

CHAPTER - V

CUSTOMER SERVICES IN KOLHAPUR JANATA

SAHAKARI BANK LTD., KOLHAPUR : ANALYSIS

AND INTERPRETATION OF DATA

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INTRODUCTION :

When we consider the customer services rendered by Kolhapur Janata Sahakari Bank Ltd., Kolhapur i.e. considering three branches of the Bank viz. the Laxmipuri Branch, Station Road Branch and Rajarampuri Branch. It is really difficult to contact even twenty five per cent of varied types of customers and then draw the correct diagram of inferences and conclusions for a better survey. Some of the

customers were not willing to give true information and so this is one more difficulty to draw the correct conclusions. Due to limited span of time and vastness of the area covered by the Bank, the study has been made limited to three branches of the Bank in Kolhapur City.

A sample of 100 customers is taken at random consisting different types of customers. These customers are interviewed on the basis of a questionnaire. From the interview, their opinions and views are drawn so as to give a clear picture of data collected which is follows.

I. CLASSIFICATION OF CUSTOMERS :

When selecting customers for interview purpose they were selected from different categories. For getting all the required information regarding bank and customers, we had selected customers from different categories. 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

TABLE NO. 5.1
CLASSIFICATION OF CUSTOMERS

Occupation.	AGE GROUPS			Total.
	Below 25 Years.	Between 25 to 40 Years.	Above 40 Years	
Educating	20	2	-	22
Business	2	35	15	52
Service	4	12	10	26
TOTAL	26	59	25	100%

It can be seen here that majority of the customers were between 25 to 40 years of age groups i.e. 59% and others 25% were above 40 years of age and 26% were below 25 years of age group. Occupationwise classification shows that, 22% of customers are 52% are having their own business or profession and other 30% are in service only.

It is clear from the above table that 20% of the educating customers are below 25 years age group. Only 2% customers are between 25 to 40 years. 35% of the customers in business are between 25 to 40 years age group. The percentage of customers in business in the below 25 age group is less i.e. 2% only. Only 4% of the customers are from service sector who are below 25 years of age and 10%

are above 40 years. Remaining 12% servicing customers are between 25 to 40 years age group.

Similarly, when sex is considered it is noted that 82% are male customers and other 18% are female customers.

II. GENERAL :

(1) When studying the general aspects of the customers in choosing a particular branch/Bank, it has been found out that out of 22% of the educated customers 12% have chosen their particular branch/Bank since it is near their house or on the way to their office and the remaining 10% have some other reasons as friends instruction, convenient timing etc.

Out of the businessman 30% being educated, ones have selected their branches/bank due to easy availability of loan and other 22% being uneducated have opened the account due to their personal contacts similarly from the customers in service, 20% open the accounts 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 KOLHAPUR

JANATA SAHAKARI BANK LTD., KOLHAPUR

Preferencewise Serial Numbers	B a s i s.	Percentage of customers.
1.	Nearness from house	32%
2.	Easy availability of loan	30%
3.	Personal Contacts	22%
4.	Convenient Timing	10%
5.	Other than these	6%
	TOTAL	100%

The above table clearly shows that the main reason for opening the account or selecting this Bank/Branch 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 Bank/Branch for that purpose. Only 10% of customers have opened their accounts due to convenient timing of the Bank. Another 6% of customers selected this Bank/Branch due to other reasons which are not discussed above.

(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 80% of the customers are of the opinion that timing is proper and 20% are of the opinion that timing is not proper especially the closing time.
- (c) The customers particularly from Rajarampuri Branch, most of them are service holders and so considering their service timing Bank has started to open this Branch of morning and evening time.
- (d) Customers from Laxmipuri Branch and Station Road Branch are mostly businessmen as wholesale traders, insurance agents, company agents and salaried persons. In this two Branches the timing of working is full day and evening also.
- (e) It has been noticeable that the Bank has considered the problems and wishes of the customers when fixing their working hours.

(3) Generally the staff of the Bank/Branch behave politely with customers. They never behave rudely with customers.

In the following table behaviour of the Bank/ Branch staff with customers is given.

TABLE NO. 5.3

VIEWS OF CUSTOMERS REGARDING BEHAVIOUR OF THE
STAFF

Sr.No.	Responses	% of Customer
1.	Always polite behaviour	70%
2.	Generally polite	25%
3.	Always impersonal but helpful	3%
4.	Generally impersonal but unhelpful	2%
5.	None	Nil
TOTAL		100%

From the above table it is clear that some of the customers are of the opinion that they generally receive impersonal but unhelpful behaviour of the staff. It seems that they are not satisfactory regarding the services of the Bank. Though the percentage of such customers is less

but it should not be neglected. More than half of the customers feel that the staff is always or generally polite with them. Though it is true that more than 60% of the customers are satisfied, the bank should consider firstly those customers who are not satisfied with Bank's services and try to make them as satisfied as possible.

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

TABLE NO. 5.4

THE PER CENT OF ADVERTISEMENT REACH AND UNDER-
STANDING GETTING KNOWLEDGE ABOUT NEW AND
EXISTING SERVICES BY CUSTOMERS

Sr.No.	Sources.	% of Customers.
1.	General Manager & Branch Managers	65%
2.	Bank Staff	23%
3.	Friends relations	7%
4.	Advertisement	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 General Manager, Branch Manager and bank staff. Only a small percentage of customers get the knowledge by advertisement and friends relations. It indicates poor reach of advertisement made by the Bank.

III. SAVING & CURRENT ACCOUNT HOLDERS :

Out of the total customers interviewed 62% of the customers are saving bank account holders and the remaining 38% are current account holders. Mostly businessmen are having current accounts. From the saving bank account holders majority are salaried persons (approx. 28%) and majority are businessmen (approx. 5%) and remaining are educating persons, small traders, retailers and masses of people etc.

(1) As far as 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 for depositing and withdrawing cash.

It is shown as under :

TABLE NO. 5.5

TABLE SHOWING THE TIME TAKEN BY THE STAFF
IN ATTENDING VARIOUS TRANSACTIONS

Sr. Transaction. No.	TIME REQUIRED		
	5 to 10 minutes	10 to 20 minutes.	More than 20 minutes
1. Depositing Cash	58%	37%	5%
2. Withdrawing Cash	35%	53%	12%
3. Getting New Cheque Book	-	35%	-

From the above table, it is clear that for most of the customers 5 to 10 minutes are required for depositing cash except in some cases more than 20 minutes are taken. From this it can be deduced that customers might not have treated well.

The percentage of customers reporting that 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 of 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 local cheque i.e. less than 3 days are taken but while crediting the outstation cheques in some cases, more than 8 to 10 days are taken.

While depositing money merely 85% of the customers take their pass book with them, others don't. In case of withdrawing the cash there is compulsory to bring the pass book. It came to the notice that some of the customers do not bring the pass book but they receive the cash. It means the Bank gives concession to them.

In general, except in few cases there has been no delay in handling the transactions due to erratic procedures of the Bank.

TERM DEPOSITS :

From the total investigated it is found that the percentage of the customers having term deposits is 42%. Out of that term position majority of the customers are having Fixed Deposits and Recurring Deposits. Others are

having Double Benefit Deposits, Triple Benefit Deposits and the number of Thev Rokhas is less. There are very few cases having monthly income certificates.

This is shown in approximate percentage as :

TABLE NO. 5.6

CLASSIFICATION OF TERM DEPOSITS

Sr.No.	Types of Deposits	% of Customers.
1.	Fixed Deposits	18%
2.	Recurring Deposits	13%
3.	Double Benefit Deposits	6%
4.	Monthly Income Certificates	3%
5.	Thev Rokhas	2%
	TOTAL	42%

From the above table, it is clear that the Monthly Income Certificates and Thev Rokha Deposits are less popular as compared to Fixed and Recurring Deposits.

When the time for depositing cash and obtaining F.D.R. (Fixed Deposit Receipt) is observed, it is found that, these deposits get a special treatment i.e. the time required is not more than 15 to 30 minutes. These

observations are shown as: 28% of the customers are of the opinion that they get F.D.R. within 15 minutes.

: 11% reported that the time required is from 15 to 30 minutes.

: 3% reported that more than 30 minutes are taken.

Generally it is not being the practice of bankers to inform the customers about maturity date of fixed deposits. Nearly 25% of the total term depositors are of the opinion that the bank should provide or intimate the maturity date of the deposits from the Bank.

None of the customers has replied that their experience in 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 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.

LOANS :

It is known to all that banks are there to provide financial assistance to needy people. Similarly Kolhapur

Janata Sahakari Bank Ltd., Kolhapur grants credit to a large number of customers. Bank had given preference in granting loans to more and more number of customers. The percentage wise figure is that at the most 55% of the customers are availing of credit facility, from the Bank. Its schemewise classification is shown in following table.

TABLE NO. 5.7

CLASSIFICATION OF LOAN FACILITIES

Groups of customers.	TYPE OF LOAN			
	Loan	Cash Credit	Overdraft	Bills
1. Business and Professionals	5%	21%	13%	5%
2. Salaried	9%			
3. Educations	2%			
TOTAL	16%	21%	13%	5%

It is clear from the above table that the majority of the customers are availing of cash credit. Overdraft facility is given by the Bank to the customers is also important to taking into consideration. As per the types of customers greater share in having loan is taken by businessmen mainly. After that Bank had given preference to

loans for construction of houses, purchase of houses, purchase of vehicles, purchase of household equipments like T.V., Refrigerator etc. At the same time one should note that the loan granted to the customers for education 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.

The time limit required for sanctioning the loans is observed and shown in the following table.

TABLE NO. 5.8

TIME LIMIT REQUIRED FOR SANCTION OF LOAN FROM
THAT OF SUBMISSION OF LOAN APPLICATIONS AND
DISBURSEMENT

Sr. No.	Nature of Transaction.	TIME LIMIT		
		Upto 15 days.	15 to 30 days	More than 30 days.
1.	Sanction of loan	53%	36%	11%
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 15 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 time may be required due to lengthy procedures of the Bank.

In respect of the customers having bills transaction with the Bank it is noticed as more - percentage of the customers (approx. 72%) reported that their instructions are followed property and proceeds received in time and some of the customers (approx. 28%) are of the opinion that the instructions are not followed properly.

The observation in case of types of members of the Bank it is found that Bank have two types of members, i.e. 'A' Class of members and 'B' Class of members included. 'A' Class of members are those who have taken shares of the Bank, it means shareholders of the Bank. 'B' Class of members has nominal membership of the Bank they are not shareholders of the Bank. As far as loan facility of the Bank is concerned there is slight difference between two class of members. Bank has given

loans to 'B' class of members only on security of gold and against deposits basis. For 'A' Class of members Bank gives all types of loans. There is no difference in case of interest on loans taken by 'A' and 'B' class of members. It means interest charges for both class of members are equal. Even conditions for recovering of the loan are also equal for both members.

OTHERS :

1. It also came to notice that majority of the customers have been unknown about standing instructions such as payment of L.I.C. premium, C.T.D. etc. Out of those who are giving standing instructions to the Bank, though lesser in number, reported that there is never delay by Bank in carrying out these standing instructions.

2. As far as time limit required for giving information by Bank to the customers in respect of collection and payment of money it has been noted that, in most of the cases at the time of payment of money the time required for giving information to the customers is upto 10 days and in case of collection of money the time required is upto 5 days. Some of the cases in respect of payment of money have taken upto 5 days and in respect of collection of money have taken upto 10 days. In rare cases more than 10 days are required for getting information in both transactions.

It is also important to 38% of the customers in respect of payment of money and 64% of the customers in respect of collection of money are making use of this facility.

It is shown as under :-

TABLE NO. 5.9

TIME LIMIT REQUIRED FOR GIVING INFORMATION TO
THE CUSTOMERS IN RESPECT OF MAKING COLLECTION
AND PAYMENT OF MONEY

Sr. No.	Nature of Transaction.	TIME LIMIT		
		Upto 5 days.	Upto 10 days.	More than 10 days
1.	Payment of Money	11%	24%	3%
2.	Collection of Money	32%	23%	9%

From the above table, it is clear that most of the customers reported that in case of payment of money there is no proper arrangement of giving information to the customers. In case of collection of money more percentage of the customers are getting information upto 5 days but it is important to note that percentage of the customers getting information upto 10 days are also more. In number

of cases time required is more than 10 days means these customers are not satisfied with services of the Bank.

3. It is observed that most of the customers did not experience any difficulty while making request for advance purpose. Bank is not issuing Traveller's Cheque to the customers and so there is no problem of obtaining Travellers' Cheque and encashing of this cheque.

4. From the total cases investigated the percentage of the customers using locker facility of the Bank is 36%. It means 64% of the customers they were not making use of this facility. From the total customers there are making use of this facility. There is more percentage of salaried customers.

It is shown as under :

TABLE NO. 5.10

CALSSIFICATION OF THE CUSTOMERS USING THE LOCKER
FACILITY OF THE BANK

Sr. Groups of customers. No.	% of Customers.
1. Business & Professionals	13%
2. Salaried	23%
3. Educating	"

	TOTAL 36%

From the above table, it is clear that 36% of the total customers making use locker facility of the Bank. Out of 36% of the customers 23% of the customers are from salaried groups and another 13% of the customers are from business and professionals. Educating group of the customers of the Bank are not using this facility. In this respect they reply that they have no valuable property to making use of this facility.

As far as three branches of the Bank are concerned there is no locker facility in the Laxmipuri Branch. Bank must understand this problem and try to solve it as early as possible.

5. As far as complaints about the bank services are considered it has been found that almost nobody has got a complaint about bank services such as misbehaviour negligence and other kinds.

The observations are as under ;

TABLE NO. 5.11

TABLE NO. 5.11

TABLE SHOWING CUSTOMERS' COMPLAINTS

ABOUT BANK SERVICES

Sr.No.	Nature.	% of Customers.
1.	No complaints during last 12 months.	80%
2.	Complaints during last 12 months.	20%

Nearly 20% 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, not availability of drinking water in Bank etc.

While considering the nature of solving the complaints, it has been noted that in most of the cases the complaints have 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 might be due to a location of the branch, date of the month, number of accounts, strength of the staff etc. The percentage-wise classification of complaints and solutions of these is shown in the following table.

TABLE NO. 5.12

CLASSIFICATION OF COMPLAINTS AND METHODS
OF SOLVING THEM

Types of complaint	METHODS OF SOLVING			Total
	Promptly attended & solved.	Sympatheti- cally consi- dered but unsolved.	Not even attended	
ERROR	7%	-	-	7%
Delay	2%	5%	-	7%
Others	5%	1%	-	6%
TOTAL	14%	6%	-	20%

The figures in the above table indicates that only 6% 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.

6. The observation in case of complaints from the customers about service charges of the Bank rate cases of complaints were found. Only 18% of the total customers have complaints about service charges of the Bank. These complaints are mostly of excess charges, nor concession

about clearance of cheques, excess rate of locker rent etc.

Bank has tried to solve the complaints sympathetically and tried to satisfy the customers about service charges of the Bank. Bankers' opinion is that, there is no high rate of service charges in Bank as compared to other urban co-operative banks in Kolhapur City.

7. As far as suggestions of the customers to the Bank are considered it has been found that only few customers have suggestions to the Bank. These suggestions are mostly such as, using Taylor System of working in Bank, Opening ladies section in Bank, making separate queue for ladies customers and opening inquiry counter for guidance purpose in every branch etc.

Bank is already aware of the defaults and making efforts to solve these defaults. Bank had started two more branches in Kolhapur city area in 1986 for serving more and more customers. Bank is also thinking about to opening one more branch for ladies customers.

The opinion of the customers about customer services of the Bank are considered it has been found that most of the customers are satisfied with the customer services of the Bank. Only few customers are not satisfied with the customer services of the Bank.

Bank gives draft facility to the customers in 19 big cities in India with the help of Bank of Baroda. This is one more service of the Bank. It has also sufficient locker house. Bank gives cheque clearance facility to the customers at as early as possible. Bank is doing all banking transactions successfully as per the directions of R.B.I.

Along with these services Bank has done most of the social works. Bank has given economic help to Engineering College of Kolhapur. It has given donations to Rotary Club, Lions Club and most of the Anatha Ashramas, Kolhapur. Bank has also given more and more incentives to sports.

After studying all these matters about the Bank, we can conclude that Kolhapur Janata Sahakari Bank Ltd., Kolhapur is one of the successive banks in Kolhapur city. It is always ready for serving to the customers. Customers' satisfaction is motto of the Bank and Bank is always sticked with this motto.

BANKERS' VIEW POINT :

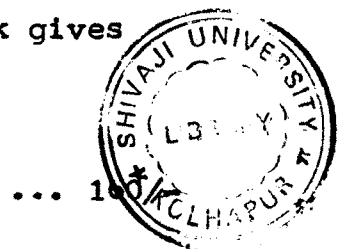
The General Manager of the Bank and the Branch Manager of Laxmipuri, Station Road and Rajarampuri Branch were interviewed on the basis of a questionnaire already prepared, the format of which is enclosed at the end of

the Chapter. Their views and opinions about the general policy and customer service policy of the Bank and the customers' opinion are considered. The analysis is shown as under :-

1. As far as important customers of the Bank in Kolhapur City are concerned, Bank gives incentives to some of its important customers. There is no public relation and deposit development officer in the Bank. Most of the staff members of the Bank, know about the services actually available in Bank. 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.

It is the sad thing for Bank that amount of the overdues of the Bank are increasing day-today. From the year 1986 Bank had appointed Special Recovery Officer for recovering of loans with the help of Government of - Maharashtra.

2. There is no special treatment in the Bank about giving incentives to depositors for more depositing. It is important to note that Bank accepts deposits from all types of non-individual customers, in which partnership firms, clubs, (if registered) companies and Trusts are included. Similarly, one more point is that Bank gives security to deposits upto Rs. 30,000/-.



3. While granting loan the Bank gives preference to business loans firstly then small scale industries, purchase of vehicles, purchase and repairing of house, purchase of house articles etc. The purposes for granting loans are mainly for working capital and acquisition of assets of business. Bank has not given loan to agriculture because Bank has no availability of long term deposits. Number of factors are to be considered while sanctioning loans, as per the R.B.I. and Government policy guidelines but the main basis in most of the cases is productivity second is repaying capacity and security and so on.

Bankers' opinion in case of rate of interest on loan is that the interest rates on short term and medium term loans depends upon various factors such as priority, time, duration etc. Generally it ranges from 13 to 16% p.a.

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.

4. The Bank has locker facility in Rajarampuri and Station Road Branch. The rent on locker facility depends upon the size of the locker, it is Rs. 15/- to Rs. 100/- per year. Bank accepts insurance premiums of the customers, there are about 200 customers making use of this facility. It is also to be noted that Bank provides draft facility to its customers. Bank provides this facility to the customers in 19 big cities in India with the help of Bank of Baroda.

As far as special services of the Bank to its employees are considered it has found that Bank gives some concessions in interest rates on loan taken by them. The loans are especially for the purpose of housing, purchase of vehicles and clean loans. Observations in about the x services rendered by Bank on free of charge basis is that Bank provides some services on free of charge especially as clearance of loan cheques, acceptance of insurance premium etc.

5. As far as considering the general utility services rendered by the Bank to its customer it has been found that Bank has not providing any consultancy services to its customers. Similarly Bank is not providing Gift Cheque and Traveller's Cheque facility to its customers. But the point to note is that the Bank has issued letter of credit for its customers.

6. The observation in case of provisions of the Bank for serving non-educated customers is that there is no special arrangement for the non-educated customers but Bank has given full guidance to that customers in about everything. Bankers' opinion is that they are always ready to serve for non-educated customers. They give all types of guidance and advice to that customer.

Bank has provided overdraft facility to its customers against fixed deposits. It is the limit of 55% of the total fixed deposits of that customers. Bank also provides cheque clearance service to its customers. Bank has not charging commission on local cheques of the customers but for outstation cheques Bank has charged commission @ Rs. 2/- per thousand.

7. As regarding the agency services of the Bank it has been found that Bank renders some important agency services to its customers. Bank makes some payments on behalf of its customers. As like light bills, subscriptions, donations, taxes etc. Bank makes some collections on behalf of customers in different types of such as cheque, demand draft, bills of exchange, promissory note and clean bills etc. Bank also makes collections of interests and dividends on behalf of its customers. It is also

important to note that Bank has not made purchase or sale of securities on behalf of customers and not acting as trustee, executor or administrator for the property of the customers.

8. As far as complaints from the customers are concerned, it is noticed that the complaints are solved to the fullest extent by the Bank. Some of the complaints are about the services of the Bank and in rare cases they are about service charges of the Bank.

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