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MINOR RESEARCH PROJECT - A REPORT ON

**“A STUDY ON CUSTOMER SERVICES TOWARDS
PENSIONERS-A STUDY OF PUBLIC SECTOR
BANKS IN MYSORE CITY”**

BY

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CHAPTER-I

INTRODUCTION

The role of commercial banks in the economic development of the country can seldom be over emphasized. As the banking sector was not shouldering its social responsibilities, the government of India very rightly nationalised a major section of the banking industry in the year 1969 and again in the year 1980. After the nationalisation, the banks were addressed with the objective of performing the role of social banks. They were asked to reorient their lending policies from profit to service. Intune with the directions of the government, banks departed from urban-orientation to rural orientation and from profit orientation to service orientation.

After the nationalisation, the public sector banks have achieved a commendable progress in terms of branch expansion, deposit mobilization, priority sector advances, contributing much to the fulfillment of social objectives. The banking industry, particularly after liberalization, has assumed the role of an effective instrument for social transformation and economic development. They are rightly called "pace setters of an economy".

The economic reforms launched by the Government of India since 1991, are designed to accelerate the overall growth and help India to realize her productive potential. The Narasirnhan committee' recommendations have given a new direction to the growth and development to the banking industry in India. This enabled the banks to strengthen themselves to turn problems into opportunities and to liberalize their procedures and practices. The introduction of automation and technology has increased the role of banks to contribute for growth. There has been a considerable improvement in the profitability of the banks measured in terms of operating and net profits.

In spite this quantitative expansion,' their qualitative growth is still debated across the country. Banking industry is essentially a service oriented industry. Banking and financial services account for major portion of service sector.

CUSTOMER SERVICES IN COMMERCIAL BANKS

The customer has to be considered as a 'king-pin' around whom the banking institution has to function. Banks provide wide variety of services to their customers ranging from opening an account to guiding customers in respect of investments. All these services were classified into two categories viz, primary and ancillary services. Primary services include receiving deposits, paying withdrawals, issue of statement of accounts, speedy disposal of advance proposals etc,. Ancillary services are general utility services which include issue of drafts, collection and remittance facilities, advisory services, provision of physical comforts etc,. It is unfortunate that the customers often opine that there has been deterioration in the attitude of the banks towards rendering service to their customer. Customers complain that there is inordinate delay in rendering service. Similarly, it is observed that the attitude of the bank personnel has undergone a change since nationalisation. Infact; it is rumored that the nationalisation of banks created a sleeping environment for the banks in general and employees in particular.

B.K. Ghose²opines that the behaviour of the bank staff has 'become one of the apathy towards customers and antipathy towards management.

G. Balakrishnan³ rightly observed that "customers are like investigative news reporters, just plumbing for more and more information to help them pick and choose the most advantageous. Customers look for ease and flexibility and does not accept cumbersome structures any longer"

Customer service is an extremely dynamic concept, especially in the context of reforms in the banking sector in India. There is a growing need for specialized and more personalized services in the light of increasing awareness among the customers, of their rights as well as alternative services available in the market.

As a result of globalization and liberalization, the Indian banks are facing stiff competition from both new generation private sector banks and foreign banks. This essentially made the Indian bankers to realise their potentials to design new products and services tailored to suit to the needs of the customers and the public.

Banks, being service organisations, their survival and progress largely depends upon their ability to render quality services to different classes of customers. Rendering quality services, in turn depends upon employees who are the pillars of the banking industry.

The work culture among bank employees showed a negative tendency. In fact the working group on customer service appointed by the RBI⁶ discussed the attitude of bank personnel towards the customers and suggested that the former has to re-orient their attitude towards the customers.

Both customers and employees are said to be the building blocks of a financial institution like banks. Customer service necessarily has to be taken care of by the persons working in banks. They should be able to deliver utmost service as and when needed by the customers. Good customer service can flow only from satisfied and motivated bank employees. The concept of accountability has affected decision making and in turn the quality of service.

There is a need for effective management of human resources in banks who can understand the rising expectations of the customer and tries to fill them. This again requires a well coordinated team work to deliver service in

more satisfying manner.

STATEMENT OF THE PROBLEM

Customer service is one of the main criteria to judge the efficiency of the banking industry. It is the service delivered by the people (employees) to the people (customer). There has been a severe criticism from the public, press and parliament with respect to the quality of service rendered by the banks. The customer service has many dimensions. A better service depends upon various factors like organisational arrangements, bank policies and practices, working conditions, motives, perceptions and beliefs of persons employed in the banking industry and of customers.

Quality of the service and satisfaction level depends upon perception of a customer of the services delivered to him. This perception changes from person to person, branch to branch and from time to time. According to Biswa.N. Bhattacharyya⁶ an effective customer service of today maybe 'indifferent' tomorrow and 'bad service' the day after'. New concepts of services are emerging as a result of changing customer expectations. Therefore, it is necessary for banks to adopt a method of reviewing the services offered by them from time to time.

There are very few studies carried out in India in the area of customer services. Most of these studies are descriptive in nature and some of them focused on various services rendered by some banks on a case-study basis. Some of the studies focused on only limited services offered by the banks. Different classes of pensioners perceive customer service by bank according to the care taken by employees. There are hardly any study about customer service to pensioners by public sector banks. In order to bridge this research gap, the present study was taken up.

NEED FOR THE STUDY

Banking industry in India, after the introduction of economic reforms has undergone radical changes with respect to quantitative as well as qualitative growth. Further, the entry of foreign banks and new generation private banks posed challenges to the public sector banks in India. As such banks in general and public sector banks in particular have been asked to re- design and re-orient their policies and procedures.

Today the success of any banking institution is not merely depending upon its operating results, but also on how effectively they deliver effective services. In this background, there is an urgent need for taking stock of customer services rendered by these commercial banks to pensioners and to review them.

There is hardly any study in India attempted to bring out the different dimensions of the quality of customer services from customers point of view and to know the perceptions of pensioners of quality of customer service. .

The Karnataka state is said to be the 'Motherland' for the banking industry. Five major public sector banks and two major private sector banks have originated from Karnataka.

The city of Mysore, being cultural capital of Karnataka, accounts for many industrial and commercial establishments, premier educational institutions, many tourist spots and banking operations. In order to give a microscopic study on customer services, the present study was taken up with the involvement of some banks situated in Mysore city.

OBJECTIVES OF THE STUDY

The important objectives addressed for the present study are as follows:-

1. To make a retrospective analysis of various customer services rendered by commercial banks;
2. To make a study of the attitude of customers towards the various services rendered by the banks;
3. To analyze the perceptions of pensioners about customer service rendered by Public sector banks.
4. To suggest suitable measures, in the light of survey findings, to improve the customer services towards pensioners.

METHODOLOGY

Sources of data

The primary data has been collected by administering a structured questionnaire to customers of sample banks. The secondary data was obtained by referring to various books, journals, newspapers, annual reports and other related publications. Internet sources were also utilised for updating the secondary data.

Statistical Methods applied

Following statistical methods were applied in the present study:-

- Descriptive statistics
- Cross Tabs procedure (Contingency coefficient)
- T test- independent and one sample
- Analysis of variance
- Reliability Analysis

Descriptive Statistics

The Descriptive procedure provides uni-variate summary statistics for several variables in a single table and calculates standardized values. It provides summary information about the distribution, variability, and central tendency of a variable.

Crosstabs procedure

The Crosstabs procedure forms two-way and multiway tables and provides a variety of tests and measures of association for two-way tables. The structure of the table and whether categories are ordered determine what test or measure to use. Crosstabs' statistics and measures of association are computed for two-way tables only. If one specifies a row, a column, and a layer factor (control variable), the Crosstabs procedure forms one panel of associated statistics and measures for each value of the layer factor (or a combination of values for two or more control variables).

One-way ANOVA

The One-Way ANOVA procedure produces a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Analysis of variance is used to test the hypothesis that several means are equal. This technique is an extension of the two-sample t-test.

SAMPLING DESIGN AND ITS RELIABILITY

Random sampling method was applied for selection of sample size. In all 300 customers were selected to administer the questionnaire. Out of the total customers, 150 customers of SBM and 100 customers of VijayaBank and 50 customers from Corporation Banks were selected. All the 300 customers are drawn from four important constituencies viz., Chamaraja, Krishnaraja,

Narasimharaja and Chamundeshwari Vidhanasabha constituencies of Mysore.

A structured questionnaire was administered on both customers and pensioners for the purpose of collecting primary data. To facilitate comparison and easy understanding all the customers and pensioners were classified into five categories viz Category I, Category II, Category III, Category IV and others.

“Category I” represents Class I Officers at the time of super annuation, they belong to IAS and KAS cadre officers. “Category II” includes Officers of the state and central who were Office Superintendants, Managers, and Supervisors. “Category III” covers Officers, Clerks and Ministerial staff. Category IV covers Attenders, and other sub staff. “Others” includes peons, Sweepers etc.,

Reliability analysis

Reliability analysis allows to study the properties of measurement scales and the items that make them up. The Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. Intra-class correlation coefficients were used to compute reliability estimates. The following models of reliability were employed in the present study

Alpha (Cronbach): This is a model of internal consistency, based on the average inter-item correlation.

Split-half: This model splits the scale into two parts and examines the correlation between the parts.

Guttman: This model computes Guttman's lower bounds for true reliability .

The statistical operations were done through SPSS (Statistical

Presentation System Software) for Windows, version 10.0 (SPSS, 1999. SPSS Inc: New York)

Reliability analysis of the scales employed for customers and pensioners

Questionnaire	Number of cases	No. of items	Cronbach Alpha	Split-Half	Guttman	Inference
Customers	300	24	0.9164	0.8296	0.9066	Reliable

- **Data Analysis:** Mean scores of various variables on a five point scale were calculated under five groups of variable which are denoted as segment A,B,C,D, and E. In the five point scale the following scores are given to measure the perception level of respondents; very good-5, good-4, fair-3, poor-2 and bad-1.
- **Contingency coefficient:** A measure of association based on chi- square. The value ranges between zero and 1, with zero indicating no association between the row and column variables and values close to 1 indicating a high degree of association between the variables. The maximum value possible depends on the number of rows and columns in a table.
- **One-way ANOVA (F-statistics)** procedure is used to verify whether the mean scores of responses are equal or not.
- The crosstabs procedure was adapted to calculated percentage of variables for two-way tables. The positive responses of customers and pensioners were considered for analysis along with related co- efficient of contingency. All significance values at and below 0.05 level were considered to be significant.
- T -test was applied to analyse the difference between two groups in the different parameters.

Hypotheses tested;

Following hypotheses were tested in the present study:

1. All customers negatively perceive the services rendered by banks;
2. Majority of the pensioners perceive negatively services rendered by Public sector banks;
3. There is a need for focusing on pensioners by Public sector banks

SCOPE AND LIMITATIONS

In order to carry out a microscopic study, banks operating in the city of Mysore, Karnataka, were covered under the study. State bank of Mysore, Vijaya Bank and Corporation Bank all leading public sector banks were selected for this purpose.

Services in banks at present are manifold. New types of services are emerged over the years. However, for the purpose of analysis some important services which are often termed as 'core services' are covered to elicit the perceptions of customers and pensioners of the chosen banks. New generation services like ATMs, e-banking, internet banking services etc., were not covered under the study.

The study is limited to analyse the services rendered by the sample banks operating in Mysore city. The banks which are operating in rural areas are not covered in the study.

Further, the co-operative banks which are also carrying out commercial banking activities are kept outside the purview of the study so as to make the present study more focused.

Apart from this, all the respondent customers and pensioners are classified into five categories viz, Category I, Category II, Category III,

Category IV and others.

CHAPTERIZATION

Following this introduction, the **second chapter** is organized to review the literature available in the area.

The **Third Chapter** is organized to bring out the conceptual frame work of the services. A profile of sample banks and socio economic background of sample respondents and pensioners is designed in the **fourth Chapter**.

The perceptions of the sample customers and pensioners about services rendered by sample banks are analyzed in the **fifth chapter**. A Summary of Survey findings, suggestions and conclusion is presented in **Sixth chapter**.

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CHAPTER-II

REVIEW OF LITERATURE

A number of studies have been carried out abroad in respect of customer services in commercial banks. However, in India there have been very few studies carried out in the area. Most of them are descriptive in nature, attempting to highlight the different customer services provided by banks in general and deterioration in the quality of these services over a period of time. Review of these studies enabled the researcher to form a clear idea about the area of present study, methodology adopted and inferences drawn. This again helped the researcher to adopt suitable research plan for the current study.

This chapter is designed to bring on the record of earlier studies made and to distinguish the present study from earlier studies. A review of some relevant works in respect of customer services has been made in this chapter. Important studies have been classified as below:

- 2.1 Customer services and their delivery in commercial banks
- 2.2. Quality of customer services in commercial banks
- 2.3. Organisational issues and customer services

2.1. Customer services and their delivery by commercial banks

Few studies are available on delivery of services by commercial banks. Delivery of customer services by commercial banks is a significant factor which enhanced the quality of service.

Leonard Marks Jr. et al (1962): have described various services provided by commercial banks and highlighted the importance of public relations in delivering the services.

GopalKarkatl (1977), has highlighted the marketing of financial

services particularly in banks. He examined the application of marketing for better understanding and delivery of customer services.

Avinash C. Kansraet al³ (1978), have described various customer services rendered by commercial banks. They suggest a simulation model for employing time standards for better delivery of customer services.

Liswood" (1978), examined the role of marketing in enhancing customer satisfaction and fulfilling customer expectation. He has suggested to rebuild bank-customer relationship so that, customers are kept intact. It is the customer service delivery in every aspects that glues the customer to the business. The future belongs to those who can get and keep their customers.

Paul S Nadler⁵(1982), has argued for selecting the customers whose accounts can be profitable. He is of the opinion that banks would no longer be the smiling friends who tries to do all things for all people.

Perry," (1984), explained different category of banking services and their delivery system.

Downey' (1986), enumerated various services provided by banks particularly to personal, business and corporate customers.

Toft⁸ (1986), explained certain type of services such as executor and trustee services, taxation services, factoring services and international services.

Rajiv" (1986), analysed the application of marketing tools in the banking industry for better delivery services and creating harmonious public relation in banks.

Wright et al¹⁰.(1987), defined that service was a dynamic force in the World's economy . He has identified some of the companies which were leaders in providing services.

A perusal of the above research studies revealed that focus of research was on types of services. It implied that the emphasis was on different types' of services. Studies on perceptual analysis of the services both from customers and banks point of view were found missing.

2.2 Quality of customer services in commercial banks

Many studies have been carried out to evaluate the quality of customer services rendered by banks. A few studies which were highly relevant have been reviewed.

R.K. Talwar¹¹ (1976), Chairman of the working group on customer services examined the state of affairs of customer service in commercial banks. He opined that the services provided by the banks were very poor and deteriorating. The committee made 176 recommendations for the improvement and efficient delivery of customer services in commercial banks.

The recommendations were made on various areas which include deposit accounts, remittances and collections, "loans and advances, services at the counter, discipline and attitude of employees etc.

Lynn Shostack.G¹²(1979), has termed service failures in banks as consumer dissatisfaction. He argues for designing a service blue-print which involves several issues like;

- a) Identifying processes
- b) Isolating fail points (Weakness)
- c) Establishing time frame and
- d) Analyzing profitability

He suggests that services should be modified to suit to the needs of customers as and when necessary.

SusantaNiyogi 13 (1983),analysed the role of public relations department and public relation officers in improving and delivering quality of service in banks. Accordingly banks are benefited by their customers, directly or indirectly, for the services rendered. Hence, customer can legitimately demand reasonable standards of services.

Punjab National Bank¹⁴ (1987), conducted a survey in 1987 at all India level about the customer services. The data were obtained from customers of the bank on random basis. The study analysed the bank's strengths and weaknesses in rendering customers service. The survey identified certain vital areas where the customer services needs to be strengthened. The areas identified were, service at the counter, collection! remittance facilities, loans and advances, guidance to customers, behavior of the staff and provision of physical comforts.level about the customer services. The data were obtained from customers of the bank on random basis. The study analysed the bank's strengths and weaknesses in rendering customers service. The survey identified certain vital areas where the customer services needs to be strengthened. The areas identified were, service at the counter, collection! remittance facilities, loans and advances, guidance to customers, behaviour of the staff and provision of physical comforts.

Neil J. Metviner¹⁵ (1988), identifies some common misconceptions about quality improvement programs, especially ill banking. The misconceptions are;

- a) Quality applies only to manufacturing units and not to service organisations
- b) In banks, quality applies only to the banks office
- c) It costs more to produce high quality products and services.

He suggests for developing a quality improvement process, which involves quality plans, quality training, and building quality infrastructure and quality measurement.

The Estimates Committee¹⁶ (1988), of Eighth LokaSabha in its 64th report, has noticed several exceptions in the implementation of recommendations of working group on customer service. The committee was of the view that the primary function of banks is provision of customer oriented services to the satisfaction of customers.

SubbaRao G. et, al.¹⁷ (1989), raised certain basic issues in the context of application of marketing concepts and philosophies in banks for better customer services. The issues identified were;

- a) Strategies available for effective bank marketing and customer service
- b) Understanding customer attitudes and perceptions.
- c) Impact of recent developments in banks marketing

Satisfaction of the needs and wants of customers is the major role of effective marketing in banks. The study revealed that banking organisations must make a efforts to understand attitude and perceptions of their customers so as to plan effective bank marketing strategy to design and deliver well suited service offerings. They suggest for application of marketing concepts and strategies for better understanding of customer behaviour and design suitable policies to cater to the needs of customers.

Biswa N. Bhattacharyya¹⁷ (1991), analysed the dynamism of customer service in banks. 'customer service is extremely dynamic concept what is good customer service today may be considered as indifferent tomorrow and bad service the day after'. Hence, he suggests for continuous assessment and re-assessment of customer's perception of services and emerging customer expectations and how they can be satisfied.

The Reserve Bank of India¹⁸ (1991), set up a committee under the chairmanship of Mr. M.N. Goiporia in 1990 to examine various customer services in banks. The terms of reference were;

- a) The causes for the persistence of poor customer service in banks;
- b) The areas of poor customer service and remedy for it;
- c) Improvement of work culture and greater customer orientation among bank employees;
- d) Identification of operational rigidities and inadequacies in existing systems and procedures and to suggest remedies; and
- e) Up gradation of technology to ensure prompt and efficient service to customers.

The committee conducted a detailed survey and made 97 recommendations on various areas. The areas of recommendation include, service at the counter, deposit and other accounts, loans and advances, remittances and collection of instruments, work culture and discipline among employees and work technology.

Ramakrishna.Gr¹⁸ (2005), examined the performance of public sector banks after the implementation of financial sector reforms. He opined that customer service was one of the main criteria to evaluate the performance. Apart from making various suggestions, he specifically suggested for benchmarking practices by the banks to improve the quality of customer services.

In a nutshell, these studies try to identify the reasons affecting quality of banking services. Perhaps, the better way to analyse the quality of services would be to relate customer perception and expectation with actual delivery of services.

2.3 Organisational issues and customer services

Apart from the above, organizational issues like policy planning, organizational re-orientation, etc., also affect customer service.

Saraiya R.G, ¹⁹(1972), Chairman of the Banking Commission 1972, recommended certain structural changes in the working of the banking system in India. The commission suggested re-organisation of banks on zonal/regional

basis, delegation and decentralisation, branch expansion, display of time norms provision of physical comforts, etc., to improve the quality of service.

Bhise S.R.²⁰ (1976), argued for changes in the system and procedures of banks for effective and efficient customer service. He suggested for weeding out out-moded practices and introduce new ideas and methods to provide efficient service to customers.

KshirSagar S.S.²¹ (1976), discussed certain organisational issues and their implications on customer service. He noticed that large number of small customers are dissatisfied by services offered to them by the bankers. The poor level of customers service at the branch level may be due to the fact that the performance of the personnel is not seriously evaluated. Hence, he suggested for the incorporation of qualitative dimensions of customer service in to the system by periodic evaluation of the performance of the personnel.

A.K. Ganguly²²(1981), opined that the customer service in bank's is deteriorating from bad to worse. The service rendered by banks to customers is but an apology for service. He identifies the speed, accuracy and courtesy as the three important pre-requisites for a well organised customer service. He suggested for the provision of better infrastructure to equip the people in banks for rendering better customer service.

William .C. Harkeret al²³ (1984), in his study 'customer expectations are causing a revolution in banking' examined the impact of technology on banking services. The study revealed that technology in banks has created proliferation of bank services. This has resulted in increased competition and the consumer awareness of services. The study suggested that the relationship with customers must be managed much more carefully and continuously now than before. Further, the study suggested for organizational restructuring for achieving customer orientation.

Kerry Cooper et al²⁴ (1986), examined the effects of innovation, deregulation and the competition on financial services. Accordingly, these changes have resulted in a revolution in the market for financial services.

Laura Gross²⁵ (1987), analysed the impact of deregulation and environmental forces on the American Banking industry. In a situation of constant change, the researcher suggested to maintain consistency which was found to be powerful strategic weapon.

Chakarabarty²⁶K.C (1997),analysedvanous reasons for poor customer service in banks. The reasons were;

- Defective system and procedure for banking operations;
- Indifferent attitude of employee unions;
- Lack of accountability on the part of employees;and
- Lack of customer-orientation by banks.

Hence, he suggested that the banks must be customer-focussed for better chances of survival and growth.

Narasimham Committee, ²⁷ (1998), on the banking sector reforms, analysed the current scenario of customer services in the commercial banks. The committee strongly recommended to the banks to introduce revised operational manuals and update them regularly, keeping in view the emerging needs of the customers. Further, the committee opined that banks should adhere to these instructions, so that these operations are conducted in the best interest of the bank which will promote good customer service.

Reserve Bank of India²⁸ (2003), set up a committee under the chairmanship of S.S. Tarapore to examine the procedures and performance audit on public services. The committee examined the impact of procedures adopted by banks on customer services. While highlighting certain serious problems, the committee made certain important recommendations to improve

the customer services. The important recommendations of the committee include:

- ❖ Training of staff in technical areas to be intensified
- ❖ The Indian banks Association should evolve a model deposit policy recognizing the rights of the depositors
- ❖ Periodical review of complaints received .
- ❖ Appointment of quality assurance officers
- ❖ Evolving a comprehensive policy on settlement of claims of deceased account holders, minimizing formalities and documentation .
- ❖ Setting up of enquiry counters .
- ❖ Job rotation in bank branches to be ensured.

Gupta S.C. et al²⁹ (2005), said that the banking industry has moved gradually from a regulated environment to a deregulated market economy. The liberalisation and globalisation have resulted in changes in the intermediary role of banks. The technological innovations in banks brought a fundamental reorganization of banks on functional basis. This would, not only help them to improve their internal functioning, but also, enable them to provide better customer service. Banks would have to undertake extensive business process re-engineering and tackle issues like

- ❖ How best to deliver products and services to customers?
- ❖ Designing an appropriate organisation model to fully capture the benefits of technology and business process changes
- ❖ How to exploit technology for deriving economies of scale and how to create cost effectiveness? and
- ❖ How to create customer centric operation model?

A review of the above studies indicates organisational implications on customer service. Most of these studies were general in nature and advocated

various suggestions to improve the organizational set-up. However, there are no studies indicating a relationship, if any, between organisational issues and customer service.

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CHAPTER-III

CUSTOMER SERVICE IN BANKS - A RETROSPECTIVE ANALYSIS

Business and economic activities are mainly categorised into three groups viz primary, secondary and tertiary. After the world war-II, the services economy has been growing at a rapid pace. USA being the world's first service economy, accounts for more than 70% of the working population employed in service sector'. Even in India the service sector is gaining the momentum at present. This chapter is designed to analyse the following:

- 3.1. Growth of service sector
- 3.2. Conceptualization of services
- 3.3. Customer service in commercial banks

3.1. Growth of service sector

The new millennium witnessed the emergence of service sector. The service sector is growing at a faster rate than any other sector of the economy. Demographic changes taking place throughout the world are causing a chain reaction, which is facilitating the growth of service sector'. Besides, the technological advancements in all walks of life have also lead to growing demand for services.

The recent economic reforms like liberalisation, privatisation and globalisation, dis-investment policy, the increasing share of FDI have created new avenues for the growth of service sector in India. De-regulation has opened many service industries to more intense competition generating greater innovation and expansion'.

Increasing affluence, more leisure time, greater life expectancy, greater complexity of products, working women, complexity of life. Product innovations, need for comfort, work pressures etc., are the major contributing

factors for the emergence of more specific and innovative services. In the words of Balaji⁴, "New technology (or more sophisticated use of existing technology) offer service businesses a variety of ways to improve their competitive stance".

Christopher Lovelock and Jochen Wirtz⁵ have rightly put it; 'Technology is a key driver of service innovation. Banking and other types of service are being transformed by recent technological developments which are often termed as 'information super highway'.

It is evident from the fact that the service sector IS offering more employment opportunities as compared to other sectors. In 2001⁶ the employment generated by service sector was 20 million. Similarly, the service sector contributed nearly 28% of GDP in 2002-03⁷

3.2 Conceptualization of services

The service is perceivable and immeasurable in nature. Because of this paradoxical characteristic, it is quite difficult to define. According to Fisetel⁸ the absence of clear definition on service has hindered the development of specific marketing and management knowledge to service companies. Some of the definitions are given below.

Koder⁹ defines service as "any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything". Gronroos¹⁰ describes service as 'objects of transaction offered by firms and institutions -that generally offer services or that consider themselves as service organs (emphasis added)'.
'

The Service Industries Journal¹¹ define service as 'any primary or complimentary activity that does not directly produce a physical product, that is, the non goods part of transaction between buyer (customer) and seller (provider)'.
'

Christopher Lovelock and Jochen Wirtz¹² define service as 'an economic activity that creates value and provides benefits for customers at specific times and places by bringing about a desired change in or on behalf of, the recipient of the service' .

Shostack¹³ states that 'Services are those separately identifiable, essentially intangible activities which provide want satisfaction and are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However, when such use is required, there is no transfer of title (permanent ownership). As in case of tangible goods'.

A service is an act or performance offered by one party to another. Though the process may be tied to a physical product, the performance is essentially intangible and does not result in ownership of any of the factors of production.

Necessarily services are economic activities which create value and provide want satisfaction to customers. The service offering of an organisation refers to necessary outputs intended to provide intangible benefits to customers.

A) Distinctive characteristics of services

Services have a number of unique characteristics which differentiates them from physical products:

i) Intangibility:

ii) Inseparability:

iii) Heterogeneity:

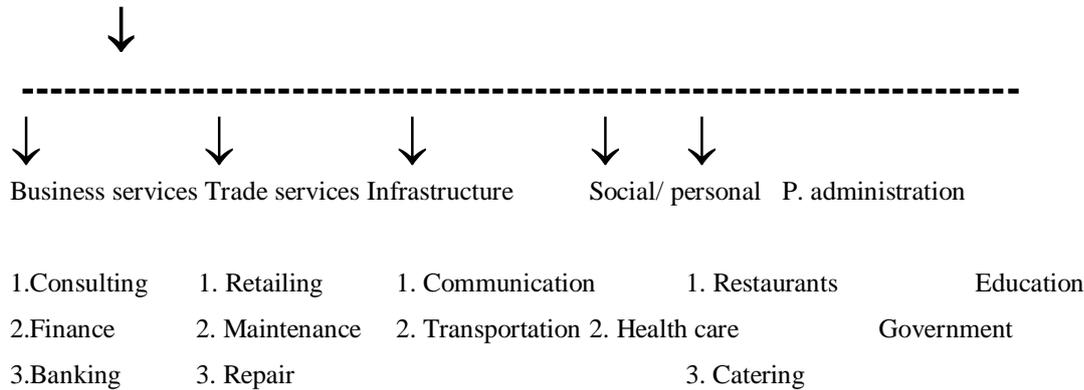
iv) Variability:

v) Perishability:

vi) Ownership:

B. Types of services

The wide spectrum of services are brought under the following five Categories



3.3. Customer services in commercial Banks: A retrospective analysis

The banking sector in India occupies a predominant role in socio-economic development process. They are called as 'Pace setters of an economy'. Banking sector in India witnessed sea changes. Traditionally they were known for profit motive, security mindedness, neglect of social objectives, industry-focused and poor quality of customer service. However, after the nationalisation of major commercial banks in India, they have been asked to play a pivotal role in the process of economic development. Changes in the policies of the government, amendments to Banking Regulation Act and setting up of national priorities from time to time, have changed their outlook and performance. Banks, which were profit -oriented have become need oriented. Further, the economic reforms introduced in the recent past, made the banks to strengthen themselves to turn problems into opportunities and to simplify their procedures and practices. After the introduction of automation and technology, the banks have been asked to play a role of catalytic agent in the process of economic development of the country. Banks have achieved a commendable progress with respect to deposit mobilisation, branch expansion, adherence to national priorities and fulfilling the social responsibilities, which are measurable indicators.

Banking sector is essentially a service sector. Banking and financial services account for major portion of service sector. Though banks in India made progress quantitatively, their qualitative growth is still debated across the country. Hence, an attempt is made in this chapter to give an' account of the quality of customer services rendered by the commercial banks. This IS discussed under the following heads:

- A) Before nationalisation
- B) After nationalisation
- C) After the introduction of banking sector reforms
- D) Recent innovations in Indian Banking industry

A)Before Nationalisation:

Customer service III commercial banks before nationalisation has not attracted much attention. It is because these banks were operating on a small scale, catering to the needs of local residents within the geographical area. Before the merger of several small banks into one big bank, they used to extend banking facilities mainly to the members, who were industrialists. Their participation with the public was limited to some extent. Further, the ranges of services offered to the customers were restricted to the opening of accounts and processing loan proposals. Indeed, these banks were enjoying more freedom inrespect of collection of deposits and channalising these deposits according their own considerations.

B. After Nationalisation:

The nationalisation of 14 major commercial banks in 1969 and 6 banks in 1980 brought the major chunk of banking sector under the direct control of Government of India with the regulation and supervision by Reserve Bank of India. The very objective of nationalisation of banks was to assume social responsibilities. After nationalisation, the public sector banks have achieved a commendable progress in terms of branch expansion, deposit mobilisation,

priority sector advances etc.

The growth of public sector banks in terms of volume, though commendable, they have invited severe criticisms in respect of customer services. R.K. Talwar¹⁵ had rightly observed "the prime function of banks can be defined as the creation and delivery of customer needed services in a customer satisfying manner'.

M.R. Pai, President", All India Bank Depositors Association, said that "customer service has virtually disappeared in a service-industry like banking, customer satisfaction is like savour to the salt.

B.K. Ghose' has criticised the behaviour of the bank staff towards the customer. He opined that the "behaviour of bank staff has become one of the apathy towards customers and antipathy towards management".

Mr. C. Subramaniam" the then Union finance minister "called for efforts to improve customer service. Despite all efforts, there were complaints of deterioration in the quality of service, he pointed out".

Dr.N.Murari Ballal¹⁹ stated that,"unfortunatelythereISaslow degeneration in customer service in the banks".

There was a sharp deterioration III the work -culture among bank employees. The customer used to be a poor person being exploited by these matters, namely, the employees.

The nationalisation brings out two effects in the Indian public sector banks. It has affected not only the quality of services but also on quantitative performance of the banks. The quantum of NP A was on the increase and as a result, they incurred heavy losses and some of the banks have reached a stage of insolvency.

C. After the introduction of banking sector reforms

The economic reforms, launched by the Government of India since 1991, were designed to accelerate the overall growth and help India to realise its productive potential. The Narasimham committee" recommendations have given a new direction to the growth and development of the banking industry.

Major reforms suggested by Narasimham committee were implemented by the Government of India. This includes

1. Deregulation of the entry of new private banks (domestic and foreign) in 1992-93
2. Liberalisation of branch licensing policy
3. Phase wise deregulation of interest rates on deposits and advances
4. Introduction of capital adequacy norm of 8 percent.
5. Institution of transparent, prudential and income recognition norms
6. Allowing public sector banks to access capital market to raise equity.
7. Gradual reduction of ERR and SLR.

Again the committee recommended other reforms in the year 1998-99 as a second phase of reforms. The RBI announced a number of decisions on 30th Oct. 1998²¹.

There has been a considerable improvement in the profitability of the banks measured in terms of operating and net profits. The banking industry has gradually moved from a regulated environment to a deregulated market economy. These have resulted in changes of the intermediary role of banks.

economy. These have resulted in changes of the intermediary role of banks.

Technology innovation and fierce competition among existing banks have enabled the banks to offer wide variety of banking products and services. Technological innovations coupled with simplification of procedures and practices, have improved the delivery of customer services. Deregulation and entry of private and foreign banks have made banks to offer quality services to their customers. This can be seen from the emergence of highly sophisticated

financial products, which are tailored to meet the specific needs of the customers, in the retail as well as the corporate segments.

D. Recent innovations in Indian banking industry

The banking sector in India has witnessed sea-changes in recent years Dr. Rajashekara K.S²² opines that "information technology as a magical technology brings about a lot of changes in banking operations. E-banking has- enabled the banks to scale borders, change strategic behaviour and thus bring about new possibilities". Some of the recent innovations in Indian banking sector are listed below:

- i) On-line-banking:-**
- ii) Telephone Banking: -**
- iii) E-banking: -**
- iv) Internet Banking:-**
- v) Automated teller Machine: -**
- vi) Universal Banking:-**
- vii) Core Banking solutions:-**

Banking industry vision-2010

Managing committee of the Indian Banks Association constituted a committee under the chairmanship of Sri. S.C Gupta to prepare a vision report for the Indian Banking industry. The committee met at different dates. The draft report of the committee was adopted in the final meeting of the committee held at Mumbai. The committee is of the view that visualization of changes that takes place in the banking industry by 2020, is highly in conceivable. However, it visualized the pace of changes that may take place in Indian banking sector by the 2010. This is almost in line with India- Vision-2020 prepared by the planning commission.

In conclusion, it can be said that the concept of customer service has undergone sea changes. The quality and demand for customer service has changed from Pre nationalization to Post nationalization period. Further the concept of E banking is gaining tremendous importance in the context of vision 2020, the banks have to gear themselves up to face new challenges in the provision of customer services

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CHAPTER IV

PROFILE OF SAMPLE BANKS AND SOCIO-ECONOMIC BACKGROUND OF BANK BENEFICIARIES

The degree of Customer service varies from bank to bank, branch to branch, and from area to area. It is very difficult to analyse the level of customer services offered by Commercial banks in India as a whole. With a view to make a micro-level study, some of the banks in Mysore city of Karnataka state were selected. Further, three banks from Public sector viz., State Bank of Mysore, Vijaya Bank and Corporation Banks were selected to make a comparative analysis. The main objective of this chapter is to present a profile of respondent banks. This is presented in three parts viz.,

(A) Profile of Mysore City

(B) Profile of Sample Banks

1. State Bank of Mysore

11. Vijaya Bank

111. Corporation Bank

(C) Socio-Economic background of bank beneficiaries.

(A) Profile of Mysore City

Mysore is one of the royal cities III Karnataka. It *is* a majestic, mysterious and mesmerizing city. It has inherited all Indian traditions with modernity. It is known as cultural capital of Karnataka having pioneers in literature, art, architecture, sculpture, music, drama, dance and folklore. It is situated I 770 meters above the sea level embraced by the hill ranges from north to south and it is also known as Garden City.

Mysore was ruled by various dynasties like Gangas, Cholas, Hoysalas, Tipusultan and Wodeyars. During the regime of Wodeyars Mysore witnessed its golden age. DewanPoornaiah, Sir Mirza Ismail and Sir M. Vishweshwaraya guided the Maharajas of Mysore and it has become nucleus of Karnataka's

economic and cultural progress.

Mysore, the Princely City of Karnataka, is a tourism place too. Various tourism spots are situated in and around Mysore city. Palaces like Maharaja Palace, Jagan Mohan Palace, Summer Palace, Chamundi Hill, Mysore Zoo, St. Philomena Church, lakes like Karanji lake, Kukkarahallilake are situated in Mysore city. The tourist places situated in and around Mysore are KrishnarajaSagara, Ranganathittu Bird Sanctuary, Srirangapatna, Rajiv Gandhi National Park (Nagara hole), HimawadGopalaswamyBetta, Somanathapura, Talkad, Shivanasamudra, are a few important to cite.

DASARA FESTIVAL

The world famous dasara festival will be usually held in the month of October every year in Mysore City, attracting the tourists from all comers of the World. It is celebrated with pomp and pageantry echoing the grandeur of its royal past. This festival is celebrated to mark the victory of good over evil. The entire city wears a festive look as the city and palace are lit up for ten days. Various cultural programmes like music, dance and drama were organized during these days. The highlight of the festivity is the Dasara Procession held on Vijayadashami, the last day of Navarathri. The Dasara Procession is led by decorated elephants carrying the idol of Goddess Chamundeshwari seated in the golden howdah. In the procession, decorated horses, folk dancers, depicting different culture and colourful floats took part highlighting the traditional and cultural history of Kamataka. This procession starts from Maharaja's Palace and ends at the torchlight parade ground in Bannimantap. The closing ceremonies include cultural performances, gymnastic and equestrian events followed by the torchlight parade and fireworks.

Mysore City has an area of about 37.30 Sq.Kms and it is blessed with a salubrious climate through out the year. The temperature varies during summer

35°C (Max.) and 20°C (Min.) and during winter 28°C (Max.) and 14°C (Min). The population is estimated at 22,50,000 at present (2014) though the population as per the 2011 census stood at 17,99,228²

In recent days, it is attracting more number of industrialists, business experts and other professionals, opening the avenues for commerce and trade. The Mysore city, being cultural capital of Kamataka, is now attracting more number of entrepreneurs. Infosys technologies Ltd. and other IT companies have established their branches. This has given a boost for employment generation.

As these business activities are expanding, various financial institutions have set up their branches here to cater to the needs of business sector. Both public sector banks and private sector banks, including foreign banks have established their branches to serve the "financial needs of a large clientele, ranging from small customers to corporate customers. For the purpose of the study, the researcher has selected three banks viz., State Bank of Mysore, Vijaya Bank and Corporation Bank. State Bank of Mysore is a subsidiary of State Bank of India - a premier institution in public" sector. Selection of these three banks is justified on the ground that, it is highly helpful to cross-examine the level of customer services rendered by these three banks. Further it is also quite interesting to analyse the perceptions of the customer about the quality of service rendered by these banks.

B. Profile of Sample banks

The deposits, and the branch network of the banks are indicated in the following table

Table No. 4.1

Deposits and branch network of respondent banks as on 31st march

Rs. in Crores

Year	State Bank of Mysore		Vijaya Bank		Corporation Bank	
	Deposits	No. of Branches	Deposits	No. of Branches	Deposits	No. of branches
2011	43225	797	73248	1200	116747	1361
2012	50186	844	83056	1300	136142	1500
2013	56969	896	97017	1359	166005	1707
2014	61560	944	124296	1512	193393	2021
2015*	66063	1015	126343	1618	199345	2298

*Deposits include inter-bank deposits.

Source: Annual Reports of the concerned Banks

** Data obtained from internet.

The total amount of deposits of SBM as on 31.3.2011 was Rs.43225 crores as against Rs.66063 crores as on 31.3.2015. Similarly the deposits of Vijaya Bank as on 31.3.2011 stood at 73248 crores and the same has been increased to Rs.126343 crores as on 31.3.2015. Further the deposits of Corporation Bank has risen from 116747 to 199348 crores as on 31.3.2015. The total number of branches of SBM as on 31.3.2015 was 1015. Similarly the total number of branches of Vijaya Bank and Corporation Bank were 1618 and 2298 respectively as on 31.3.2015.

(C) Socio-Economic background of bank beneficiaries

The primary data was collected by administering a structured questionnaire to sample respondents. Both customers, and employees of sample banks were covered under the study, for the purpose of making comparative analysis. This will help us to understand the views of both customers and employees about bank services. The demographic profile of customers and employees of sample banks are explained under the following heads.

(i) Profile of sample customers and pensioners

The customers of sample banks i.e. SBM, Vijaya Bank and Corporation, banks are covered under the study. 300 customers of which 150 customers from State Bank of Mysore, 100 customers from Vijaya Bank and 50 customers from Corporation Banks were selected for the purpose of the study.

The background data covered issues such as age and gender, education and category belonging at the time of superannuation.

(a). Distribution of sample customers based on age and gender

Age of the customer has a direct relationship with maturity level. Maturity and rationality is also closely related. Further, the gender may indirectly contribute for matured decisions. However, no study is available to prove that gender has direct relationship with matured behavior. Nonetheless it is presumed that age and gender has a bearing on the behavior. The sample customers have been classified based on age and gender and the distribution is presented in table 4.2.

Table No. 4.2
Sample customers according to age and gender

Age group in years		Gender		Total
		Male	Female	
Below 70	Frequency	102	20	122
	Percent	42.32	33.89	40.67
71 - 80	Frequency	84	26	110
	Percent	34.85	44.06	36.67
80 and above	Frequency	55	13	68
	Percent	22.82	22.03	22.66

Out of 300 respondents, nearly 40.67 per cent were belonging to below 70 years of the age group and 36.67 per cent of respondents were belonging to the age group between 71 and 80 and remaining 22.66 per cent of respondents were belonging to the age group of above 80 years

(b). Distribution of sample customers based on education

Like age has relationship with maturity, even the education level has a direct bearing on behavioral pattern of individuals. To get a reliable and accurate data for our study, educational background of our respondents becomes important. The sample members are distributed into different categories based on their educational level. The data is presented in table 4.3.

Table No. 4.3
Sample respondents according to gender and educational qualification

Education Level		Gender		Total.
		Male	Female	
Metric	Frequency	58	19	77
	Percent	27.23	32.00	25.66
Graduates	Frequency	71	10	119
	Percent	33.33	17.00	39.67
Post -graduates	Frequency	69	17	86
	Percent	32.39	29.00	28.67
Others (Non metrics)	Frequency	15	13	18
	Percent	7.04	22.00	6.0
TOTAL	Frequency	213	59	300
	Percent	100	100	100

Source: Survey data,

Out of 300 respondents 77 respondents belonged to Metric, 119 respondents belonged to graduation and 86 respondents belonged to Post graduation and 18 respondents were belonged to other category. Out of the total respondents the male respondents were 213 and female respondents were 59 only. Majority of the respondents were belonged to graduation(50%) and Post graduation (61%)

Distribution of sample size based category of employees at the time of superannuation.

The sample respondents were classified into five categories such as Category I, Category II, Category III, Category IV and

others. Respondents belonging to various categories are presented in the following table.

Table No. 4.4
Sample size according to category and gender

Category		Gender		Total
		Male	Female	
Category I	Frequency	58	19	77
	Percent	27.23	32.00	25.66
Category II	Frequency	70	09	79
	Percent	33.33	17.00	39.67
Category III	Frequency	67	16	83
	Percent	32.39	29.00	28.67
Category IV	Frequency	15	13	18
	Percent	7.04	22.00	6.0
Others	Frequency	4	2	6
	Percent	1.65	3.38	5
Total		241	59	300

As per the table indicated above more number of respondents were belonging to category II and category III with 79 and 83 numbers respectively. However, a sizable number of respondents were also belonged to category I, the number being 77.

Table No.4.5

Sample distribution according to gender and bank

Bank		Gender		Total
		Male	Female	
SBM	Frequency	121	29	150
	Percent	50.20	49	50
Vijaya Bank	Frequency	80	20	100
	Percent	23.4	34	33
Corporation Bank	Frequency	40	10	50
	Percent	17	17	17
Total	Frequency	241	59	300
	Percent	100	100	100

Source: Survey data

Out of 300 respondents, almost 50% respondents were covered by State Bank of Mysore (150 in numbers) This is followed by 33 % of the respondents belonged to Vijaya bank and remaining has been covered by Corporation bank. In conclusion, the general profile of the respondents was:

- a. Majority of customers were in age group of 71-80 years who were found to be matured customers;
- b. More number of respondents were with graduation and post graduation ; and
- c. Among different category of customers the customers belonging to Category II and III were availing bank services regularly

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CHAPTER-V

ATTITUDE OF CUSTOMERS AND PENSIONERS TOWARDS VARIOUS SERVICES

This chapter has been designed to study the attitude of customers and pensioners of the sample banks towards various services. The two major objectives of this study viz, analyzing the attitude of customers and that of the pensioners are addressed in this chapter. Pensioners were also being customers of the bank, it is possible to analyze the attitude of customers towards bank services and also to elicit their opinion about bank services from the view point of pensioners.

Banks at present, are offering variety of services to their customers. The perception of these services varies from person to person, from bank to bank and from time to time. As such, these services have manifold dimensions. Measurement of these dimensions is the main focus of this chapter.

About 24 statements were addressed to respondents to elicit their perception level of services rendered by banks. The perception level of customers and pensioners were measured on a five point scale. Points assigned to this scale vary from five to one. These services are broadly classified into five variable segments viz., deposit related services (A), collection / remittance facilities (B), advance / loan related services (C), support services (D) and employee behaviour related services (E).

A classification of these services is as follows:

VARIABLE SEGMENT:

Deposit related services- Attitude-A

- Updating of SB pass book
- Issue of statement of account
- Settlement of deceased depositor's account
- Issue of duplicate Drafts FD receipts
- Pre mature encashment of FD receipts

Collection/ remittance facilities: Attitude-B

- Prompt collection of cheques
- Speedy encashment of cheques/ Draft
- Issue of travelers cheques

Advance/loan related services: Attitude-C

- Speedy disposal of advance proposals
- Issue of credit cards

Support services: Attitude-D

- Opening and closing of branches on time
- Un-interrupted service during working hours
- Arrangement for providing guidance to customers
- Providing nomination facility
- Carrying out standing instructions
- Educating on bank procedures/services
- Provision of physical comforts
- Service to pensioners

Employee behaviour related services: Attitude-E

- Courtesies behaviour of staff
- Promptness in providing service
- Motivation of staff in general
- Attending to solve grievances
- Exchange of soiled notes
- Extension of safe custody services

This chapter is subdivided into two parts. Part-A deals with the attitude of customers towards bank services, while part-B deals with opinion of pensioners towards customer services.

PART-A

5.1. ATTITUDE OF CUSTOMERS TOWARDS BANK SERVICES

This section is organized to analyze the attitude of customers towards various services rendered by banks. The following issues are discussed in this section:

5.1.1. Attitude of customers towards bank services in general

5.1.2. Opinion of customers with regard to bank services

5.1.3. Opinion of customers in respect of Customer Committees and other related aspects

The hypothesis set for verification in this section is that '**All customers negatively perceive the services rendered by banks**'.

5.1. Attitude of customers towards various services in general

As a measure of assessing the attitude of customers, opinions about 24 statements addressed to respondent customers were measured on a five- point scale. The mean scores and standard deviation along with F- Value were calculated for the five classes of attitudes; A, B, C, D and E. This helps us in understanding the perception level of services by customers. Different values obtained with respect to customers by category, by education level and by gender are presented and analyzed. Hypothesis (HI): 'All customers negatively perceive the services rendered by banks'

Table No. 5.1

Results of One-sample 't' test for expected and obtained scores

Sl. No	Segment	Max. Possible scores	Obtained	Difference	Sig (P value)
1	A	25.00	14.84	-10.16	't'=77.87; P<.000
2	B	15.00	8.57	-6.43	't'=68.71; P<.000
3	C	10.00	6.22	-3.78	't'=55.81; P<.000
4	D	40.00	20.74	-19.26	't'=108.47; P<.000
5	E	30.00	18.23	-11.77	't'=71.32; P<.000
6	Total	120.0	68.60	-51.40	't'=88.94; P<.000

Source : Survey Data

It is evident from the scores given in the table that in all the segments as well as in the total attitude scores, there were significant discrepancies between the expected and obtained attitude scores. When one-sample 't' test was applied to these individual segments as well as for the total scores, all the obtained 't' values were found to be highly significant (P<.000), indicating that in all the segments as well as in the total attitude scores, there were significantly lesser scores when compared to the standard expected scores. Since, in all the segments as well as in the total attitude scores, there were significant negative perceptions by the customers, the hypothesis that 'all customers negatively perceive the services rendered by' banks')s accepted.

5.1.1(a) Attitude of different category of customers towards services to facilitate proper analysis the respondent customers are classified into five categories viz., Category I, Category II , Category III, Category IV and others The mean scores of attitude of different classes of customers along with F value are presented and analysed.

Table No. 5.2

Mean scores of attitude of different class of customers

Variable segment	Category	Mean of variable	Standard Deviation	F Value	Significance
A	Category I	13.76 ^a	1.92	26.42	0.000
	Category II	16.21 ^b	2.29		
	Category III	16.05 ^o	1.16		
	Category IV	15.77 ^o	2.67		
	Others	13.75 ^a	1.49		
	Total	14.84	2.26		
B	Category I	8.05 ^o	1.43	32.68	0.000
	Category II	9.61 ^o	1.67		
	Category III	8.86 ^c	0.67		
	Category IV	9.87 ^o	1.70		
	Others	7.25 ^a	0.84		
	Total	8.57	1.62		
C	Category I	5.95 ^o	0.84	25.21	0.000
	Category II	6.76 ^{Chj}	1.48		
	Category III	6.48 ^c	0.73		
	Category IV	7.20 ^o	1.00		
	Others	5.25 ^a	0.84		
	Total	6.22	1.17		
D	Category I	19.89 ^o	2.21	34.83	0.000
	Category II	22.03 ^c	2.92		
	Category III	21.73 ^c	2.77		
	Category IV	23.97 ^o	2.47		
	Others	18.0a	2.58		
	Total	20.74	3.08		
E	Category I	17.12a	2.19	42.54	0.000
	Category II	19.91 ^o	2.51		
	Category III	18.66 ^o	2.67		
	Category IV	21.5 ^c	1.14		
	Others	16.0 ^a	2.37		
	Total	18.23	2.86		
Total	Category I	64.76 ^o	7.90	40.40	0.000
	Category II	74.52 ^{co}	9.889.88		
	Category III	71.77 ^c	6.37		
	Category IV	78.30 ^o	7.437.43		
	Others	60.25 ^a	7.587.58		
	Total	68.60	10.01		

Source: Survey Data

The above table presents mean attitude scores of various segments for different classes of customers. All the obtained F values were found to be highly significant indicating that customers from different classes differ

significantly in their attitude towards various customer-related services. One common factor observed in all the segments was that pensioners had the least favourable attitude and customers from non-trading concerns had the maximum favourable attitude towards these services, except in deposit related services. All other classes of customers had varied levels of attitudes between these two extremes. The overall attitude of the general customers, Businessmen, Professionals, Small scale industries, Non-trading concerns, and pensioners were 64.76, 74.52, 71.77, 78.30 and 60.25 respectively. Further F value of 40.40 was found to be highly significant at .000 level. Tukey's HSD post hoc test, further revealed that pensioners had the least favourable attitude and customers from non-trading concerns had the maximum favourable attitude.

5.1.I(b) Attitude of male and female customers towards various services

Apart from education level and different classes, the sample customers have been classified into, male and female customers. The mean scores along with results of 't' test are analyzed and presented in table 5.3.

Table No. 5.3
Mean scores of attitude of customers based on gender and results
of independent samples 't' test

Variable segment	Sex	Mean of Variable	Standard deviation	't' value	Sig.
A	Male	14.91	2.19	0.79	429
	Female	14.68	2.42		
B	Male	8.68	1.54	1.86	064
	Female	8.30	1.79		
C	Male	6.32	1.16	2.42	016
	Female	5.97	1.18		
D	Male	20.91	2.81	1.48	140
	Female	20.33	3.63		
E	Male	18.57	2.65	3.28	001
	Female	17.39	3.19		
Total	Male	69.39	9.18	2.15	032
	Female	66.67	11.63		

Source: Survey Data

It might be observed from above table that male and female customers did not differ much in their perception of services like deposit related services, collection remittance facilities and support services. However; in case of advance related services and employee behaviour related services perception level of male and female customers vary significantly. The overall attitude score of the male customers was found to be 69.39 and for female customers it was 66.67. 't' value of 2.15 was found to be significant at .032 level.

Male and female customers differed significantly in mean attitude scores in segments C, E and total attitude scores.. Hence, the hypothesis formulated for the above factor is accepted only for segments C and E. On the whole also the hypothesis is accepted for the total attitude scores and rejected for segments A, B and D.

5.1.2. Opinion of customers with regard to various services

A set of questions were addressed to customers in order to elicit their opinions with respect to arrangement and time norms. The percentages of positive responses along with frequencies and co-efficient of contingency test are analyzed.

5.1.2(a) Arrangements and Time Norms in Banks

Banks are directed to display the arrangements made and to indicate time norms for various transactions. Respondent customers were asked to indicate their preferences towards these arrangements. Responses of sample customers are tabulated and presented in table no 5.4.

Table No. 5.4

Arrangements and time norms and results of contingency coefficient test

Arrangements and time norms	Classes of customers					CC. Value*	Sig.
	Category I	Category II	Category III	Category IV	Others		
Display of identification boards at the counter	111 (100)	62 (92.5)	44 (100)	30 (100)	48 (100)	0.236	.001
May I help you counter	05 (4.5)	37 (55.2)	22 (50)	30 (100)	12 (25)	0.533	.000
A availability of personal assistance	05 (4.5)	50 (74.6)	22 (50)	30 (100)	24 (50)	0.558	.000
Display of time norms	111 (100)	67 (100)	44 (100)	30 (100)	48 (100)	-	-
Adherence to time norms							
For encashment of cheques/drafts	12 (108)	30 (44.8)	25 (56.8)	30 (100)	-	0.544	.00
Issuance of drafts/travelers cheques	14 (12.6)	32 (47.8)	16 (36.4)	30 (100)	-	0.528	.000
Are savings bank passbook updated?	53 (47.5)	50 (74.6)	39 (88.6)	30 (100)	-	0.529	.000
Whether passbook entries clearly stated?	14 (12.6)	38 (56.7)	30 (68.2)	30 (100)	-	0.559	.000
Are proper token issued when passbook are retained by banks?	51 (45.9)	31 (46.3)	28 (63.6)	30 (100)	-	0.462	.000
Are statements of accounts issued regularly?	66 (59.5)	50 (74.6)	38 (86.4)	30 (100)	-	0.521	.000

Source: Survey Data, CC*= Contingency Coefficient

All classes of customers generally agreed for display of identification boards at the counter. Customers representing category III overwhelmingly agreed (92.5%) that banks display identification boards at the counter. Further, all class of customers agreed in respect of display of time norms for various

transactions in banks. Customers from Category IV were fully favourable to the various statements listed in the table. This IS followed by Category II and Category III. It might be observed that least number of Category I customers agree with statements like 'may I help you counter' (4.5%), 'availability of personal assistance' (4.5%), 'issue of drafts / travelers cheques' (12.6%) and clarity of 'entries in pass book' (12.6%). Further, the values of contingency coefficient obtained for different statements were found to be highly significant at .000 level.

It was evident that both Category I and others who accounted for more than 50 per cent of total, did not agree in respect of arrangements and adherence to time norms for various transactions in banks.

5.1.2(b) Normal Time taken in respect of various transactions

Normally, banks take various timings for different transactions. Opinions of respondent customers about time taken by banks for different transactions are presented and discussed in relation to the following hypothesis.

Table No. 5.5

Time taken with regard to encashment of cheques and results of Contingency coefficient test

Time taken		Less than 10 minutes	10-20 minutes	More than 20 minutes	CC Value*	Sig.
Encashment of Cheques /drafts	Category I	32 (28.8)	66 (59.5)	13 (11.7)	0.500	.000
	Category II	20 (29.9)	35 (52.2)	12 (17.9)		
	Category III	26 (59.1)	18 (40.9)	-		
	Category IV	30 (100)	-	-		
	Others	-	36 (75.0)	12 (25.0)		
Issue of drafts/ travelers cheques	Category I	19(17.1)	68 (61.3)	24 (21.6)	0.601	.000
	Category II	20 (29.9)	37 (55.2)	10 (14.9)		
	Category III	26 (59.1)	14 (31.8)	4 (9.1)		
	Category IV	30 (100)	-	-		
	Others	-	12 (25.0)	36 (75.0)		
Depositing cash and getting receipt	Category I	98 (88.3)	13 (11.7)	-	0.268	.000
	Category II	67,(100)	-	-		
	Category III	44 (100)	-	-		
	Category IV	30 (100)	-	-		
	Others	48 (100)	-	- "		
For issue of new cheque book		10 minutes	10-20 minutes	>20 minutes	0.482	.000
	Category I	30(27.0)	81(73.0)	Nil		
	Category II	20(29.0)	47(70.1)	Nil		
	Category III	22(50.00)	22(50.0)	Nil		
	Category IV	30(100.0)	Nil	Nil		
	Others	Nil	48(100.0)	Nil		

Source :Survey Data

Different classes of customers had varied experiences about the time taken by the banks in respect of encashment of cheques, issue of drafts, deposit of cash and getting receipted counterfoil. All customers from category IV agreed that normal time taken in all the above cases was less than ten minutes. About 28.8 per cent of category I customers indicate less than 10 minutes was taken in respect of encashment of cheques, as against, 59.5 per cent of the same group who indicated 10-20 minutes time taken for the same.

Nearly, 29.9 per cent of Category II customers and 59.1 per cent of small scale industries opined that less than 10 minutes was taken for the encashment of cheques.

In respect of time taken to issue drafts / traveler cheques, the percentages of Category I customers who said less than 10 minutes were taken was 17.1 per cent as against, 29.9 per cent for customers of Category II group and 59.1 per cent of Category III group. Majority of Category I customers (61.3%) and Category II (55.2%) opined that 10-20 minutes time was taken for issue of drafts / travelers cheques.

It was observed that majority of other classes of customers were of the opinion that normal time taken in respect of encashment of cheques and issue of drafts was between 10-20 minutes. A sizeable portion of the customers opined that the time taken for the same was more than 20 minutes. The values of contingency co-efficient indicate high degree of significance at .000 level.

Different classes of customers differed in their opinion about the time taken to issue new cheque book. While customers from Category III fully agreed that the normal time taken to issue new cheque book was 10 minutes, majority customers from other groups indicated that 10-20 minutes time was taken to issue new cheque book by the branch.

5.1.2 Knowledge about Bank Procedure, Bank charges and physical comforts

The customers acquire knowledge about bank procedures from various sources. Different banks levy different charges for various transactions. Further, provision of physical comforts provided banks vary from bank to bank. Responses of sample customers about these aspects are presented analyzed in the following

Table No. 5.6

Bank charges and physical comforts with results of contingency coefficient test

Customer's opinion		Category					c.c. Value	Sign.
		Cat I	Cat II	Cat	Cat	Others		
Acquiring knowledge about bank procedure	From staff members	49 (44.1)	50 (74.6)	34 (77.3)	30 (100.0)	4 (50.0)	0.362	.000
	From pamphlets/literature	13 (11.7)	Nil	5 (11.4)	Nil	12 (25.0)	0.268	.000
	From outside sources	49 (44.1)	17 (25.4)	5 (11.4)	Nil	12 (25.0)	0.314	.000
Banks Charges	Cheap	Nil	Nil	Nil	Nil	Nil	--	--
	Reasonable	66 (59.5)	33 (49.3)	38 (86.4)	18 (60.0)	12 (25.0)	0.332	.000
	Exorbitant	45 (40.5)	34 (50.7)	6 (13.6)	12 (40.0)	3 (75.0)	0.333	.000
Provision of physical comforts	Comfortable	10 (9.0)	42 (62.7)	16 (36.4)	18 (60.0)	nil	0.488	.000
	Tolerable	77 (69.4)	25 (37.3)	13 (29.5)	12 (40.0)	48 (100.0)	0.438	.000
	Uncomfortable	24 (21.6)	Nil	Nil	Nil	Nil	0.359	.000

Source: Survey Data, CC= Contingency coefficient.

Majority of the customers representing Category II (74.6%) and Category III (77.3%) acquired knowledge about bank procedure from staff members, while all the customers of Category IV opined that they 'acquired knowledge from the staff members. However, 50% of others said that they acquired the knowledge from staff members and the remaining 50% acquired knowledge from literature /pamphlets and from outside sources.

None of the customers of any category agree that the bank charges were cheap. Customers representing Category III (86.4%) opined that the bank charges were reasonable followed by Category IV (60.0%), Category I (59.5%) and Category II (49.3%). About' 25.0 per cent of others consider bank charges as reasonable, while 75.0 per cent of them consider it as exorbitant. However, sizeable portion of other category of customers agree that bank charges are exorbitant.

Opinion of Customer Committees and other related aspects

Constitution of Customer Committees at Branch level was a significant development towards improving Customer services. The result of the survey with respect to customer committees and other related aspects are presented and analyzed in the following paragraphs.

Table No. 5.7

Customer committees and other related matters and results of contingency co-efficient test

Statements	Category					C.C. Value	Sign.
	Category I	Category II	Category III	Category IV	Others		
a. Have banks constituted customer service committees at branch level	Nil	13(19.4)	15(34.5)	25(83.3)	Nil'	0.552	.000
b. Are the banks meeting periodically the cross section of customers on an appointed day?	Nil	13(19.4)	Nil	12(40.0)	Nil	0.530	.000
c. Are complaint/suggestion boxes available	71(64.0)	55(82.1)	38(86.4)	30(100.0)	36(75.0)	0.265	.000
d. Are your complaints attended to promptly?	7(6.3)	42(62.7)	20(45.5)	30(100.0)	Nil	0.577	.000
e. Do banks give advance intimation regarding maturity of FD receipt?	28(25.2)	38(49.3)	19(43.2)	17(56.7)	Nil	0.360	.000
f. Are loans against FDRs sanctioned without undue delay	74(66.7)	45(67.2)	39(88.6)	30(100.0)	24(50.0)	0.304	.000
g. Whether the issue of duplicate FDR is done timely?	35(31.5)	55(82.1)	26(59.1)	30(100)	12(25.0)	0.471	0.000
h. Whether pre-mature encashment of FDR is allowed	98(88.3)	67(100.0)	44(100.0)	30(100.0)	48(100.0)	0.268	0.000
i. Is the availability of nomination facility promptly displayed?	III (1 00.0)	67(100.0)	44(100.0)	30(100.0)	48(100.0)	--	--
j. Do you think mechanisation in banks would improve customer service?	111(100.0)	67(100.0)	44(100.0)	30(100.0)	36(75.0)	0.424	0.046
k. Do you think privatisation of banks would improve customer service?	73(65.8)	24(35.8)	44(100.0)	18(60.0)	24(50.0)	0.376	0.000
l. Are claims of deceased depositors settled promptly when claim amount is less than Rs. 25,000/-	17(15.3)	55(82.1)	31 (70.5)	30(100.0)	24(50.0)	0.531	0.000
m. Are drafts en chased promptly against proper identification. ?	87(78.4)	67(100.0)	44(100.0)	30(100.0)	48(100.0)	0.359	0.000
n. Do you think name badges to staff for identification would help in improving customer service?	48(43.2)	42(62.7)	44(100.0)	30(100.0)	nil	0.545	0.000
o. Are courier services being used for speedy collection of cheques.	87(78.4)	55(82.1)	44(100.0)	18(60.0)	Nil	0.557	0.000

Source: Survey Data, CC= Contingency coefficient'.

Category I customers and others totally disagree about the constitution of customer service committees and periodical meetings of these committees at the branch level. All classes of customers have positive views that pre-mature encashment of FDRs, availability of nomination facility and improvement of customer service with mechanisation of banks. However, they vary in their opinions in respect of other statements listed above. Co-efficient of contingency values obtained in respect of various statements was highly significant at .000, except with regard to the display of nomination facility.

It is evident that both Category I and others, who constitute the major group in the total sample size, expressed their dissatisfaction over constitution of customer committees and periodical meetings of these committees. Further, they indicated that banks did not attend to their complaints and advance intimation regarding maturity of FD was not given. About 50.0 per cent or more of customers of all categories put together, favored privatization of banks, which would improve customer services.

PART B

OPINION OF PENSIONER TOWARDS CUSTOMER SERVICES BY PUBLIC SECTOR BANKS

Customer service delivered to pensioners as bank customers were highlighted in the earlier section Part A. Opinions of the pensioners about their experience with regard to customer service by Public sector banks are discussed in this section.

Table 5.8

Bank Services To Respondents

1. As a Pensioner do you avail the following services from the Bank ?

a)	Crediting Pension amount in date	Yes	248(82.6%)	No	52 (17.4%)
b)	Updating the Pass Bok	Yes	261 (87%)	No	39 (13%)
c)	Providing Nomination facility	Yes	109 (35%)	No	191 (63%)
d)	Giving information about bank procedures/norms	Yes	76 (25%)	No	224(75%)
e)	Display of time norms for				
	i) Opening	Yes	291(97%)	No	09 (3%)
	ii) Business hours	Yes	280(93%)	No	20 (7%)
	iii) Closing	Yes	285 (95%)	No	15(5%)
f)	Use of Courier Service	Yes	15 (5%)	No	285(95%)
g)	Exchange of Soiled Notes	Yes	56(19%)	No	244(81%)

Most of the respondents were agreed about various services provided by the banks. They have agreed with regard to crediting the pension amount on date, updating the pass book, display the time norms. However, sizable number of respondents were not agreed in respect of provision of nomination facility (63%), information of bank procedures and norms (75%), use of courier services (95%) and exchange of soil notes (81%)

Table 5.9

Provision of Prompt services in Banks

Do your bank provide prompt services in	Yes	No
Issue of cheque book	210 (70%)	90 (30%)
Honouring of cheques	146(49%)	154 (51%)
Collection of cheques	181 (60%)	119 (40%)
Issue of Demand drafts	74 (25%)	225 (75%)

Most of the respondents expressed their dissatisfaction about honouring of cheques (51%) and issue of Demand drafts (75%)

Table 5.10

Provision of FDR and Loan Facility from Banks

Provision of Fixed Deposits and other Services	Yes	No
1) Do your bank provide FDR facility	230 (77%)	68 (23%)
2) Do your bank give intimation about maturity of FDR	210 (70%)	90 (30%)
3) Do they provide loan against FDR	215(72%)	85(28%)
4) Do you avail Credit Card facility from your bank	86 (28%)	210 (70%)
5) Do you avail any loan facility from your bank	74 (24%)	214 (72%)
6) Do they insist on any FD for sanctioning loan	219 (73%)	80 (26%)

All the pensioners except others agree with the provision of FDR facility extended by the banks. The group others could not avail this facility because of lack of financial support. Majority of them receive advance information about maturity of FD and also can avail loan facility against FDR. However, they have to give sufficient explanation for the queries from the Bank employees for availing loan against FDR.

It is a common complaint by the respondents with regard to the loan facility from the bank. Many of the respondents have been insisted on FD for availing loan from the bank.

Table 5.11

Production of Life certificate and Knowing members of the staff at the branch

	Yes	No
1.Is it necessary to know some staff members at branch level	235(78%)	56(25%)
2.Do they insist on production of Life certificate	291 (97%)	9 (3%)

Respondents were of the view that they must know some staff members at the branch level to expedite their transactions. Most of the banks insist on production of Life certificate by respondents in the month of October or November every year.

The initiatives by the staff members to guide the respondents in respect of selection of type of deposits, mode of operating accounts is depicted in the following table.

Table 5.12

Initiatives of the staff to guide the customers

	Yes	No
a)Selection of Type of Deposits	56(18%)	244 (82%)
b)Mode of operating Accounts	71 (23%)	221(77%)
c)Choice of borrowing facility	80 (26%)	220 (74%)

Accordingly, most of the respondents expressed their dissatisfaction about the initiatives by the bank personnel to guide the respondents customers with regard to type of deposits, operation of accounts and choice of borrowing facility.

Table 5.13

Respondents opinion about behavior of the employees

Behaviour of the bank personnel	Yes
a) Polite	15 (5%)
b) Helpful	45(15%)
c) Satisfying	240 (80%)

Respondent customers were asked to rate the behavior of the employees at the branch level. Majority respondents expressed their satisfaction (80%) about the behavior of bank employees while minority respondents felt that the behavior of the employees was polite (5%) and helpful (15%).

Table 5.14

Settlement of Deceased customers Accounts

	Yes	No
a)Whether bank is taking any extra care about you	14 (4%)	286 (96%)
b)Settlement of deceased customers Accounts immediately	265(88%)	35(12%)
c)Work culture in bank is lacking	290 (96%)	10 (4%)

An important question was asked to respondent pensioners about taking extra care as the pensioners. It is surprising to note that majority of the respondents expressed their dissatisfaction (96%) over this issue. Further there

will be a some procedural delay in case of settlement of accounts of deceased pensioners.

Table 5.15

Suggestions for improvement of work culture in banks

Suggestions	Yes
Training and motivation of employees	45 (15%)
Job knowledge among supervisors	64 (25%)
Proper control by departmental heads	88 (29%)
Employees participation in Management	34 (11%)
Proper guidance to customers	79 (26%)
Pro activeness by the Govt.	81 (27%)
Creating quality circles	82 (27%)
Active co operation by Unions	14 (4%)
Unions to inculcate work culture	34 (11%)
Accountability of Unions	26 (9%)
The over all efficiency of the bank(Reasonable)	246 (82%)

Most of the respondents were of the view that work culture in banks is lacking. They have indicated different suggestions in the order of their preference.

The Over all efficiency of the banks said to be reasonable according to the survey. This necessarily indicates the scope for improvement. From the above analysis **majority of the pensioners perceive negatively services rendered by Public sector banks.** Hence there is a need for focusing on pensioners by public sector banks while delivering customer services.

CHAPTER VI

SURVEY FINDINGS, SUGGESTIONS AND CONCLUSION

Customer service in commercial banks is a dynamic concept. It is not merely the fulfillment of Government guidelines or simply adhering to time norms of various banking transactions. It is a philosophy, an attitude of professional commitment, which believes in the eventual satisfaction of customer needs and wants. The success of any banking institution, among other things, largely depends upon how efficiently it deliver the services.

The recent innovations in Indian banking sector, as a result of economic and financial reforms, put banks under pressure to re-orient their policies and approaches..They have been asked to re-design their products and services to suit to the needs of the customer. Further, the entry of foreign banks and new generation private sector banks made the public sector banks to realize the need for re-orienting their policies to face competition from foreign banks and new generation private sector banks. The banks in general, be it in public sector or private sector, are called upon to become customer-oriented.

MAJOR FINDINGS

The Major findings of the study are as follows:

I. Inadequate research on customer service in Banks

A review of research studies and the literature on customer service in banks revealed that the extent of research carried out is inadequate. The researchers have emphasized more on certain types of customer services. Few attempts made, here and there, are not very comprehensive. Some of them are highly journalistic and concentrated on various types of customer services. Further, perceptual analysis of these services has not been carried out.

II. Absence of conceptual clarification

Our' study reveals that the researchers who have ventured to work on

customer services have no clear conceptual clarity. Some consider all the banking transactions as services and some others consider them as products. It is observed that, of late, the banking institutions have product managers which was not the situation earlier. Whether the product is tangible or not, all the offerings of the bank are called products. There is, therefore, a need to conceptually clarify the definition of services.

III. Spectacular quantitative growth in the activities of the banks in the post- nationalisation era.

During Post nationalization period, there was a spectacular growth of the banks quantitatively. The various activities like branch expansion, deposit mobilization, priority sector advances, credit disbursement and rural expansion were being achieved on a commendable nature.

IV. Poor customer services

There has been spectacular growth in the banking industry on the quantitative side. On the qualitative side, its performance is quite dismal. The main parameters considered to judge the qualitative performances, besides other things, are NP A management and rendering of satisfactory customer service. On both the counts, the performance of banks leaves much to be desired. One of the major factors affecting the performance of commercial banks is the chronic over-dues problem. A major share of overdues comes from the priority sector advances, particularly agricultural advances. Banks, in their eagerness to move into the unbanked areas and pumping money into the priority sectors, seem to have grown complacent with regard to recoveries. Similarly, there appears to be total absence of customer orientation in their approach. Court cases by customers on banks, complaint letters written to paper editors, number of cases before consumer courts have been on the increase. This is, outwardly, a clear indicator of consumer dissatisfaction over the services rendered by banks.

v. Innovations galore in customer services

With the advent of reforms in the banking sector, many innovative services have been introduced. In the past the services included mobilization of deposits and dispensation of credit in profitable sectors. Customer needs and conveniences used to occupy back seat. Of late because of the competition from other Indian and Foreign banks, many innovative schemes have been introduced. Some of the salient developments are:

- (a) On-line banking-
- (b) Introduction of telephone banking
- (C) Universal Banking
- (d) Internet banking
- (e) Adoption of ATMs
- (f) Core banking solutions.

VI. Respondents for the study have strong socio-economic base

The data gathered from the respondents seem to be more dependable as they emanate from a strong socio-economic background. A study of the profile of the respondents revealed the following:

- (a) Out of 300 respondents, 150 were drawn from State Bank of Mysore, 100 from Vijaya Bank and 50 from Corporations Bank. Majority of the respondents belonged to the educated group. All the respondents are classified into five categories viz, Category I, Category II, Category III, Category IV and others. Most of the respondents were having educational back ground at the time of appointment.

VII. Lack of customer .focusin Banks

Time and again, it has been emphasized that all business concerns should aim at customer satisfaction and delight. To begin with, their aim should be at least customer satisfaction. During the course of our field

study, it has come to our notice that the commercial banks, particularly the public sector banks have become agents of Government and they are pursuing the populous policy of helping various sectors. In the process, assistance by the banks goes to greedy and not the needy. Political compulsions and Governmental interference must have landed the banks in this position. The banks should research the customer needs and tailor their services commensurately. Instead of giving what the banks have, the banks should give what the customer wants. This is a green area, which should draw the attention of policy makers at all levels.

VIII. Galore of complaints from Respondents

The Survey indicates that there are galore of complaints from respondents about the services provided by Public sector Banks. They have not been given any extra care as they would belong to pensioners category. Most of them were considered that the work culture in Banks is lacking. Bank employees have not been taking any initiatives to guide the respondents with regard to selection of type of deposits, mode of operating accounts and choice of borrowing facility. Further the behavior of the employees at the bank level considered to be satisfying.

SUGGESTIONS

Keeping in view the main findings of the study, the following suggestions are offered in order to ensure the improvement of quality of customer services in commercial banks:

1. Continuous research on the banking industry should be carried out

During the course of the study and at the time of reviewing the existing literature, it was noted that the research studies in the banking industry both at

the national and regional level are far and few. Further, the studies hitherto made were journalistic and not investigative. To bridge this gap it is suggested that a separate research institution, namely National Institute of Banking Research be set up. The proposed Institution may work in co-ordination with National Institute of Bank Management, Pune.

2. Need for conceptual clarification

It is observed in our study that there exists an element of ambiguity with regard to the definition of services. In earlier periods banking was considered as a service industry and whatever it does was construed as service. Of late, banks have started using the word product in banks like in manufacturing units. There are product developers and managers in banks. The question here is whether the banks are manufacturing companies? Whether service marketing and product marketing be approached with the same marketing strategy? All these confusions are due to lack conceptual clarity. The proposed National Institute of Banking Research should address itself to clarify this issue.

3. Periodical knowledge inputs be given to customers

The attitude of customers as well as employees towards customer services are at variance. One blames the other for poor quality service. This is due to difference in their perceptions. Each activity should be rightly perceived and understood. At present, this is found wanting in our banks. Therefore, it is suggested that the banks periodically arrange one-day training program in batches to the customers. This will enable to replace the wrong perceptions by right perceptions.

4. Customer committees to become meaningfully operational

It has been established in our study that the customers particularly who are pensioners and salaried persons have negative attitude towards the employees as well as services rendered by them. This is a case of lack of proper feedback. The grievances and the problems of the customers should be rightly heard, appreciated and solved. Giving evasive replies will worsen the matter further. The customer committees should be made to become really operational and should meet quite often. The problems raised in the committee meetings should be attended to, and responsibility be fixed on officials.

5. Norms fixed for various transactions should be adhere to

It has been the general complaint that there is no relationship between the time fixed for the various transactions and the time taken. This is also attributed to the employees apathy towards customers, particularly non-corporate and non-institutional customers. If the norms are not followed, there may be either a mistake in the norms fixed or mistake with the people who observe such norms. The branches should be adequately staffed commensurate with the quantum of operations. It was noticed that in the recent past, almost all banks in the country introduced voluntary retirement scheme. A substantial number of employees particularly at the medium and senior level retired under the scheme. The bank managements did not make alternative appointments and suddenly the banks become understaffed and the employees were called upon to do more work. Perhaps this may be one of the strong reasons for not adhering to norms set for various bank transactions. It is therefore suggested that the banks should have "succession planning" before introducing any retirement scheme. In this absence a void is created.

6. Taking extra care with regard to Pensioners

Pensioners are said to be the persons leading life after super annuation. As a result, the bank must give them prime treatment with regard to their transactions. The administration of the banks should take initiatives to train their employees in order to give due respect to these persons whenever they visit the bank. Developing work culture amongst employees is a significant factor from the view point of social development. Banks are said to be catalytic agents for social transformation. In the course of business banks must consider the pensioners as their focal point.

In inference, it can be stated that service is a concept emanating from the soul. Servicing means communication between two souls. In the context of customer service one soul (banker) communicating with another soul (customer).

If there is a lapse on one side, there has to be soul searching in order to identify the problem and to take corrective action. " One exists for the other" shall be the principle. In this endeavour of rendering qualitative customer service many may have to play their role. In these days of value degeneration, any amount of effort at the individual level to set right the system is bound to meet with failure. In the task of building a "satisfied society" the role and responsibility of bankers, customers, public servants, social activists, Government and politicians is greater. Indeed, their responsibility is co-equal.

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