CUSTOMER SATISFACTION TOWARDS CO-OPERATIVE BANKS

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INTRODUCTION

Banking business has done wonders for the world economy. The simple looking method of accepting money deposits from savers and then lending the same money to borrowers, banking activity encourages the flow of money to productive use and investments. This in turn allows the economy to grow. In the absence of banking business, savings would sit idle in our homes, the entrepreneurs would not be in a position to raise the money, ordinary people dreaming for a new car or house would not be able to purchase cars or houses. The government of India started the cooperative movement of India in 1904. Then the government therefore decided to develop the cooperatives as the institutional agency to tackle the problem of usury and rural indebtedness, which has become a curse for population. In such a situation cooperative banks operate as a balancing centre. At present there are several cooperative banks which are performing multipurpose functions of financial, administrative, supervisory and development in nature of expansion and development of cooperative credit system. In brief, the cooperative banks have to act as a friend, philosopher and guide to entire cooperative structure. The study is based on some successful co-op banks in Delhi (India).

CRM as the enabler. CRM is the management approach to build internal and external relationships that increase profit margins and productivity. There are various activities of customers in banks, if bank organization maintains CRM; it can store all customers’ transactions, customer’s data as well as their problems regarding any transactions. Customer need not require
maintaining records. The principal theme of Customer Relationship Management is that customers who receive more than they expect from banking organization end up being satisfied. Satisfied customers who develop the history of positive interactions. CRM provides service information to customers; identify customer’s expectations in terms of quality and service. It helps to identify potential problems, provide a fast mechanism for handling problems and customers complaints. Customer is a main attribute in the business system and it is the duty and responsibility of every banking organizations to deliver right quality of service and customer should be satisfy with the banking services to deliver maximum benefits. One of the ongoing challenges that to build up successful business to optimize customer satisfaction. Banking organizations are facing many problems like global competition for deposits, loans and underwriting fees. In order to meet these obstacles, strong CRM are required.

MEETING THE CFS’S REQUIREMENTS

The Co-operative Insurance operates a ‘Dancing with Customers’ initiative so that advisors can react and engage in conversation with each customer in a manner that the customer expects; whether it is a long or a short call, existing or new customer, male, female, young or old. The ‘Dance’ criteria looks at performance areas and the minimum required for advisors to achieve customer satisfaction and call quality; however, it is not a script and advisors are encouraged to go beyond the criteria to really dance with the customer. Different calls require a different kind of dance. As an example, the Flying Start dance is the entry level for each dance. Each customer call passes through IVR, which sends a whisper message to the advisor about what product/service the customer has selected before connection is made. The advisor aims to focus more on mannerism and relationship building with the customer i.e. does the advisor have a “smile” in their voice and make the customer feel like it’s just you and me? The advisor provides the customer with their name, asks how the customer would like to be addressed i.e. first name/surname, and uses the appropriate greeting before moving onto the detail of the customer’s enquiry and any transactions. All calls are monitored too, so that management and advisors can constantly enhance the interaction process.

The Co-operative Financial Services (CFS) is the name for the group of businesses that includes The Co-operative Insurance, The Co-operative Investments, The Co-operative Bank including Smile and Britannia. Part of The Co-operative Group with some 6.5 million customers, a range of financial products are provided including high street and Internet banking, current accounts, mortgages, credit cards and loans while The Co-operative Insurance provides pensions, unit trusts and insurance as well as financial advice. Plantronics headsets have been an integral part of Co-operative Financial Services for many years and it is important that call clarity and noise reduction in a busy contact centre is maintained.

“Customer satisfaction and quality of service is a number one objective for our advisors with every customer call. We can only deliver against this if we have the right tools and telephony in place. We must be able to clearly hear our customers and recognise their requirements first time and build a lasting relationship with them.
CO-OPERATIVE BANKS HAVE A LONG AND DIVERSE HISTORY

The history of many co-operative banks can be traced to the financial exclusion faced by many sections of the population in 19th century Europe. With the industrial revolution in full swing, the emerging financial services sector was primarily focused on wealthy individuals and large enterprises found in urban areas. The rural population in particular, farmers, small businesses and the communities they supported, were effectively excluded from financial services.

Four main factors contributed to this exclusion:

- **PHYSICAL LOCATION** – With transport and communication infrastructure still nascent, and the provision of financial services concentrated in urban areas, accessibility was a significant issue for those in rural areas

- **INFORMATION ASYMMETRY** – Banks were reluctant to provide credit to certain groups as they did not possess sufficient information on their activities to estimate the risk involved

- **LEGAL SYSTEM** – Managing customers’ contractual obligations was not only costly but also technically difficult for the banks – the ability to repossess any collateral that was offered against a loan was also significantly limited

- **HIGH PRICES** – Where credit was made available via usurers, the interest rate was often punitive

Co-operative banks proved the ideal solution to correct this market failure. Founded in local areas for the immediate community and owned by that same community, and operating under the principles of solidarity and democracy, these institutions were specifically created to fill the vacuum and provide financial services to the otherwise unbanked population.

Shrishshrimal in his book on “Urban Cooperative Banks in India” has given stress on progress, problems and prospects of urban cooperative banks in India. Author observed that the progress of urban banks was quite impressive in India. Author stated that almost 70 percent of the banks and 90 percent of the deposits, working capital and advances of the urban cooperative banks in the country were concentrated in the four states of Maharashtra, Gujarat, Karnataka and Tamil Nadu. Even within these four states the two states Maharashtra and Gujarat accounted for almost two-thirds of the total number of urban cooperative banks in the country and three-fourth IRJC International Journal of Social Science & Interdisciplinary Research of their deposits, working capital and advances. There were important differences in the pattern of operations of the urban cooperative banks as well between the different states. Badhe6 has published an article on the problems of urban cooperative banks in India. He observed that except uneven growth in urban banks they series of problems like lack of viability, development of their funds, in trade and commerce, monopoly use of their resources by small group of people, lack of proper control and supervision over them by supervising agencies and lack of professional executives.
RECOMMENDATIONS

In general the progress of urban cooperative banks in Beed district is satisfactory. But in the progress and services of these banks certain lacunas are observed these lacunas can be overcomes for this following recommendation is suggested.

1. Over dues of the urban cooperative banks in be district has constantly increased. Therefore banks should try to reduced the over dues, to reduce over dues bank should improve the overdue recovery management. Also banks should consider the repayment capacity of the customers while disbursing loans. After giving loans banks should see that the loans being used for the productive purpose, which it is disbursed.

2. In the working capital of urban cooperative banks in Beed district 22.56 percent is deposits and 8.58 percent is owned funds. From this it is observed that banks are dependent on deposits for working capital. Therefore urban cooperative banks must try to encourage the share capital and reserve funds, by giving more services to the members. Bank should try to attract new members by which share capital can be increased. Increasing the profit and reducing the dividend can divert more funds to profits. There by reserve fund can be increased.

3. Percentage of female customers of urban cooperative banks in meager i.e. 8.5 percent. For increasing female customers in giving loans facility, female customers should be given preference. Special schemes for females should be implemented for giving loans.

4. It is observed from the study 6.5 percent of the customers obtain the advice regarding investment from urban banks. Banks should appoint financial experts to give advice on investments. Experts should give advice on safe investments. For that bank can charge service charges, this will safeguard customers against losses on investments, also income of banks will be increased.

5. It is observed from the study 90 percent customers expect electricity bill services and 56 percent of the customers expect phone bill services from the banks. Banks should provide these services. 80 percent of the customers expect A.T.M.

6. Loan procedure of urban banks is complicated, 71 percent of the customers expressed this. Therefore urban banks should reduce the documentation and time for loan procedures and deliver it instantly.

7. Daily deposit and Recurring deposit schemes are availed by 36.5 percent and 3.5 percent of the customers. For increasing this percentage bank should appoint experts in banking services, who have good moral character, thereby reliability of banks is increased and deposits of customers will be safe.

8. Date of maturation of fixed deposit receipts should be intimated to the customers. Even if date is written on the receipts customers forget the dates and the question of interest rises, for avoiding this, bank should intimate the dates, and thereby inconvenience and losses will not be caused to the customers.
9. Bank should arrange social gatherings like common marriages, scholarships to talented students and lectures etc. so that the information of board of directors and confidence of them will be increased.

CONCLUSION

The views of the various committees and empirical studies reviewed above proved that bank marketing had not been fully adopted in India in all its aspects. In certain areas like deposit mobilization and publicity were undertaken here and there. Customer satisfaction, the sine-qua-non of bank marketing has been given adequate emphasis only recently. So studies are required to identify customer needs and preferences in order to develop innovative services of his choice in a host changing environment characterized by information technological revaluation.

REFERENCES