

CHAPTER - V5.1 INTRODUCTION :

When we consider about bank customer relationship as far as Bank of India in Kolhapur city i.e. the three branches of Bank of India is concerned, it is really difficult to contact even twentyfive percent of varied type of customers and then draw the correct diagram of inferences and conclusions for a better survey. Due to limited span of time and vastness of the area covered by the Bank (Bank of India) the study has been made limited to Kolhapur city and the branches of the Bank in Kolhapur city.

As most of the customers are reluctant to give the true information or spend their important time, a sample of 150 customers is taken at random consisting different types of customers. These customers are interviewed on the basis of a questionnaire. From this interview, their opinions and views are drawn so as to give a clear picture of data collected which is as -

5.2 CLASSIFICATION OF CUSTOMERS :

The customers are mainly classified on the basis of age, education, marital status and occupation.

This classification may be stated as under :

TABLE NO. 5.1 : CLASSIFICATION OF CUSTOMER.

Occupation	Age Groups			Total
	Below 25 Yrs.	Between 25 to 50 Years	Above 40 Years	
Educating	18	3	-	21
Business	2	32	15	49
Service	5	15	10	30
Total	25	50	25	100 %

It can be seen herewith that majority of the customers were between 25 to 40 age groups and other 25% were below twentyfive years and above 40 years age group.

Occupation wise classification is that ,

25 % of the customers are educating

49 % are having their own business or profession

30 % are in service only.

It is clear from the table that 18% of the educating customers are below 25 years. 32 % of the customers in business are between 25 to 40 years age group and 15% are above 40 years age group. Only 5% of the customers are from service sector who are below 25 years of age and 10% are above 40 years. Remaining 15% servicing customers are between 25 to 40 years age group.

Similarly when sex is considered it is noted that 78% are male customers and other 22 % are female customer.

II. GENERAL :

When the general aspects of the customers in choosing a particular branch are studied, it has been found out that

out of the 21 % of the educated customer 11% have chosen their particular branch as it is near their house or on other way to office and the remaining 10 % have some other reason as friends introduction.

Out of the businessmen 28 % being educated, ones have selected their branch/bank due to easy availability of loan and other 21 % being uneducated have opened the account due to their personal accounts similarly from the customers in service, 20% open the account for nearness from the house/office/shop and other opened it due to convenient timing.

Thus the same is shown in the following table :

TABLE NO. 5.2 : THE BASIS USED CUSTOMER SELECTING BANK OF INDIA.

Preference wise serial numbers.	B a s e s	Percentage of customer
1.	Nearness from house	31 %
2.	Easy availability of loan	28 %
3.	Personal contacts	21 %
4.	Convenient timing	10 %
5.	Other than these	10 %
		----- 100 %

The data in the above table clearly points out that the main reason for opening the account or selecting this branch/bank is nearness from the house, office or on the way and the second preference is for availability

of loan easily convenient timing is the least important reason considered by the customers while opening the account or selecting this branch/bank for that purpose.

(2) As far as working hours or timing of the bank is considered it has been noted that :

- a) The timing is suitable to most of the customers and unsuitable to some of the customers.
- b) Nearly 60 % of the customers are of the opinion that timing is proper and 40% are of the opinion that timing is not proper especially the closing time.
- c) It has been also noticed that these customers are mostly from Shahupuri and Ambabai Mandir Branch.
Also these customers are mostly businessmen as whole-sale traders, insurance agents, salaried persons.

(3) Generally the behaviour of the bankstaff is never rudely with any of the customers. It is shown as :

TABLE NO. 5.3 : VIEWS OF CUSTOMER REGARDING ~~THE~~ ~~THE~~ ~~STAFF~~
BEHAVIOUR OF THE STAFF.

S.No.	Response	% of Customer.
1.	Always polite behaviour	64 %
2.	Generally polite	28 %
3.	Always impersonal but helpful	6 %
4.	Generally impersonal but <u>up</u> -helpful	2 %
5.	Rudely	Nil
	T o t a l	100 %

Thus it is to be noted that some of the customers are of opinion that they generally receive impersonal but unhelpful behaviour of the stuff. It seems that they are not satisfactory regarding the services of the bank. Though the percentage of ~~the such~~ customers is less it should ^{not be neglected} ~~be noted down~~. More than half of the customers feel that the staff is always or generally polite with them. Though it is true that more than 50% of the customers are satisfied, the bank should consider firstly those customers who are not satisfied with Bank's services.

(4) The observations in the case of achieving knowledge about the new and existing services offered by the bank are shown as :

TABLE NO. 5.4 : The percent of advertisement reach and understanding getting knowledge about new existing services by clients.

S.No.	Sources	% of customer
1.	Branch Manager	69%
2.	Bank Staff	20%
3.	Friends relatives	6%
4.	Advertisements	5%
Total		100%

From the above table it is clear that majority of ~~the~~ customers come to know about new and existing services either through branch manager or bank staff. Only little percentage of customers get the information by



advertisements. It indicates poor reach of advertisements made by the bank.

(5) As far as the complaints about the bank services are considered it has been found that nearly anybody has got a complaint about bank services such as misbehaviour, neglect and other kinds. The observations are as :

TABLE NO. 5.5 : Percent of customers having complaints about bank services.

S.No.	Nature	% of customer
1.	No complaints during last 12 months	70 %
2.	Complaints during last 12 months	30 %

Nearly 30% of the customers have complaints about bank services. These complaints are mostly of delay, error and other kinds as long queues at counter, poor telephone service etc.

While considering the nature of solving the complaints, it has been noted that in most of the cases the complaints has been promptly attended and solved especially complaints of errors. Some of the customers' complaints about delay are remained unsolved. For this the bankers' opinion is that it ought be due to a location of the branch (being situated in business area), date of the month, number of accounts, strength of the staff etc. The

The percentagewise classification of complaints and solutions of these is shown in the following table :

TABLE : 5.6 : Classification of complaints and methods of solving them.

Types of complaint	Promptly attended & solved	Methods of solving sympathetically considered but unsolved.	Not even attended	Total
Errors	10%	-	-	10%
Delay	3%	17 %	-	10%
Other	7%	3%	.	10%
T o t a l	20%	10%	-	30%

The figures in the above table indicates that only 10% of the customers' complaints were remained unsolved and others complaints were promptly solved. The unsolved complaints are mostly of delays, long queues at counters, lack of attention etc.

5.3 SAVING AND CURRENT ACCOUNT HOLDERS :

Out of the total customers interviewed 58% of the customers are saving bank account holders and the remaining 42% are current account holders. Mostly businessmen are having current accounts. From the saving holders. Majority are salaried persons (approximately 30%) and minority are businessmen (approx 7%) and remaining are educating, small traders retailers and masses of people etc.

(1) As far as the time limit required for depositing cash and obtaining receipt of it, withdrawing cash and getting a cheque book, it has been noted that,

In most of the cases 5 to 10 minutes are required and in some of the cases more than 10 to 20 minutes are taken. In rare cases more than 20 minutes are required.

It is shown as under :

TABLE NO. 5.7 : Table showing the Time taken by the Staff in attending various transaction.

Transaction	Time required		
	5 to 10 minutes	10 to 20 minutes	more than 20 minutes
1. Depositing cash	56%	38 %	6 %
2. Withdrawing "	41 %	49 %	10 %
3. Getting cheque book	-	40 %	-

We see here that to most of the customer 5 to 10 minutes are required for depositing cash except in some cases more than 20 minutes are taken. In indicates that they are not treated well or they are not satisfied with services of the bank.

The percentage of customers reporting than 10 to 20 minutes are taken for getting a cheque book is higher. But at the same time it must be noted that each and every customer is not availing of cheque book facility. Those who are making

use of cheque book reported that 10 to 20 minutes are taken.

In general, it can be said that the response for time taken in attending different transactions is quick in the case most of the customers and moderate in case of some of the customers. While there is delay in case of some of the customers.

(2) It seems that there is no problem for crediting a locate cheque i.e. less than 3 days are taken But while crediting an outstation cheque in some cases, more than 8 or 10 days might be taken.

While depositing money merely 80% of the customers take their pass book with them, others don't

Now -a-days it has become compulsory to bring the passbook while withdrawing the cash. It came to the notice that some of the customers donot bring the passbook but they receive the cash. It means the bank gives concession to them.

It has been also found that most of the customers (nearly 53%) get the passbook completed & updated on the same day and remaining 35% get it on next day and other 12% get it after 3 to 4 days.

(3) As far as writing of the passbook is considered, it has been noticed that only in 20% of the customers' cases, the passbook is not written completely. The reasons for this are shown as below :

TABLE NO.5.8 : Reason for passbook not written completely and correctly .

S.No.	Reasons	% of customer.
1.	Abbreviations in writing	9 %
2.	Illegible handwriting	7 %
3.	Incomplete details	4 %
4.	Other	-
Total		20 %

It means that though 80% of the customers are satisfied with writing of the pass book , other 20% are not Bank should take a note to that effect.

In general there has been no delay in handling the transactions due to erratic procedures of bank . But in some of the cases there is delay (approximately 15% of the customers)

5.4 TERM DEPOSITORS :

From the total cases investigated the percent of the customers having term deposits is 40% . Out of that term position , majority of the customers are having fixed deposits and recurring deposits, Others are having double benefit deposits , monthly income certificates and the number of star Benefit depositors is less.

This is shown in approximate percentages as :

TABLE NO. 5.9 : Classification of Term Depositors.

S.No.	Types of Deposits	% of customers.
1.	Fixed Deposit	16%
2.	Recurring Deposits	12%
3.	Double Benefit Deposits	7%
4.	Monthly Income Certificates	3%
5.	Star Benefit Deposits	2%
TOTAL Rs.		40%

It seems from the above table that the monthly Income certificates and star benefit deposit schemes are less popular as compared to fixed & Recurring Deposits.

When the time for depositing cash and obtaining FDR (Fixed Deposit Receipt) is observed, it is found that, these depositors get a special treatment i.e. the time required is not more than 15 to 30 minutes . These observations are shown as 25% of the customers are of the opinion that they get FDR within 15 minutes.

12% reported that the time required is from 15 to 30 minutes

3% reported that more than 30 minutes are taken.

Generally it's not being the practice of bankers to inform the customers about maturity date of fixed deposits. Nearly half of the total term deposits are of the opinion that the bank should provide or intimate the maturity date of the deposits from the bank.

None has replied that they (customers) experience any

difficulty while obtaining loan against deposits and encashing deposits before-maturity. Only some of them have difficulty of delay or no knowledge of such facility. It shows that the bank has been prompt in providing this facility to the customers. It must be also noted that the customers ~~are~~ can have loan against deposits and also pre-matured encashing of deposits is allowed after deducting certain percentage of amount. Hence there is no difficulty in general.

5.5 LOANS :

It is known to all that banks are there to serve. Banks provide financial assistance to needy people. Similarly Bank of India grants credit to a large number of customers. The percentage wise figure is that at the most 45% of the customers are availing of credit facility from the bank, It's schemewise classification is shown as :

TABLE No. :5.10 : Classification of loan facilities.

Groups of Customers	Loan	Type of Loan		
		Cash Credit	Overdraft	Bills
1. Business & Professionals	4%	17%	10%	6%
2. Salaried	6%			
3. Educations	12%			
Total	12%	17%	10%	6%

It is clear that the majority of the customers are availing of cash credit, As per the types of customers

greater share in having loan is taken by businessmen mainly. At the same time one should note that the loan granted to the customers for education and other purposes such as construction of house, purchase of household equipment like T.V. etc. is less in number. Very little percentage of customers are having loan for these purposes. Hence the bank should properly note it and if possible improve its sanctioning method.

Now the time limit required for sanctioning the loans is observed and shown as

TABLE : 5.11 : Time limit required for sanction of loan from that of submission of loan application and disbursement.

Nature of Transaction	Time Limit		
	1 to 15 days.	15 to 30 days	More than 30 days
1. Sanction of Loan	51%	34 %	15 %
2. Documentation & disbursement	100%	-	-

Thus it is clear that majority of the customers are of the opinion that the time required to receive sanction or rejection of loan application is upto 16 or 30 days and not more than that. Only in exceptional cases more than 30 days are taken. All the customers are of the opinion that documents and disbursement part is done earlier. It seems that more ~~th~~ time may be required due to lengthy procedures of the bank.

Secondly in respect of the customers having bills transaction with the bank, it is noticed as ,

60 % of the customers reported that their instructions are followed properly and proceeds received in time .

32% are of the opinion that the instructions are not followed properly.

Thirdly it also came to notice that majority of the customers have been unknown about standing instructions such as payment of LIC premia, CTD etc. Out of those who are giving standing instructions to the bank, through lesser in number , reported that there is never delay by bank in carrying out these standard instructions.

And lastly , it is observed that most of the customers did not experience any difficulty while making request for advance or while obtaining travellers cheque or encashing this banks travellers cheque at other bank. Thus it indicates that that Bank (Bank of India) is prompt and friendly with its customers in this matter.

5-6 BANKERS' VIEW POINT :

Similarly , at the same time the branch managers of Bank of India, of laxmipuri, Shahupuri and Ambabai mandir branch are interviewed on the basis of a questionnaire already prepared, the format of which is enclosed at the end of the chapter. Their views and opinions about the general policy and the customers opinion are considered. The analysis of it is as under :

1. The branch managers are of the opinion that the rate of interest on long medium and short term loans depends on various factors such as types of the facility, priority and non-priority type of advance . Generally it ranges from 15 to 18 % p.a.

While granting loan, the Bank gives preference to agricultural loans first then small scale industry , exports etc. The purposes for granting loans are mainly for working capital ^{and} acquisition of assets for business purposes. Mostly it is subject to RBI & Govt. policy guidelines.

Number of factors are to be considered while sanctioning loans, as per the RBI and Govt. policy guidelines But the main ba~~ss~~ in most of the cases is productivity or purpose, second is repaying capacity and security and so on.

Bank or branch managers are of the opinion that bank can not apply hard and fast rules for recovery of loans. But the recovery of loans mostly depends on the income generation cycle. Accordingly the terms of recovering

loans very E.g. For retailers interest is charged monthly. For Whole sale traders having loan for short term, interest may be quarterly or monthly. In general for long term loans, interest is charged half yearly, for medium term quarterly and for short term interest is monthly.

(2) In order to check the utility of funds by the customers for which purpose loan has been sanctioned the bank does the following things,

- (a) Inspection and on the spot visits
- (b) Conduct of the account of that customer.
- (c) Verification of the records of the borrower.

•
So that bank will be able to check that the loan is not misutilised by the borrower.

It is also noticed that the bank gives incentives to some of its important customers . There has been deposit and development officer in Laxmipuri branch only, for increasing saving habits of people . The bank has locker facility in laxmipuri branch . It is understood that advertisement is necessary for a bank in order to reach every section of the community and thereby develop saving habits among the community.

Out of 3 Managers, 2 are of the opinion that the customer should know someone from the staff so that their

time is not wasted in completing the transactions.

As far as complaints from the customers, it is noticed that the complaints are solved to the fullest extent by the bank.

-oOo-