

## **An Appraisal of Customer Service in Public Sector Banks - From Export Oriented Industries Point of View**

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### ***Abstract***

*Today, banking sector is seen as a catalyst in economic growth of a country and, lot is expected from the banking fraternity. The recognition of banking, as a tool for all inclusive growth by economists, financial planners, reformist etc has made it an important sector in the Government's planning of economic growth. The banking sector in India is there fore witnessing tremendous changes because of political, social and economic changes that are taking place domestically and internationally. These changes have made the customers central point for banks. Today banks are wooing existing customers, prospective customers by offering new facilities, products, and services in order to retain/increase their base in market. The way the banking has changed, so has the customer changed. The customer of today is not what he was yesterday. Today the customer is more knowledgeable, demanding, analytical and aware of his rights. That is why this paper is an attempt to analyze the customer services provided by the banks. This paper is based on Primary data. 50 Respondents are taken for analyzing the situation. The research paper is categorized in four parts- First part refers introduction and research methodology, second part highlights data analysis, third part shows the findings and last part throws light on suggestion and conclusion.*

### **Introduction**

Customer service is an aspect of great significance and importance in the banking industry. In the area of customer service, expectations and demands of the customers generally rise at a much faster pace than banks are equipped to deal with. That is why, even in the technologically advanced countries, customer service is an issue that constantly engages the attention of the bankers and the various groups representing diverse customer interests.

In India, the issue of customer service is influenced by several factors that are peculiar to our banking industry a vast network of branches spread over the entire country with above 400 million clientele, roughly a million people working in the banks for them, a complex variety of products/services offered, performance parameters relating to speed and efficiency governed by a given infrastructural/ institutional framework that the country possesses in which banks have limited capacity to maneuver at an individual level etc.

**Research Methodology**

The present study is of analytical and exploratory nature. Therefore, the use is made of primary as well as secondary data. The primary data are collected by administering pre-tested structured questionnaire. The genesis of the different questions incorporated in the questionnaire is to acquaint ourselves with the customers' reactions, opinions and suggestions to achieve high level of performance at this front.

**Objectives of the Study**

The present study is conducted to achieve the following specific objectives:

1. To identify the areas in which deficiency in customer service are prevalent.
2. To examine the structural and operational rigidities and inadequacies in the existing systems and procedures, which adversely affect image of the banks especially for Export Industries
3. To study the present status of technology, to ensure prompt and efficient service to customers, quicker flow of information and effective supervision and managerial control and competitive strengths.
4. To suggest remedial measures with respect to improving the customer service in Export industries.

**Research Hypothesis**

1. The attitude of the bankers is not very cooperative regarding the processing of application forms and sanctioning of loans to the customer
2. The application for loans made through consultants/advisors etc. are not attended to more expeditiously by the banks.

3. The ordinary branches do not provide efficient services to the customers like Export industries.
4. Adequate and timely finance is not available by the banks to the business houses, Customers like Export organizations etc.

**Data Analysis**

The responses of Export organizations are analyzed, which shows how the banks respond to the Export organizations. A sample of 50 respondents is taken for this purpose.

**Responses From Export Organisations****1 Services Rendered by the Banks :**

The analysis of responses obtained from the respondents regarding various services rendered by the banks are given in Table 4.1.

**(i) Courtesy at the Counter**

76 per cent respondents admitted that courtesy at the counter is good, but 16 per cent feel that it is average. Whereas the remaining 8 per cent respondents said that courtesy at the counter is fair.

**(ii) Promptness in Transactions**

Most of the respondents (52 per cent) rated the promptness in transactions as good and 28 per cent respondents said it is fair. While according to 20 per cent respondents, it is average.

**(iii) Speedy Sanction of Facilities**

All the facilities given by banks are sanctioned speedily as said by 52 per cent respondents. But the remaining 48 per cent respondents rated the speed as good.

**Table 1 : Services Rendered by the Banks**

Sr. No.	Services/Rank	Good		Fair		Average	
		TNR	% age	TNR	% age	TNR	% age
1.	Courtesy at the Counter	38	76	4	8	8	16
2.	Promptness in transactions	26	52	14	28	10	20
3.	Speedy sanction of facilities	24	48	26	52	--	--
4.	Job knowledge	12	24	24	48	14	28
5.	Prompt redressal of grievances	16	32	18	36	16	32
6.	Simplified procedure	14	28	19	38	17	34
7.	Providing guidance to customers	10	20	14	28	26	52
8.	Technology up gradation	14	28	26	52	10	20

Source : Compiled from the responses obtained from the respondents.

#### **(iv) Job Knowledge**

According to 48 per cent respondents, job knowledge is fair but 24 per cent and other 28 per cent respondents said that job knowledge of employees is good and average respectively.

#### **(v) Prompt Redressal of Grievances**

36 per cent respondents rated the prompt redressal of grievances as fair and 32 per cent respondents rated as good. While another 32 per cent respondents felt prompt redressal of grievances is average.

#### **(vi) Simplified Procedures**

38 per cent respondents rated the simplified procedures as fair and 28 per cent respondents felt it as good. On the other hand, 34 per cent respondent said that it is average.

#### **(vii) Providing Guidance to Customers**

Providing the guidance to the customers is rated as average stated by 52 per cent respondents,

whereas the 20 per cent respondents rated it as fair and good respectively.

#### **(viii) Technology Up-gradation**

Up-gradation of the technology is rated as fair by 52 per cent of the respondents, whereas 28 per cent respondents feel that it is good and remaining 20 per cent respondents said that it is average.

### **2. Responses About Other Aspects**

Responses collected about other aspects have been given in Table 4.4, which are as under :

#### **(i) Dealing with Foreign Banks/PSIBs**

It is good to note that 92 per cent respondents said that they deal with foreign/private banks, while the remaining 8 per cent respondents refused having their dealing with these banks.

#### **(ii) Information about Changes in the Policy of RBI/GOI**

Result shows 50-50 percentage stated that organization keep itself informed about the latest

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changes in the Policy of RBI/GOI. 50 per cent respondents said that organization has knowledge, but other 50 per cent refused.

**(iii) Following the Directions issued by RBI**

Most of the respondents (70 per cent) believe that the banks follow the various directions issued by RBI from time to time and 30 per cent respondents do not agree with this.

**(iv) Effective Machinery for Redressal of****Grievances**

70 per cent respondents are not satisfied with the presence of effective machinery for redressal of grievances, whereas the other 30 per cent respondents show their satisfaction with the machinery available in this regard.

**(v) Use of the Machinery**

Out of the above respondents, 80 per cent respondents use the machinery for redressal of grievances, but 20 per cent do use it.

**Table II : Responses about Other Aspects**

Sr. Particulars No.	Yes		No	
	TNR	% age	TNR	% age
1. Deal with foreign/PSIBs	46	92	4	8
2. Organization Keep itself informed about the latest changes in the policy of RBI/Govt. of India.	25	50	25	50
3. Banks following the directions issued by RBI	35	70	15	30
4. Effective machinery for redressal of grievances	15	30	35	70
5. Respondents use of Machinery	40	80	10	20
6. Problems get sorted out promptly	26	52	24	48
7. Specialized branch to deal in foreign trade	24	48	26	52
8. If no, Branches provide better services	26	100	--	--
9. Application for loan can seek all the information from applicant.	35	70	15	30
10. Loan facilities sanctioned are need based.	38	76	12	24
11. Bank helps in filling up Application forms.	12	24	38	76
12. Interaction with banks regularly.	50	100	--	--
13. Bank respond positively	34	68	16	32
14. Respondents change the bank due to inadequate customer service.	28	56	22	44
15. Banks delay the sanction of various facilities.	38	76	12	24

16. Bank intimate about the receipt of sales proceeds from foreign banks.	12	24	38	76
17. Banks take up the matter with foreign banks regarding delay in reimbursement of proceeds up to satisfaction.	14	28	36	72
18. Banks delay negotiation of documents.	24	48	26	52
19. Bank charges are reasonable.	24	48	26	52
20. Bank procedure can be simplified without exposing them to any risks.	42	84	8	16

Source : Compiled from the responses obtained from the respondents.

**(vi) Problems Get Sorted out Promptly**

As discussed earlier regarding the use of grievance redressal machinery, 52 per cent respondents said that problems get sorted out promptly. On the other hand, 48 per cent respondents are dissatisfied with the system.

**(vii) Specialized Branches to Deal in Foreign Trade**

52 per cent respondents disagreed about the presence of specialised branches to deal in foreign trade and 48 per cent respondents agreed with the presence of such branches.

**(viii) Providing Better Services**

All the above 100 per cent respondents agreed with that fact that the specialized branches can provide better services than the other branches.

**(ix) Loan Application form Enough to Seek all the Information from Applicants.**

Most of the respondents (70 per cent) agree with the aspect that loan application is exhaustive enough to seek all the information from applicant,

while 30 per cent respondents do not agree with this.

**(x) Loan Facilities Sanctioned are Need Based**

76 per cent respondents said that loans sanctioned by bank are need based and 24 per cent respondents feel that it is not.

**(xi) Helps in Filling up the Application Forms**

Most of the respondents (76 per cent) are dissatisfied with the banks' attitude and said that they do not help in filling up application form; While the views, of the remaining 24 per cent respondents are in favour of this aspect.

**(xii) Regular Interaction with the Bank**

It is good to find out that 100 per cent respondents revealed that they interacted with their banks regularly.

**(xiii) Banks Respond Positively**

68 per cent respondents said that when they interact with their banks, banks respond positively. But the remaining 32 per cent respondents said that their behaviour is not so good.

**(xiv) Change of the Bank due to Inadequate Customer Service.**

56 per cent respondents said that they have changed their banks due to inadequate customer service, but 44 per cent respondents refused. It shows how much important the customer services are to gain and retain the customers.

**(xv) Delay in the Sanction of Various Facilities**

Maximum respondents (76 per cent) stated that the banks delay the sanction of various facilities but the remaining 24 per cent respondents expressed their views otherwise.

**(xvi) Intimation about the Receipt of Sales Proceeds from Foreign Banks**

76 per cent respondents feel that banks do not intimate about the receipt of sales proceeds from the foreign banks, while remaining 24 per cent agree with this and they are satisfied with the bank's intimation about the receipt of sales proceeds.

**(xvii) Take up the Matter with the Foreign Banks Regarding the Delay in Reimbursement**

72 per cent respondents are of the view that the banks do not take up the matter with foreign banks regarding the delay in reimbursement of proceeds and the remaining 28 per cent respondents said that the banks do so. It shows that the most of the respondents are not satisfied with this aspect.

**(xviii) Delay in Negotiation of the Documents**

In case of negotiation of the documents, 72 per cent of the respondents said that banks do not delay in the negotiation and other 28 per cent respondents said that there is delay in negotiation of the documents.

**(xix) Bank Charges are Reasonable**

Regarding this aspects, 52 per cent respondents said that the bank charges are not reasonable, whereas the other 48 per cent respondents consider it as reasonable.

**(xx) Procedures can be Simplify**

Most of the respondents (84 per cent) think that banks procedures can be simplify without exposing them to any risks and 16 per cent respondents feel that it can't be simplified

**Findings**

The findings of the study are related to export organizations. The customers feel that in comparison to ordinary branches the banks through specialized branches can provide better services. Therefore, the hypothesis that the ordinary branches do not provide efficient services to the Export organization may not be accepted.

Simplified procedures can give expected results. Due to these factors, the customers organized that the PSIBs are better than PSB's. Customers use the services of the PSIBs very regularly. They use the machinery for the redressal of grievances in PSB's but problems are sorted out in few cases only. They also said that bankers have positive attitude towards them in providing loans. The banks have helping attitude in filling the application forms and providing need based loan. Therefore, the hypothesis that the adequate and timely finance is not made available by the banks to the business houses may not be accepted.

If the customers do not get various facilities, they generally opt to change their banks. Customers also

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expressed that the procedures can be simplified without exposing them to any risks. The banks have to improve in the areas such as delay in negotiation of documents, intimation about the receipt of sales proceeds from the foreign banks and the cost charged.

for finance is co-operative and clarifications about loan is sought in one go, not piecemeal. Therefore, the hypothesis that The application for loans made through consultants/advisors etc. are not attended to more expeditiously by the banks may not be accepted.

Customers have opinioned that the procedure can be simplified through decentralization. Attitude of the officials to provide help in filling the application forms

### **3. Steps to be Taken to Improve the Customer Services**

Suggestions for improving the bank services to export

**Table IV : Steps to be taken to improve customer services**

Sr. No.	Steps	Rank								Total Rank	
		1	2	3	4	5	6	7	8		
1.	Customer Education & Counseling	15 (120)	5 (35)	4 (24)	15 (75)	3 (12)	1 (2)	1 (2)	5 (1)	275	II
2.	Personalised Service / Door Step service	4 (32)	5 (35)	8 (48)	7 (35)	10 (40)	2 (6)	3 (6)	11 (11)	213	VI
3.	Gearing up grievances settling machinery	5 (40)	10 (70)	15 (90)	5 (25)	5 (20)	5 (15)	5 (10)	(-)	270	III
4.	Mechanization and automation	10 (80)	5 (35)	7 (42)	4 (20)	4 (16)	10 (30)	10 (20)	- -	243	V
5.	Simplification of rules, format etc.	6 (48)	20 (140)	4 (24)	2 (10)	1 (4)	7 (21)	5 (10)	6 (5)	268	IV
6.	Staff - training	7 (56)	15 (105)	11 (66)	- --	10 (40)	- --	2 (14)	5 (5)	286	I
7.	Making of working days/hours more flexible	10 (80)	- -	9 (54)	- --	- --	20 (60)	5 (5)	6 (6)	205	VII
8.	Greater trust in staff	--	--	5 (30)	9 (45)	10 (40)	4 (12)	7 (14)	15 (15)	156	VIII

Source: Compiled from the responses obtained from the respondents.

Note : Figures in bracket represents the score of the respective column

organizations given by respondents in order of their importance are highlighted in Table IV, which are proper staff training, customer education and counseling, gearing-up grievance settling machinery, simplification of rules, format, mechanization and automation, personalized service/door step, service, making working days/hours more flexible and greater trust in staff.

### **Conclusion**

It is concluded that banks can improve their customer services by giving priority to training to staff, approachable location, better communication and supervision, and modernization to face competition. Simplified procedures can also give expected results. Because of only these factors, customers recognize PSIBs far better than PSBs. Customers use machinery for redressal of their grievances, but problems are sorted out only in few conditions. But customers feel that specialized branches can give better services. But they said banks have positive attitude in giving loans. Customers also stated that procedure can be simplify without exposing them to any risks. They are also of the view that through decentralization, procedures can be simplified. The suggestions given by customers for improving the customer service are: proper staff

training to deal with new technology, proper preparation before launching new technology, redressal of grievances, more mechanization, automation, rules/format should simplify and greater trust in staff.

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