whereas among the semi- urban bank customers, these are
staff, tangibles, price and products and services. Among the rural bank customers, these are tangibles, price and products and services.

7.1.5 Findings relating to Impact of Factors on Service Quality of Banks

- Among the urban bank customers the significantly influencing factors on the overall service quality of banks are ‘staff’, ‘management’ and ‘products and services’ whereas among the semi-urban bank customers the significantly influencing factors are ‘staff’, ‘tangibles’ ‘price’ and ‘products and services’ since their regression coefficients are significant at five per cent level.

- Among the rural bank customers the significantly influencing factors are ‘tangibles’ ‘price’ and ‘products and services’ since their regression coefficients are significant at five per cent level.

- The rate of impact of factors influencing service quality on the overall bank service quality among the urban bank customers is higher than among the semi-urban and rural bank customers.

7.2 CUSTOMERS’ PERCEPTION TOWARDS SERVICE QUALITY OF THE BANKS

7.2.1 Customers’ Perception towards various Services Offered by Banks

- The customers’ perception about services offered by the commercial banks in relation to deposit accounts, the highly viewed variables among the urban, semi-urban and rural bank customers are ‘standing instructions’ and ‘transfer of accounts’ respectively since their ‘F’ statistics are significant at five per cent level.
● The highly viewed variables in relation to ‘customers’ service’ among the urban, semi-urban and rural bank customers are ‘branch transaction’ and ‘teller system’ since their ‘F’ statistics are significant at five per cent level.

● In the case of the services ‘remittances’ the highly viewed variable among the urban, semi-urban and rural bank customers is ‘issue of demand drafts’ since their ‘F’ statistics are significant at five per cent level.

● The highly viewed variables in relation to the services ‘collection’ by the urban, semi-urban and rural bank customers are ‘stop payment of cheques’ and ‘issue of cheque books’ respectively since their ‘F’ statistics are significant at five per cent level.

● The highly viewed variable as regards ‘loans and advances’ among the three groups of customers is ‘repayment schedule’.

● The highly perceived variables in ‘instrument services’ among the urban, semi-urban and rural bank customers are ‘mail / telegraphic / electronic transfer’, collection of cheques’ and ‘bills of exchange’ respectively since their ‘F’ statistics are significant at five per cent level.

● Regarding the ‘agency services’, the highly viewed variables among the urban, semi–urban and rural bank customers are ‘utility payments’ and Government businesses’ since their ‘F’ statistics are significant at five per cent level.

● The highly viewed ‘customer care service’ by the urban, semi–urban and rural bank customers are ‘customer service committees’ and ‘complaint /
suggestion box’ respectively since their ‘F’ statistics are significant at five per cent level.

- Regarding the ‘locker facility services’ the highly viewed variables among the urban, semi-urban and rural bank customers are ‘charges for locker facility’, ‘size of the locker’ and ‘time utility’ respectively since their ‘F’ statistics are significant at five per cent level.

- The highly perceived services among the urban and semi-urban bank customers are ‘deposit accounts’ and ‘loans and advances services’ respectively whereas among the rural bank customers, it is ‘loans and advances’ service since their mean scores are high.

### 7.2.2 Findings relating to Association between the Profile variables of the Customers and the Perception about Services offered by Banks

- The significantly associating profile variables with the perception on ‘deposit accounts’ services offered by the commercial banks are age, level of education, occupation and monthly income since their ‘F’ statistics are significant at five per cent level.

- The significantly associating profile variables with ‘customer services’, ‘remittances’ and ‘collections’ are age, level of education, and monthly income since their ‘F’ statistics are significant at five per cent level.

- The significantly associating profile variables with ‘loans and advances’, ‘instrument services’ and ‘locker services’ are age, level of education, occupation and monthly income, whereas, the significantly associating profile variable with ‘agency services’ and ‘customer care services’ is monthly income since their ‘F’ statistics are significant at five per cent level.
7.2.3 Findings relating to Association between the Banking Activities and the Perception about Services offered by Banks

- The significantly associating banking activities with perception about ‘deposit accounts’ services are ‘frequency of operation’ and ‘year of experience’, whereas, the significantly associating banking activities with perception about ‘customer services’ are name of the bank, number of accounts possessed, frequency of operation and year of experience since their ‘F’ statistics are significant at five per cent level.

- The significantly associating banking activities with perception about ‘remittances’ service are number of accounts possessed, frequency of operation and year of experience, whereas, the significantly associating banking activity with perception about ‘collection services’ is frequency of operation since their ‘F’ statistics are significant at five per cent level.

- The significantly associating banking activities with perception about ‘loans and advances’ service are name of the bank, frequency of operation and year of experience, whereas, the significantly associating banking activities with perception about ‘instrument services’ are name of the bank and frequency of operation since their ‘F’ statistics are significant at five per cent level.

- The significantly associating banking activities with perception about ‘agency services’ and ‘customer care services are frequency of operation and year of experience, whereas, the significantly associating banking activities with perception about ‘locker facility services’ are name of the bank and years of experience since their ‘F’ statistics are significant at five per cent level.
7.2.4 Findings Relating to Discriminant Services among the different categories of Customers

- The important discriminant services among the three groups of customers are ‘customer care services’ and ‘customer services’ which are highly perceived by the urban bank customers than by the semi-urban and rural bank customers.

7.2.5 Findings Relating to Service Quality in Banks

- The highly perceived variables in the service quality factor ‘tangibles’ among the urban and semi-urban bank customers are ‘instruction board for new customers’ and ‘modern looking equipment’ respectively, whereas, among the rural bank customers, it is ‘instruction board for new customers’ since their ‘F’ statistics are significant at five per cent level.

- The highly perceived variable in the service quality factor ‘reliability’ among the urban and semi-urban and rural bank customers is ‘sincere interest to solve customers’ problems’ since the ‘F’ statistics is significant at five per cent level.

- The highly perceived variables in the service quality factor ‘responsiveness’ by the urban and semi-urban bank customers are ‘availability of technical staff to support’ and ‘employees’ response to your query / request’ respectively, whereas among the rural bank customers, it is ‘willingness to help the customers’ since their ‘F’ statistics are significant at five per cent level.
The highly perceived variable in ‘assurance’ among the urban and semi-urban bank customers is ‘employees are answerable to customers’ questions’, whereas among the rural bank customers, it is ‘employees knowledge of banking’ since their ‘F’ statistics are significant at five per cent level.

Regarding the empathy factor, the highly perceived variable by the urban and semi-urban bank customers is ‘simplified system of operation’ whereas, among the rural bank customers, it is ‘operating procedure’. since their ‘F’ statistics are significant at five per cent level.

The highly perceived variable in ‘value added’ service quality by the urban and semi-urban bank customers is hospitality, whereas by the rural bank customers, it is ‘vehicle parking facility’ since their ‘F’ statistics are significant at five per cent level.

As regards the critical service quality, the highly perceived variable among the urban and semi-urban bank customers is ‘economic banking’, whereas, among the rural bank customers, it is ‘efficient banking’ since their ‘F’ statistics are significant at five per cent level.

The highly perceived service quality factors by the urban and semi-urban bank customers are ‘responsiveness’ and ‘tangibles’ respectively, whereas, among the rural bank customers, it is ‘responsiveness’ since their ‘F’ statistics are significant at five per cent level.

7.2.6 Findings Relating to Association between Profile Variables and Perception on Service Quality Factors

The significantly associating profile variables with the perception on service quality factors ‘tangibles’, ‘reliability’, ‘assurance’ and ‘critical
service quality’ are age, education, occupation and monthly income, whereas, the significantly associating profile variables with the perception on service quality factor ‘responsiveness’ are education, occupation and monthly income since their ‘F’ statistics are significant at five per cent level.

- As regards the perception on service quality factor ‘empathy’ the significantly associating profile variables are age, education, marital status and monthly income, whereas, the significantly associating profile variables with the perception on service quality factor ‘value added service’ are education and monthly income since their ‘F’ statistics are significant at five per cent level.

7.2.7 Findings Relating to Association between Banking Activities and Perception on Service Quality Factors

- The significantly associating banking activity in respect of the customers’ perception towards the service quality factor ‘tangibles’ is ‘years of experience’, whereas regarding the service quality factor ‘reliability’ the significantly associating banking activities are ‘number of accounts possessed’ and ‘frequency of operation’ since their ‘F’ statistics are significant at five per cent level.

- As regards the customers’ perception towards the service quality factor ‘responsiveness’ the significantly associating banking activity is ‘frequency of operation’, whereas, regarding the service quality factor ‘assurance’ the significantly associating banking activity is ‘number of accounts possessed’ since their ‘F’ statistics are significant at five per cent level.
The significantly associating banking activities in respect of the customers’ perception towards the service quality factor ‘empathy’ are ‘name of the bank’ and ‘number of accounts possessed’, whereas, regarding the service quality factors ‘value added service’ and ‘critical service’ the significantly associating banking activities are ‘name of the bank’ and ‘years of experience’ since their ‘F’ statistics are significant at five per cent level.

7.2.8 Findings Relating to Discriminant Service Quality Factors among the Customers

The important discriminant service quality factors among the three groups of customers are ‘assurance’ and ‘responsiveness’ since their discriminant coefficients are higher than the other service quality factors.

7.2.9 Findings Relating to Customers’ Expectations on Service Quality Factors

The highly expected service quality factors by the urban bank customers are ‘empathy’ and ‘reliability’, whereas among the semi-urban bank customers, the expected service quality factors are ‘tangibles’ and ‘empathy’. As regards the rural bank customers the most expected service quality factors are ‘tangibles’ and ‘empathy’ since their ‘F’ statistics are significant at five percent level.

7.2.10 Findings Relating to Association between the Profile of the Customers and Service Quality Factors
The significantly associating profile variables regarding the expectation on service quality factors are education, occupation and monthly income of the customers.

7.2.11 Findings Relating to Association between Banking Activities and Service Quality Factors

The significantly associating banking activities with the service quality factors are ‘number of accounts possessed’, ‘frequency of operation’ and ‘years of experience’.

7.2.12 Findings relating to Discriminant Service Quality Factor among the Customers

The important discriminant service quality factors among the three groups of customers are ‘assurance’ and ‘critical service’ which are highly expected by the urban bank customers than by the semi-urban and rural bank customers.

7.2.13 Findings relating to Service Quality Gap among the Customers

The service quality gaps in all seven service quality factors among the three groups of customers are negative. It reveals the gap in the service quality provided by the banks. The higher gap is noticed among the rural bank customers than among others. The higher gap among the urban and semi-urban customers is noticed in the case of ‘empathy factor’, whereas among the rural bank customers, it is identified in the case of ‘tangibles’.

The significantly associating profile variables with the service quality gap among the customers are their ‘monthly income’, ‘occupation’, ‘education’ and ‘age’, whereas the significantly associating banking
activities with the service quality gap among the customers are years of experience, name of the bank and frequency of operation.

7.2.14 Findings Relating to Overall Attitude towards the Bank

- The overall attitudes towards the bank have been measured at five point scale. It shows that the overall attitude among the urban bank customers is higher than among the semi-urban and rural bank customers.

7.2.15 Findings Relating to Impact of Service Quality on Services offered by the Banks

- The significantly influencing service quality factors on the services of the banks among the urban bank customers are reliability, responsiveness, empathy, value added service and critical service, whereas, among the semi-urban bank customers, these are tangibles, reliability, responsiveness and value added service. Among the rural bank customers, these are tangibles, reliabilities and responsiveness since their regression coefficients are significant at five per cent level.

- The impact of service quality on the services offered by the banks is higher among the urban bank customers than among the semi-urban and rural bank customers.

- The significantly influencing service quality factors on the overall bank service quality among the urban bank customers are reliability, empathy, value added service and critical service, whereas among the semi-urban bank customers, these are tangibles, responsiveness, empathy and value added service. Among the rural bank customers, these service quality factors are tangibles, reliability, responsiveness and empathy. The higher
impact of service quality factors on the perception on overall bank service quality is noticed among the urban bank customers than among the semi-urban and rural bank customers.

The significantly influencing service quality factors on the overall attitude towards the banks among the urban bank customers are reliability, responsiveness, empathy, value added service and critical service whereas among the semi-urban bank customers, these are tangibles, reliability and responsiveness. Among the rural bank customers these are tangibles, reliability, responsiveness and empathy.

The degree of impact of service quality factors on the overall attitude towards the bank is higher among the urban bank customers than among the semi-urban and rural bank customers.

7.3 FINDINGS RELATING TO PROBLEMS IN AVAILING BANKING SERVICES

7.3.1 Findings Relating to Problems faced by the Customers

The problems faced by the customers in availing the bank services are discussed under nine dimensions namely ATM related problems (ATMP) housing Loan related problems (HLRP), Internet banking released problems (IBRP), Mobile banking related problems (MBRP), Bank employees attitude related problems (BERP), Credit card related problems (CCRP) Safe custody locker related problems (SLRP), Operation of accounts (OARP) related problems, and Jewel loan related problems (JLRP).
The highly viewed variable in ATM related problems (ATMP) by the urban and semi-urban bank customers is ‘ATM card struck inside machine’ whereas, among the rural bank customers, it is ‘sometimes ATM under repair’ since their ‘F’statistics are significant at five per cent level.

The highly viewed variables in Housing loan related problems (HLRP) by the urban and semi-urban bank customers are ‘exorbitant service charges’ and ‘loss of title deeds of housing loans’ respectively, whereas, among the rural bank customers, it is ‘too many formalities’ since their ‘F’statistics are significant at five per cent level.

As regards the internet banking operation related problems (IBRP), the highly viewed variable by the urban and semi-urban bank customers is ‘secrecy of account statement’, whereas among the rural bank customers, it is ‘inadequate knowledge of e-channels’ since their ‘F’statistics are significant at five per cent level.

Among the urban and semi-urban bank customers, the highly viewed variables relating to mobile banking problems (MBRP) are ‘lack of knowledge to operate mobile banking’ and ‘poor network availability’ respectively, whereas, among the rural bank customers, it is ‘lack of knowledge to operate mobile banking’ since their ‘F’statistics are significant at five per cent level.

The highly viewed variable in bank employees attitude related problems (BERP) by the urban and semi-urban bank customers are ‘staff are unhappy to respond to the customers’ and ‘engaged in personal phone calls’ respectively, Whereas, among the rural bank customers, it is,
‘staffs are unhappy to respond the customers’ since their ‘F’ statistics are significant at five per cent level.

- The highly viewed variable in credit card related problems (CCRP) among the urban and semi-urban bank customers are ‘limited withdrawal for purchase’ and ‘validity renewal intimation’. Among the rural bank customers, it is ‘high rate of interest charged’ since their ‘F’ statistics are significant at five per cent level.

- The highly viewed variable in safety locker related problems (SLRP) among the urban and semi-urban bank customers is ‘locker size is very small’ and ‘restricted accesses’ whereas among rural bank customers, it is ‘heavy charges for locker’ since their ‘F’ statistics are significant at five per cent level.

- In the case of operation of accounts related problems (OARP), the highly viewed variable in OARP among the urban and semi-urban and rural bank customers is ‘absence of evening and holiday counters’ since their ‘F’ statistics are significant at five per cent level.

- The highly viewed variable in Jewel loan related problems (JLRP) by the urban and semi-urban bank customers are ‘absence of prompt communications service’ and ‘high rate of interest’, whereas, among the rural bank customers, it is ‘high rate of interest’ since their ‘F’ statistics are significant at five per cent level.

- The highly viewed important problems by the urban and semi-urban bank customers are ‘housing loan related problem’ and ‘internet banking operation related problems’ respectively, whereas, among the rural bank customers, it is ‘ATM related problems’.
7.3.2 Findings Relating to Association between Profile of the Customers and Problems faced by the Customers

- The significantly associating profile variables among the customers with their perceptions on important problems are monthly income, occupation and level of education.

7.3.3 Findings Relating to Association between Banking Activities and Problems faced by the Customers

- Regarding the association between the banking activities and the problems faced by the customers, the significantly associating banking activities are name of the bank, frequency of operation and years of experience.

7.3.4 Findings Relating to Discriminant Problems among the Customers

- The important discriminant problems among the urban, semi-urban and rural bank customers are ‘mobile banking’ and ‘internet banking related problems’ which are highly viewed by the rural customers than by the urban and semi-urban bank customers.

7.3.5 Findings Relating to Impact of Problems faced by the Customers on the Perception of Services offered by the Banks

- The significantly influencing problems on the perception of services offered by banks among the urban bank customers are ‘credit card’ and ‘safety locker’ related problems whereas, among the semi-urban bank customers, these are ‘ATM’, ‘housing loan’, ‘bank employees’, ‘safety locker’ and ‘operation of accounts related problems. Among the rural bank customers, these important problems are ‘ATM’, ‘housing loan’,
‘bank employees’, ‘credit card’, ‘safety locker’ and ‘operating of accounts’ related problems. The higher impacts of important problems have been noticed among the rural bank customers than among the urban and semi-urban bank customers.

7.3.6 Findings Relating to Impact of Problems faced by the Customers on the Service Quality of Banks

- The significantly influencing important problems on the perception on bank service quality among the urban bank customers are ‘housing loan’, ‘safety locker’ and ‘operating of accounts’ related problems. Among the semi-urban bank customers, these are ‘ATM’, ‘housing loan’, ‘internet banking’, ‘safety locker’ and ‘operating of accounts’ related problems. Among the rural bank customers, these are ‘ATM’, ‘housing loan’, ‘safety locker’, ‘operating accounts’ and jewel loan related problems since their regression coefficients are significant at five per cent level. The higher impact of important problems has been noticed among the rural bank customers than among the semi-urban and urban bank customers.

7.3.7 Findings Relating to Impact of Problems faced by the Customers on the Overall Attitude towards the Banks

- The significantly influencing problems on the overall attitude towards banks among the urban bank customers are ‘housing loan’, ‘mobile banking’, ‘bank employees attitude related’, and ‘credit card’ related problems, whereas among the semi-urban bank customers, these are ‘ATM’, ‘housing loan’, ‘bank employees’ related, ‘credit card’ and
‘Jewel loan’ related problems. Among the rural bank customers, these are ‘ATM’, ‘banking loan related’, ‘mobile banking related’, ‘bank employee’s attitude related’, ‘credit card related’ and ‘operating of accounts’ related problems. The higher impact of important problem is seen among the rural bank customers than among the urban and semi-urban bank customers.

7.4. SUGGESTION

7.4.1 Suggestion to Increase the Customer Base

- Sample reveals that the percentage of female customers is less (26 per cent). Taking in to account the situation the banks can step up their campaign to increase the female customers by opening bank account for the girl students in the women colleges. As the SHGs are experiencing a phenomenal growth, by encouraging the women SHG members to open bank account in their individual name.

- The percentage of customers having no formal education is only 3 per cent. It clearly highlights the target segment the banks have to concentrate. Similarly the percentage of account holders in the segment of un married category is also only 17 per cent. The banks can target this segment to increase the customer base.

- Occupation wise customers’ break-up shows the low customer base among students, professionals, government employees and business category. Students being the prospective customers, the banks can concentrate on this segment and encourage the students to open their bank account in consultation with the respective institutions. This will
help the students to pay their fees through bank. If online payment facility is available in the institution then this will help the parents to pay the fees of their children through online. The bank can take necessary steps to increase the customer base by approaching the other low customers’ base like professionals, government employees and business people.

- The customer base among the lesser monthly income group is very less (15 per cent). The bank can approach them through a special drive to increase the customer base among the low income earners.

- Among the four banks selected for the study, the customer base of the Indian Bank (15 per cent) and State Bank of India (16 per cent) is comparatively less. These two banks can concentrate more on the different segment of the people to increase its customer base.

- A low (14 per cent) percentage of sample respondents are having current account. Normally the business people used to keep the current account. This further confirms that the lesser customer base in the business circle. The banks must take sufficient step to attract the business people to open their bank account.

- The customers having a long experience in operating bank account is comparatively less (10 per cent). It shows the loyalty attached by the customer to the bank. The bank should study this situation and to take adequate steps to retain the customers. The loyal customers may be given some priorities or they may be given some extra benefits. This
will help the bank to retain the old customers and to get good business out of them.

7.4.2 Suggestion about the Source of Awareness about Banking Services

- Banners and wall posters are considered as the highly viewed source of awareness about the banks and their services by the rural bank customers. This could be effectively used in the rural areas to create the awareness about the services of the banks to attract the new customers. In the semi-urban areas the highly viewed source of awareness is ‘television’ so the banks must use the television as a major media for giving information about their services.

- As regards the gender, male customers are getting more information about the services of the bank from their friends whereas female customers are getting more information from their relatives. The banks must use the source of awareness while targeting the prospective customers.

- As regards the age of the customers and the source of awareness, there is a shift in the preferred source when the age increases. The shift in the preferred source should be given due weightage at the time of planning the strategies to target people of different age groups.

- It is interesting to note that people having higher level of education are getting information from the banners and wall posters.

- The sources of awareness differ in respect of occupation and monthly income of the customers so while initiating steps to reach the prospective customers this could be considered for improving the effectiveness of the advertisements.
Though the banks are offering number of services to its customers, ‘deposit account’ and ‘loans and advances’ are the few services which are availed by most of the customers. It needs to be further strengthened and the banks must initiate innovative approaches to attract the attention of the existing and prospective customers for all the other services also.

As regards the mode of operation, customers using internet and mobile banking are very less. Since the usage of mobile phones is very much prevalent, the bank must initiate some special drive by conducting awareness programmes about the usage of internet and mobile banking.

7.4.3 Suggestion for Deposit Mobilisation

Regarding the fixed deposit account the banks must organize a special drive to attract the customers by offering additional percentage of interest for the deposit holders or the bank may initiate innovative deposit linked savings scheme to multiply the deposit within a short time.

For attracting the recurring deposit the bank may introduce some attractive scheme. The recurring deposit holders may be given free services like commission free demand draft, commission free funds transfer etc. For this purpose a ceiling may be fixed to extend the free services to the customers.

In order to make it more attractive, the banks can offer free insurance cover for some deposit schemes with some ceilings.

Marginal reduction in interest for the housing loan or personal loan for the loyal customers who are having deposit or accounts for a long period.
7.4.4 Suggestion based on the Factors Influencing the Service Quality of Banks

- The highly viewed influencing variables by the urban, semi-urban and rural bank customers are ‘handling of customers’ grievances’, ‘reasonable service charges’ and ‘reduction of transaction charges’ respectively. Taking in to account the customers’ views about the variables influencing the service quality, the banks must evolve strategies to provide better service to the customers.

- The important service quality factors identified by exploratory factor analysis are ‘staff’, ‘procedure’ and ‘tangibles’. While planning the services, the bank must consider the factors influencing the service quality of the banks.

- As regards the association between the profile of the customers and the factors influencing the service quality of the banks, the associating profile variables vary widely between the factors influencing the service quality. The banks must consider the associating profile variables in respect of the factors.

- The significantly associating banking activities with the factors influencing the service quality throws light on the factors to be given weightage while planning the specific activities of the bank.

- The significant discriminant factors influencing the service quality of the banks among the urban, semi-urban and rural banks customers are ‘product and services’ and ‘procedures’. This explains the customers’ view about the factors influencing the service quality of the banks. This should be taken care of at the time of providing service to the different target groups.
As regards the customers’ view regarding the overall service quality of the banks, significant difference exist among the urban, semi-urban and rural banks customers. So steps need to be taken to identify the reason or this difference in the perception of the customers and remedial measures must be planned accordingly.

The impact of factors on the service quality of banks reveals the relative importance of the factors namely, ‘staff’ and ‘products and services’ in the determination of the perception on the service quality of banks. The banks must pay more attention to these factors while trying to improve the quality of the services offered by the banks.

### 7.4.5 Suggestions based on the customers’ Perception towards Services and service quality offered by Banks.

- Significant association exists regarding the profile variables age, level of education and monthly income for the various services offered by the banks. So while developing strategies regarding the services offered by banks due weightage must be given to the significantly associating profile variables to target the customers.

- The ‘customer service’ is identified as the highly important discriminant service among the urban, semi-urban and rural bank customers. So ‘customer service’ needs to be given top most priority while trying to attract the customers.

- The significantly associating profile variables among the urban, semi-urban and rural bank customers in relation to different dimensions of service quality offered by banks are age, level of education and monthly income. So while deciding the service quality of the banks, the
associating profile variables must be given due weightage in order to delight the customers.

- The service quality dimensions ‘assurance’ and ‘responsiveness’ are found to be the important discriminant service quality among the urban, semi-urban and rural bank customers. So due consideration should be given to ‘assurance’ and ‘responsiveness’ service quality variables while developing the service quality for the urban, semi-urban and rural bank customers.

- The service quality gap is more regarding ‘empathy’ factor among the urban and semi-urban bank customers whereas, among the rural bank customers the service quality gap is more regarding ‘tangibles’ factor. Taking in to account the service quality gap among the customers, a suitable service quality package needs to be offered to draw the attention of the different types of customers.

- As regards the association between the profile variable of the customers and the service quality gap, significant association has been identified regarding the profile variables, age, education and monthly income. So while designing the service quality package in relation to the different age, education and monthly income groups of the customers, their perception about the service quality should be considered in order to make them as loyal customers.

- The analysis of customers overall attitude towards bank reveals that the level of satisfaction of urban bank customers is more compared to the semi-urban and rural bank customers. This gives an indication that the banks must take adequate steps to bridge this gap by introducing
innovative banking services which could be more beneficial to the semi-urban and rural customers.

- The analysis of impact of service quality factors on the overall services offered by the banks exhibits that the service quality factors namely ‘reliability’ and ‘responsiveness’ are having more impact among the urban, semi-urban and rural bank customers. This also reveals the importance of the above said service quality factors in the determination of customers’ perception towards the services offered by the banks. So the banks must give importance to the service qualities for which the customers are giving more weightage.

- The overall attitude of the customers are influenced by the service quality factors ‘reliability’ and ‘responsiveness’ among the urban, semi-urban and rural bank customers. So the bank must pay more attention to reliability and responsiveness service quality factors while targeting the customers.

7.4.6. Suggestions to Overcome the Problems in availing Banking Services

- The highly perceived problem among the urban bank customers is ‘housing loan related problem’ whereas among the semi-urban bank customers the highly viewed problem is ‘internet banking operation’. ATM related problems are highly viewed by the rural bank customers. As the highly viewed problems among the different customers on the basis of the location of the bank vary, the bank must conduct an in depth survey among the customers of different location to assess their real problem and steps must be taken to redress the same.
The fast development in the information technology forces all the business establishments to adopt the same to meet the growing need and the expectations of the people. So the bank while using the latest developments in their services must assess the feedback from the customers at the regular intervals. Based on the assessment remedial measures must be initiated whenever needed. This will help the bank to serve better among the different customers.

As regards the ATM related problems it is the responsibility of the banks to check all the machines to ensure the working conditions of the ATM machine. The bank may employ technical persons to look in to the problems of the machines instead of hiring them whenever it is needed.

Higher service charges, loss of title deeds and too many formalities are the highly viewed housing loan problems by the customers of different location. The banks must consider these problems and respond to the customers by reducing the interest charges to attract more number of customers. In addition to this the bank must simplify the loan application procedures and the processing formalities.

The highly viewed internet banking problem among the rural bank customers the highly viewed problem is ‘inadequate knowledge of E-channels’. The bank must take necessary steps to create the awareness about the internet banking and make the customers to use the internet banking. This will promote confidence in the minds of the customers.

‘Lack of knowledge to operate mobile banking’ and ‘poor network availability’ are the highly viewed mobile banking problems among the urban, semi-urban and rural bank customers. As the knowledge
regarding the mobile banking operation is lacking among the customers, the bank must create awareness about the use of mobile banking operation and create confidence among the customers. Customers who are using the mobile phones must use the reliable network connection to avoid the network related problems.

- As regards the bank employees’ attitude, the highly viewed problems among the different customers are ‘staff are unhappy to respond to the customers’ and staff are engaged in personal phone calls’. The bank must give ‘customer relationship management’ training to their staff members at the regular intervals to provide better service to their customers.

- ‘High interest rate’, ‘validity renewal intimation’ and ‘limited withdrawal’ are the highly viewed credit card related problems among the customers of different location. The bank must redress these problems and try to provide better service to their customers.

- The highly viewed problems relating to safety locker are ‘high charges for locker’, ‘restricted access’ and ‘size of the locker’. The customers’ expectations may be looked into positively and redress their problems to improve the customers service.

- As regards operation of accounts, the highly viewed problem by the customers of different location is ‘absence of evening and holiday counters’. Being the most viewed problem, the bank must pay more attention to this and try to satisfy the expectations of the customers by opening the evening and holiday counters in the most desirable branches.
The highly viewed problems regarding the jewel loan are ‘high rate of interest’ and absence of prompt communication’. The bank may reduce the rate of interest and must provide necessary information at the appropriate time to the customers.

As the impact of problems relating to ATM, housing loan, bank employees, credit card, safety locker and operation of accounts are significant on the customers perception about the services offered by the banks, the bank must pay more attention towards all these problems and try to redress the same to satisfy the customers to win their confidence.

The impact of the problems faced by the customers on the service quality of the banks is significant regarding ATM, housing loan, operation of accounts and jewel loan problems. Since the above problems are having significant impact on the customers perception about the service quality, the bank must look in to the problems faced by the different customers and remedial measures must be taken to redress their problem. The redressal measures will have positive impact on the perception about the service quality of the banks.

7.5. CONCLUSION

The present study concludes that the level of perception on service quality is not up to the customers’ level of expectation. There is a significant difference among the urban, semi-urban and rural bank customers regarding their level of expectation and perception on service quality of commercial banks. The service quality gap among the rural customers is higher compared to other two groups of customers. The perception on service quality of commercial banks have a significant positive influence on the customers’ overall attitude towards banks, whereas the perception on problems in
availing bank services affect the overall attitude towards the banks. The rate of impact of service quality on customers’ satisfaction is identified as higher among the urban customers’ whereas the rate of impact of problems on customer satisfaction is higher among the rural customers. The study reveals that the level of service to the rural customers is comparatively poor than the services offered to semi-urban and urban customers. Due to the development of transport and communication, the gaps between these customer segments are coming down. Hence the banks have to understand the fact and deliver the right service to right customer at right time in order to generate customers’ loyalty.

7.6. SCOPE FOR FURTHER RESEARCH

- The present study has made an attempt to study the customers’ perception towards service quality of banking sector in Tirunelveli district only. The study can be extended to Tamil Nadu and India for betterment of providing service quality to the highly demanding customers amidst intense service competitions.

- A separate study may focus on identifying internal service quality among bank employees. It will give more understanding about the employees problems in the banking sector and its consequences on the customers perception on service quality of commercial banks.

- A study concentrating more on type of customer in banks viz., corporate, individual, firm or other status and their perception on service quality in banks may bring new ideas in filling the service gap among the target customers.
There is a wide scope for future studies in areas like:

- Switching behaviors Vs service quality
- Customers loyalty Vs Service quality
- Antecedents of service quality
- Performance as only analysis in service quality
- Service quality Vs Bank’s Performance Analysis
- Service Quality Vs Customers Exit Analysis.
- Core Vs Modern service quality