

PROSPECTS AND CHALLENGES OF CUSTOMER SERVICES IN NATIONALISED BANKS IN INDIA

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ABSTRACT

Over the last few decades, the financial field in India has encountered with major transition to the great extent of the banking stratum in India as a part of economic restoration programme. In the financial area, demonetisation of currency, mergers and acquisitions and the evolution of new technologies have contributed dramatically to stiffer competition and pressures on prosperity. Providing services to the customer has become so necessary and considerable to consider especially in the economic area whether it is locally or globally. In the financial services the banking sector is providing large extent of products and schemes to its customers to satisfaction of their needs and necessities to keep in the view with customer different outlook and awareness to these distinct systems into a communicative, efficient infrastructure. While delivering the topmost level of patron overhaul and convenience without revealing their customers to the bank's internal system incorporation problems. In fact, customer service is a tough matter in any service diligence.

Keywords: *Customer, Customer Services, Public Sector Banks, Employees, Financial Services.*

Introduction

Over the last few decades, the financial field in India has encountered with major transition to the great extent of the banking stratum in India as a part of economic restoration programme. In the financial area, demonetisation of currency, mergers and acquisitions, and the evolution of new technologies have contributed dramatically to stiffer competition and pressures on prosperity. Providing services to the customer has become so necessary and considerable to consider especially in the economic area whether it is locally or globally.

Customer services are different in different sectors, but in the sector of banking it is providing large extent of products and schemes to its customers to satisfy their needs and necessities to keep in the view with customer's outlook and awareness for distinct systems into a communicative and efficient infrastructure. While delivering the topmost level of patron overhaul and convenience without revealing their customers to the bank's internal system incorporation problems. In fact, customer service is a tough matter in any service diligence

Especially the banking industry in India over the last ten years has undergone a drastic changes because of new entrants in this industry both home and overseas competition by private sector financial institutions. Therefore high quality services are necessary to make distinction offerings in the market arena. Excellent and improved customer service will continue to flourish and hold the customer for a long period with bank. Hence, the bankers should give more attention to customer services in this in the competition world.

Objectives of the Study

- Studying satisfaction of the customer services and its performance in nationalised sector.
- Identifying problems of nationalised banks.
- To examine the attitudes of customers for long retention in the public banks with the competitors.
- To classify areas where nationalised banks needs to progress on its figure.

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Methodology of the Study

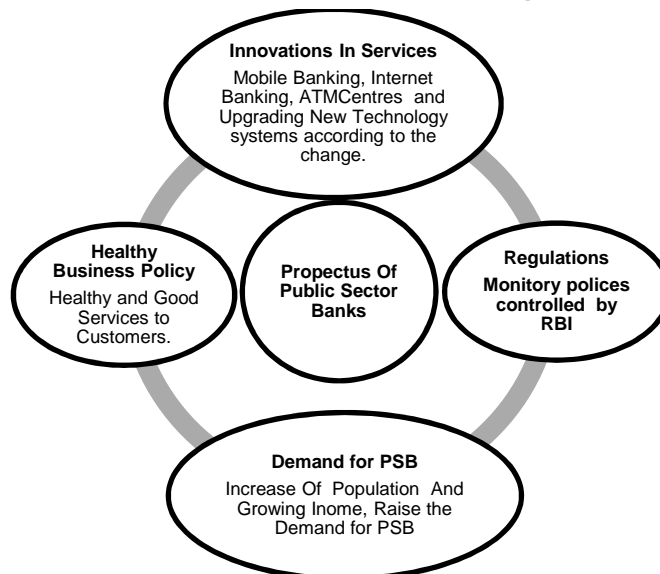
The data has been collected from primary data through observation method and questioner method the secondary data by different Books, magazines and journals like The Week. The economic and political weekly, RBI Reports, Economic survey reports, and different news papers Times of India, The Hindu, Economic Times, websites, etc.,

Prospects and Achievements of Customer Services in Nationalised Banking in India

India is a country with massive population second in the world, as a result it holds a huge number of customers in the banking industry of the country. While nationalised banks are known for their consistency and trust, private banks have engraved the position for themselves because of peculiarity of services as well as high profitability, not only the nationalised, and private banks perform excellent in the financial arena but also regional rural banks, co-operative banks Foreign banks, also play a crucial task in the economy. Now days, public glance to earn income from different sources of their savings, such as high rate of interest, easy advances, and customer service and so on, while selecting a bank out of the several options available. Customer services now- a- days became one of the pillars of a successful business. Better customer experience gives competitive reward to organisation which Banks can serve to their customer via knowledge management software. .The customer query can be solved in short period by the artificial intelligence based on chatbots, theses chatbots became very effective and useful to the banker. To satisfy the customer needs the organisation should acclimatize new age awareness base. Some of the few prospectus and achievements made in public sectors banking.

- Information Technology enabled Knowledge management system helps Banks to channelize the process and methods of operation across the globe on a single platform.
- The advancements in technology have brought the mobile and internet banking services to the fore. The evolution digital payments banking system in India has evolved the India's Immediate Payment Service (IMPS)
- Under Pradhan Mantri Jan DhanYojana (PMJDY) nearly 335 million bank account was opened in the year 2018.
- National Bank for Agriculture & Rural Development (NABARD).204,000 point of scale(PoS) to improve the infrastructure in villages.
- Debit cards helps the customers for easy draw of money from ATMs centres as a result which avoided stand in long queue in front of bank doors.
- Examine the security of the customer services from cyber crimes, the banker is offering mobile banking with one time pass word(OTP), not only this the bank provide biometrics, such as voice identification and eye scanning, to extend security.
- Introducing and installing the new formats and procedures in banking services.

Propects of Public Sector Banks Fig.1



Market size of Nationalised/Public Sector Banks in India

- The Indian banking system consists of 21 public sector banks will be reduced to 12 banks with a new amalgamation with effect from 1st April 2020.
- At present the Country holds 21 private sector banks, 45 foreign banks, 56 regional rural banks, 1,542 urban cooperative banks and 93,913 rural cooperative banks,
- 2, 21,703 ATM number centres are there in India as on June 2019 realised by RBI.
- The majority of the stake of Public sector Banks (i.e. more than 50%) holds by the government.
- Out of 600,000 villages in India only one sixth, have banking services. Almost half of the country's population is unbanked.
- India's digital lending stood at US\$ 75 billion in FY18 and is estimated to reach US\$ 1 trillion by FY2023.

Major Challenges of Nationalised Banking Industry in India

In the modern banking industry, today the customers have number of options in where, how, and when they can go and do their banking. Now days customers are not sticking for one bank for lifelong, because this may be dissatisfaction in the banking services provided by bankers as which are not to their expectations are not met. They are as follows:

- One of the major problems and challenge facing by the nationalised banks is collection of dues, the bankers are humiliating and troubling the small due customer rather than the customers who have take cores of rupees as loan amount.
- Another challenges of the banks is that to fulfil the promise of the political leaders made at the time of election like waive of all loans, and it has been huge burden to the bankers
- The weaker section customer are not given priority to sanction loan amount by the bank officials, this lead to dissatisfaction of the customer which made rise to private banks to play vital in the arena of financial institution.
- Many of the rural branches are running in loss because of heavy expenses and failure to collect the dues.
- Nationalised banks are facing Neck-throat competition for from local private banks to international banks from globally; the reason is these banks offer better customer services.
- The practices and the procedures of banking system in nationalised banks have not changed according to the technology and the staff remained practically stagnant, not only are that but the staff not prepared to receive the change. Hence lack of up gradation of technical knowledge by its employees made the system weak.
- The Bankers has failed to perform their promises which lead the gap between the banker and customer services because this happens due to the failure of the bank staff to appreciate the latest work attitude and new social objectives.
- Agriculture loans and insurance policy scheme has not given strength and confidence to farmer being back bone to the country suicide case are increasing day by day.
- Many of the nationalised banking system are under the control of bureaucratisation and this led the uneven operation of banks. As a result this has been troubled by red-tapism, delays in decision making, lack of initiative and innovations.
- All the nationalised banks in India are having huge political pressure. on the bank official has not given freedom in policy making of banking system.
- Regulatory requirements continue to increase, and banks need to spend a large part of their discretionary budget on being compliant, and on building systems and processes to keep up with the escalating requirements.
- Financial technology (FinTech) companies are usually start-up companies based on using sophisticated technology of the software to provide for customers on financial services where they can easily operate from their smart phones. The increasing fame of Financial Technologies Company is distracting the way traditional banking has been done.

Thus the above issues creates a big challenge for traditional banks because they are not able to adjust quickly to the changes – not just in technology, but also in customer services, operations, culture, and other facets of the industry.

Satisfaction of Customer Services When Honoured By the Bankers

The retention of the customer to be with bank for a long period of time it depends Upon the satisfaction level of customer and the services given by the banks. Each and every client does not have fully attentiveness and perceptive of banking products and its services, so a have clear enough knowledge by services provided by the banker to customer certain schemes informed in the local language, where a customer can easily understand the schemes and clarify the confusion regarding the products which are offered by banks for the benefit of the customers.

The banking sector procedures and programmes should continually change according to the change in the technology, a good banking-customer-service representative will be able to help customers understand how to use and what can be difficult-to-understand tools. Here are some ways to render the services in the major in following issues:

- Checking and savings options
- Retirement accounts of each and every individual
- Planning of tax policy and estate policies
- Different kinds of loans like house, personal, business and vehicle loans.
- Issue different kinds of products and credits to its customers.
- Providing safety lockers
- Annual planning of business and Finance.
- Deposit of certificates of the individual customers and business.
- Institution savings policy different kinds of age group people.
- Calculating of interest charge.
- Overdraft fortification and issue of different forms
- Explain about loan products which are superlative and good
- Credit scores individuals and business people
- Protecting against loss and theft by insurance.
- Providing online and remote banking options to its customers

Most common Banking Complaints by the Customers

- Hidden fees which is not known to the customer
- Bad customer services
- Cheques bounce cases
- High expensive debits are charged first than the low.
- Name sake loyalty services but in practical noting
- Huge errors or mistakes
- Fail to fulfil their promises
- No attention to the old customer and No proper response from the bank employees quarries asked by the customer

Suggestions

Thus, the challenges and problems of the banks persist to rise as long as the customers services is not satisfied, so conventional banks need to frequently assess and develop their functions and profitability, it happens when banks provide a good customer services and concentrate on certain matter like:

- Welcome the customer with smile face.
- Don't make the customer to visit the bank again and again for the same problem.
- Be transparent and honest with customers regarding the services.
- Do not over-promise the customer regarding product services and profitability.
- Create a customer community around brand of the bank.

- Build the Employees satisfaction and motivational schemes like award and rewards, promotions etc.
- Training to the employees to meet the new challenges like use of technology, online banking etc., to upgrade the technology.
- Minimise the cost of production and maximise the profits.
- Respond the doubts and fears of the customers patiently. Try to solve the quarries of customer in short span.
- The banker has to identify changes in business to develop and progress the customer satisfaction and loyalty.
- Supervise each and every customer walk in to the bank, and to build 360o outlook of end-to-end client.
- Integrate customer knowledge with member of staff response now and then to improve the standards of customer services in banking system.

Conclusion

Thus, Customer service in banking industry is a challenging issue to the bankers, because it depends upon the attitude and perception of the customer to hold the faith for a long time, is a tough task to the bankers. One of the for the most part is important that to maintain customers coming back. The banker should respond to customer's queries and complaints in time and should interact with customers through confronting each other through meetings, phone calls, E-mail, and fax.

The retention of the customers depends upon the skills and talent of the bankers such as good communication skill, patience towards the customers attending the problem of customer with a smile face, interpersonal relationship, solve the problems of the customers by giving solutions, explain about the different product issued by the bank, good leadership qualities, and team work which help the nationalised banks to improve their performance in the banking industry in this vastly competitive world. Thus employees should have benchmark information across the division. As Banking sector is introducing many new financial products now and then with the help of latest information technology. Like automated customer assistance, E-loan, Dispute resolution services etc.,

Hence, The nationalised banking industry in has recently witnessed out of with many changes like mergers and acquisitions where RBI's has taken latest measures in improving the redeployment of the domestic banking industry in India. From the above viewpoint, thus customer service should be included as part of a whole approach to systematic enhancement in banking performance because the customers decides the survival and future of the nationalised banks in country.

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