

A Satisfied Customer In Banks Is The Best Ambassador



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Abstract

This paper explains the need of customer service for banks with the help of different methods that the banks should use to please the customer. We have explained how important is for the bank to serve the customer with smile with the help of TINA factor. The very important aspect ATTITUDE is explained. With help of positive attitude the banks can please and capture the customer. Banks should respect the customer as an individual and providing them responsive service. The challenge that lies ahead for banks is fourfold. First; they need to satisfy the customer needs that are complex and difficult to manage. Second, they need to face up to increased competition from within the sector and from new entrants, coming into the financial service market. Third they need to address the demands based on the supply chain. Finally they must continually invent new products and services in the light of envisaged changes. They have got to get back to a fundamental issue and that "we all work for customer". *Service to the customer and to improve image of bank*. Banks in the days to come have to provide their broad – based service package in the midst of stiff competition. To ensure their competitive edge in future, they have to fight with rivals in term of quality of their customer services. The future of any business or everybody's business is now excelling and managing customer relationships. Customer focusing is not to be viewed as just a business strategy but should become a corporate minion.

Keywords: Moment of Truth, Attitude, TINA factor, Delighted Customer.

Introduction

Ever since the liberalization and globalization of Indian Economy has taken place almost a decade ago, the focus point in any service organization is **customer service**, more so in banking industry. The banking scene has been paradigm shifts in the nineties. The first of these shifts occurred during the 1991-94 phase in which emphasis shifted from growth to profits, from balance sheet size to clean transparent and healthy balance sheet from regulated and administered regime to a relatively deregulated one during the next phase (1994-98). The financial markets started giving interest rate signals, links between force and money markets become strong, interest rates were deregulated and competition intensified.

In this century the business says, "*Customer is the king in our business.*" "*Service to customer is service to God.*" This is no more myth but turn to be a reality. Customer service is that base for business growth because of the stiff and challenging competition in the Banking Industry. With the advent of new private banks in 1995 "*The concept of customer service*" has become an important and pivotal issue in banks, either it is in the public sector, private sector, co-operative sector. The survival of banking business is dependent on customer services. So we can say that customer service is

C Courtesy
U Updated Knowledge
S Speed and Accuracy
T Technological Support
O Office decorum
M Maintenance & Upkeep
E Efficiency
R Response
S Sincerity
E Excellence
R Recognition

V Very important person I Interactions
 C Concern
 E Emotion

It means customer service covers each and every aspect of our life. As every service organization like bank that is increasingly dependent of customer goodwill for growth and profit, it is only natural that we hear and read about good customer service.

Need for Customer Focus

The customer choice and awareness have been increasing tremendously during this decade due to more open economy; Customer service is the focus point to capture business in banks in all the stages of marketing of banking services. Most of the banks are offering more or less the same products with little changes in nomenclature.

Banks are attempting by creative exclusive delivery channels for specific customer segments. As markets become increasingly competitive customer can now immediately go elsewhere if they don't get what they want. Continuous improvement gaining the competitive edge, increased market share, higher profits, none of these things is possible unless business can find new ways of maintaining the loyalty of existing customers. Customer focus is the ability to provide predictably positive experiences that consistently meet or exceed the customer expectation.

Customer focus ought be managed by "Moment of truth." The metaphor of moment of truth is a very peaceful idea for helping people in service business shift their point of view and think about the customer's experience. It means "any episode/incident when a customer comes into contact with any point of service offered and with the help of the contact, forms an opinion about the quality of service and the quantity of product offered."

Donald Porter as director of customer service quality assurance for British Airways points out.

If you are a service person and you get it wrong at your point in the customer's chair of experience, you are very likely erasing from the customers mind all the memories of the nice treatment he or she might have had up till you. But you get a right you have a chance to undo all the wrongs that may have happened before the customer got to you. You are really the moment to truth.

Every time a service organization performs for a specific customer, the customer makes unconsciously an assessment about the quality of the service

The sum total of the repeated assessment by this customer and corrective assessment by the customer establish in their minds the organizations image in terms of service quality." When the moments of truth go unmanaged the quality of service regresses to mediocrity." Karl Albuch/ Ren Zainke

Now a day's customer perception is changing day by day. Peter Drunker said twenty-

five years ago "The purpose of a business is to attract and retain a customer". Mahatma Gandhi had rightly said that

"By entering into your premises customer is giving an opportunity to serve him but you are not doing any favors by serving him.

It means if you are serving the customer, you are on the other hand developing your business. But today, the customers preferences are keep on changing at a rapid speed and their demands are turned insatiable. In order to cater to the changing preferences, banks are bound to provide the services suitable to their needs to survive in the competition.

Truly the customer is the king in the present day banking. Since banks are providing tailor made services to the changing needs of customer to face the competition from the rival banks. There is phenomenal change and paradigm shift towards customer focus for last five decades

Serving the customer	1950's to 1960's
Satisfying the customer	1960's to 1980's
Pleasing the customer	1980's to 1990's
Delighting the customer	1990's to 2000 AD
Retaining the customer	2000 AD and beyond

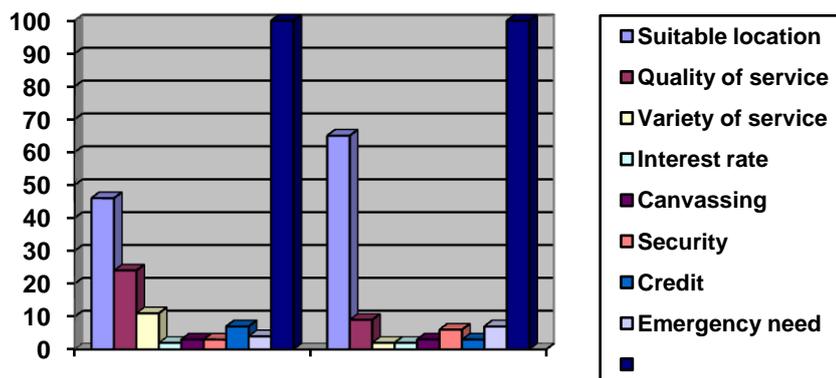
It is cheaper to retain the existing customer that's to secure a new one. In United States it was noticed that for every dollar of lost business, it took 10 dollars of new business to compensate the loss. One study of United States Organizations conducted by "The Service Edge" revealed that if banks go for 5% improvement in customer attention the profit increased by 32 percent in automatic service, 85 percent in advertising agency and 138 percent in auto/home insurance. The level of customer service and satisfaction is determined by branch location and design variety of services, rates and charges, systems and procedures, delegation and decentralization, mechanization and complaint redressed and very importantly staff skills, attitude and responses.

Today's in their choice of banking service customer face a vast array of product and brand choices, prices and suppliers. While making a choice, customer forms an expectation of value and act on it. Then they learn or experience whether the offer lived up to their value expectation. Customer's satisfaction and their repurchase a continuance with the product are directly dependent on this experience. A rational buyer's action would be to buy from whom ever offered the highest delivered value.

Every business can fulfill the expectation to some extent. In a survey of customer expectation done by Indian Bank's Association for rural and urban Market revealed the following.

Customer Expectation

Criteria	% Preference/Response	
	Urban	Rural
Suitable location	46	65
Quality of service	24	09
Variety of service	11	02
Interest rate	02	02
Canvassing	03	03
Security	03	06
Credit	07	03
Emergency need	04	07
	100	100



Each Segment of customer has different perception of good bank and quality of bank. Earlier we used to talk about foreign bank, national bank, and private bank now we talk about bad bank good bank and better bank according to the services and quality provided by the bank. The factors, which influence the behavior of customer, are following.

Location

Where a bank branch is located often influences the choice of the bank subconsciously the consumer is looking for convenience and what matters is whether the location of the branch is close to his home or office. Very often the 'bank next door' often wins on that basis alone.

Safety

Depositors are very often placing their hard-earned money in a bank and a worrying factor for them is 'is the bank safe?' To quell the fear, the background of the bank, its promoters, international connections, and the years it has been operating in the country, all influence the choice.

Returns

A consumer wants to satisfy himself with the reason to know that he has earned attractive returns having satisfied himself that his money is safe wants to be sure that the returns being earned are attractive.

Customer Service

The experience of the customer when he has been within the branch will influence a strengthening or a weakening of the relationship. Speed, politeness and friendliness in the service are factors, which do matter.

Range of Service

With the increasing sophistication in the environment a consumer gets more demanding and would like his bank to supply him range of services and products which increase convenience for him. Example, phone billing + ATMs and a range of term deposit products which offer him high returns and liquidity.

Easy Documentation and well-defined Eligibility Criteria

When a consumer wants to borrow from a bank, what bothers him is 'Will I qualify for the loan?' so a bank will do well to clearly establish the eligibility criteria and simplify and make loan documentation easy.

Retaining Customers through Quality Service And Value

Marketing approach lays emphasis on building long term mutually beneficial relationship with the customer. Organizations, which look only, to short run profits and disregard the customer interests do so at their own peril .Banking is a service-oriented industry and it has potential to reach almost the majority section of population in a competitive environment. The bank customers are influenced by the image of the bank anperceivd the perceived quality of service. The bank that provides better service and the bank that is ed to be different from average get the attention of the customer. Perception of good service would relate to courtesy, promptness, employees' attitude, physical facilities, customer identification and recognition, speed and clarity, communicative skills and a host of such features. It gets manifested in the care, concern, commitment and sensitivity shown by the bank staff in dealing with customer. Ensuring quality service implies giving

attention to details being sensitive to customer expectation.

What is Customer Satisfaction?

Satisfaction is the level of person's felt state resulting from comparing a product's perceived performance in relation to the person's expectation; therefore, satisfaction level is a function of the difference between perceived performance and expectation. If the performance falls short of expectation, the customer is dissatisfied. If the performance matches expectation, the customer is satisfied. If the performance exceeds satisfaction, customer may be highly pleased or delighted and "Delighted customer is an unpaid salesman".

What factors decide or influence expectations?

Expectations get formed, on the basis of the buyer's past buying experience, statements, made by fiends and associates and marketer and competitor information and promises. If the marketer raises expectations too high and company consist match its delivery with the expectation level, the buyer is likely to be disappointed. On the other hand, if the company sets expectations too low, it won't attract enough buyers although it will satisfy those who buy most successful companies raise expectations and deliver matching performances these companies are aiming at TotalCustomer Satisfaction. Another observed characteristic market place is that those who are just satisfied find it easy to switch suppliers when a better offer comes along those who are highly satisfied is much less ready to switch.

Quality Service

One of the difficult aspects of managing service quality is establishing a common understanding of what we all mean when we talk about it. A one-sentence description of what constitutes acceptable service quality will be significantly different from one person to next. The definitions given even by the staff within a bank may vary, depending on the level of the staff in the organization. Here are just a few ways in which individual define quality: -

1. A degree of excellence.
2. Conformity with requirement.
3. The totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs.
4. Fitness for use.
5. Fitness for purpose.
6. Freedom from defects imperfection contamination.
7. Delighting customers.

In simple words courtesy, problem solving ability, environment, speed accuracy and range of service are some ways of quality service. Service Quality, one of the potentially weapons of competition, is just now gaining an important role in the strategic marketing process in many institutions. Its growing importance is in part, a reflection of consumers themselves. They are better educated and more affluent than any other segment of consumers in the history of mankind and they are much more demanding.

A procedure for quantifying customer's service quality can be measured on the following five dimensions:

Reliability

The ability to perform the promised service dependably and accurately.

Tangibles

The appearance of physical facilities, equipment, personnel and communication materials.

Responsiveness

The willingness to help customers and provide prompt service.

Assurance

The knowledge and courtesy of employees and their ability to convey trust and confidence.

Empathy

The carrying individualized attention provided to the customer.

Developing Better Service

To use quality effectively as market strategy, Bank Management should play a pivotal role in the service design and implementation. Their function is to guide the programmed to fulfill customer expectation, which also change from time to time. This is done through such activities as evaluating your competitors to see how you compare and researching consumers to identify your strengths and weaknesses. For customer satisfaction we have one customer service model customer who contact any bank, want two things:

1. They need a solution to a problem relating to investment/credit.
2. They want to feel in someway "special".
Looking at number one, when the bank is providing appropriate solution for the problem, say,
3. Offering a loan for purchase of house, car or motorcycle.
4. Keeping the amount in savings/term deposits suiting to the needs of the customer.
5. Issuing a demand draft the customer's needs are satisfied.

Very often the only time that customers contact the bank is when they have a problem with some services that they have availed or they want to avail – say

1. Delay in getting a loan.
2. Delay in getting a term deposit receipt,
3. Delay in getting a demand draft,

The second factor of any customer service satisfaction model is that every and each single customer should feel how special he is for the bank. The following can be considered as some important elements in making a customer feel "special".

Speed and Time

Customer time is important dispose him off as quickly as possible. The speed with which the banks offer their services will actual gain a competitive advantage and allow them to offer higher satisfaction. The need to make branches and distribution more efficient has deal to the

introductory of electronic methods in financial services like.

1. ATM
2. Debit Card
3. Internet and mobile banking.
4. Anywhere banking.
5. Telemarketing.
6. Ethos. Etc. etc.

These are introduced to increase customer's convenience and to save their time.

Personal Interaction with A Customer

Knowing about customer is fundamental to bank business. Bank voluntarily collected a lot of details about the customer like name, residential address, income, occupation etc. There are certain banks that identify every opportunity that they possibly can make the customer feel unique and an individual. The bank customer visit bank again and again for various transactions in the same account such as withdrawn, deposits or remittances. The banks are the integral to the financial life of their customer. Their interaction with the customers and the intimacy they have is far greater than product companies because of the very nature of bank business. Bank business revolves around the customer. Getting closer to him, understanding him and serving his needs are critical to bank business. **Customer centricity** is the key.

Courtesy and Competence

Consumer courtesies and manners are very important than the banks may probably more important than the banks may consider. Competence means that whatsoever serves the customer or whoever supports people that serve. It suggests that knowing what ought to be done and the way best it will be done.

A customer has to do things and do than well. It means getting things done rightly at the first time. Courtesy and competence, hand in hand – it is a license to keep customers for lifetime.

Expectation

A successful bank will be judged by his ability to manage the expectation of his customer well and they systematically and consistently exceed them. A delighted customer will come back to the bank will convey his friends about his experience and will become an ambassador for the banks business an unpaid salesman.

“A satisfied customer is one whose expectations are equal to experience.”

The customer moves as dissatisfied customer where the experience of a customer is less than the expectation. He becomes annoyed and impatient. Actually customer service is required to be upgraded to satisfy the customer expectations. To render efficient customer service, the bankers have to just understand what really the customer wants. Therefore bank management has to continuously innovate and make strategies and evolve new products to attract the customers. In order to achieve this

task, bank have to prepare projects, keeping in view, the priorities of each segment of customers satisfied into middle value customers and high net worth (HNW) customers. This will modify banks to innovate products according to customer desire. Therefore to capture more and more business, bankers are offering products associated with insurance, investments etc. segmentation is an important aspect in innovating a new service product. *“What the customer wants”* should be a priority during this direction. All these efforts are made to provide a higher and better service to the customer.

Information and keeping the customer informed

“Keeping customer informed is best way to keep them feel special”

It is the human attitude that everyone wants to be special one of the simplest ways to keep customers feeling special and make them feel important is to keep them informed. They should be told of things they are eagerly waiting for and bank should make them aware things are going on.

Attitude and Customer Liaison

One of the most important aspects of attitude is when one customer is dissatisfied. Most important and outward expressions of attitude are the verbal and non-verbal behavior that people use at critical times.

Sometimes people say the right words, but their eyes tell something else and betray their true feelings. People who are really listening to you look into your eyes. When people are not looking into your eyes, they are not listening to anything that you are saying. In other words, when people are preoccupied, they fail to keep total eye contact. Focused eye contact leads to better concentration and helps us to communicate our genuine interest in understanding the needs of bank customers. This helps the bankers to serve better customers intuitively respect people more who look them in their eyes.

Another way of better understanding of what people are telling is to watch their hands as they talk and listen. Open gestures usually reveal that the other position is positive, that he trusts you, feels comfortable with you and is allowing you to get through to him like by smile and laughter, moving close to you. Closed gestures often mean that he is protecting himself from you, carefully screening you out or assessing you. It may also mean that he is not comfortable like covering mouth while talking, moving away from you, avoiding eye contact, clutching briefcases tightly to their bodies. Watching people's gestures is another dimension of listening.

The attitude that will work, the banker should instill it, is that every single customer is his important customer. Instead of seeing a customer for transaction value that they spend at that time or for the nature of their enquiry, the

banker should try to see him as a million dollars customer.

For making the bank business 100% we have to change the attitude we should be positive in the every aspect of life. There is a formula that how we can achieve 100% in life – It is not through Handwork, Knowledge, Money or Luck. Only through our attitude we can achieve 100% in life.

Let us find out.

Consider the formula

"If ABCDEFGHIJKLMNOPQRSTUVWXYZ are equal to 1 2 3 4 5 6 7 8 9 10 11 12 13 ----- 26 in that order then

HARDWORK = 8+1+18+4+23+15+18+11
= 98%

KNOWLEDGE = 11+14+15+23+12+5+4+7+5
= 96%

MONEY = 13+15+14+5+25
= 72%

LUCK = 12+21+3+11
= 47%

Then what can make life 100%?

Let us try the word **ATTITUDE**

ATTITUDE = 1+20+20+9+20+21+4+5
= 100%

Of course, it is possible only if we can change our attitude. It is our attitude whether positive or negative towards life and work that creates our life 100%.

Long Term Relationship

A customer will feel special if the banker will actually reward, recognize and encourage is loyalty and long run either personnel or business, given the right elements and environment he would prefer to be consistent. This relationship is proved when one incident happened with Turbid Mukhergee, Senior Assistant Imphal Branch, and S.B.I.

In the month of December 2004 one day during pear business, while Mr. Mukhergee was busy with his work, a colleague, Mr.S.K. approached him with a request to open a locker for a reputed Doctor, who is also a good customer of the bank. The staff in the locker

section was overloaded, in spite of Mr.Mukhergee's busy schedule; he opened him a locker with in half an hour. After 15 days there was an emergency with Mr.Mukhergee's friend. When his friend contacted that Doctor he refused to attend the patient at home because he was very busy but when the Doctor saw Mr. Mukhergee, he welcomed Mr.Mukhergee and said, "I can't say no to Mr.Mukhergee" and than Doctor visited the friends home and examined the patient. So this is the long-term relationship that will pay you some time in future.

In the last when we put together, each one of the above seven elements will accelerate customer satisfaction beyond even their wildest dreams. The customer will become increasingly more loyal and profitable if the banker begins to implement ideas based around the seven elements and make them a constant focus of attention.

The Tina Factor

The complete service can only be rendered through interaction between a customer and knowledgeable, helpful staff equipped with full awareness of bank's products and schemes. Customer care is the key to clients lasting relationship with a bank. Besides routine transactions, our clients need guidance and advice from us. Technology can only supplement, it cannot substitute for human endeavor. The answer so, has got to be "There is No Alternative (TINA) to service with smile.

All banks can offer similar technology, but the differentiating factor will be the type of service rendered by staff. Those of us who are experienced in serving the customers in the traditional manner need not to be different about ourselves in the era of change. More than ever before, in the age of technology, There is no Alternative (TINA) to personalized customer service.

Suggestions

The Survey lists suggestions and SBI's drawbacks, some of which are reproduced below for information and critical examination:

* Ask the staff to smile at customers	* Efficiency required
* ATMs should have sufficient cash.	* Extend Banking hours.
* Single window system to improve	* I hate SBI, SBI cannot improve.
* Attitude of staff needs improvement	* Lot of delay in settling deceased accounts
* Behavior not good, commitments are not honored.	* Post-younger staff.
* Better ambience.	* Punctuality to be improved.
* Concentrate on the customer.	* Simplify loan formalities.
* Customer service to improve.	* Space constraint.
* Decrease staff, teach staff good manners.	* Transaction time needs to be reduced.

Customer Complaints

Complaint is an opportunity. A customer, who complains, is one, who has still some confidence in the organization. By complaining, he is giving an opportunity to the organization to rectify the mistake. The issue raised by this customer can be handled properly and the customer can be converted into a goodwill Ambassador. Successful organizations are those

that have realized that prompt attention to customer complaints is an essential ingredient of a profitable customer relationship. A cliché often issued in describing this is "A satisfied customer is the Best Ambassador. What is equally worth nothing, however, is that just as a satisfied customer tells others about it, an unhappy customer too tells others about his experience. In banks handling of complaints should be a high

priority item, there are some of strategies for effective redress of customer complaints or there are some magic steps to convert complaint to compliments.

1. Complaints/complainants to be received and attended to by the senior level, well experienced functionaries.
2. Sincere efforts to be made to understand the nature of the complaining the person handling the complaint should be always attentive.
3. Any irate customer, in particular, to be tactfully handled.
4. The complaint should not give the impression that Bank officer is too anxious to get rid of him.
5. Complaint should not be made to run from pillar to post; he should be guided to the right person. No customer likes to repeat his grievances to several persons in the organization.
6. Customer should be made available adequate information apart from factual details.
7. The customer should not be driven to approach the authority outside the bank, such instances will, surely cause considerable damage to the bank's image.
8. Phony or biased calls also to handle with tact, sincerity and patience.
9. The banks should response quickly for complaints.
10. The banks should regret for the inconvenience.
11. The banker should rectify the mistake.
12. The banker should give assurance of prompt service.
13. The banker should follow rules to help the customer and not to harass them. Rules are made for the orderly conduct of the work; they should not be used to avoid and delay the work. Most of the complaints received in the Bank are those, which if handled with little more concern and a desire to help the customer, would not have occurred at all.
14. "Always do ur best to find a solution of customer's problems". The customer generally is not aware of the banking processes. If he has a problem he should be guided suitably in a manner and language understood by the customer.

It the bankers follow the above-mentioned magic steps then he will find the customer complementing rather than complaining.

So Banks should respect the customer as an individual and providing them responsive service. The challenge that lies ahead for banks is fourfold. First; they need to satisfy the customer needs that are complex and difficult to manage. Second, they need to face up to increased competition from within the sector and from new entrants, coming into the financial service market. Third they need to address the demands based on the supply chain. Finally they must continually invent new products and services in the light of envisaged changes. They have got to get back to a fundamental issue and that "we all work for customer". *Service to the*

customer and to improve image of bank, banks should do:

1. Great customers by their names always.
2. Customers don't talk to the 'Bank'. They talk to you.
3. Be smiling and pleasant in your communication with the customer.
4. Great service starts with a good attitude your attitude is our business.
5. Customers don't think of themselves as 'customer'. They think of themselves as people who need you help. Enjoy helping people. You'll do a better job.
6. There's no 'right way' to talk to customers – talk to us. You are the voice of the customers inside the Bank.
7. Do not just solve problems – create opportunities – you can turn a slip up into a sale.
8. Do not just listen – learn small complaints can generate big improvements.
9. Learn to anticipate problems: If you listen to people and look for patients. You can read customers minds.
10. Every customer call is a judgment call. The deeper your knowledge, the better your judgment.
11. If you really want to help the customers, don't be afraid to ask for help yourself. Your questions will improve your answers.
12. Use customer feedback to identify deficiencies and improve service.
13. Customer is not interested or impressed with your size; he needs convenience, speed reliability and value for money combined with quality service.
14. Technology cannot deliver quality service; only individuals can.
15. Values make an organization. Belief in values should be seen in actions.
16. Be sensitive and considerate to the feelings of people however small they may be.

Banks in the days to come have to provide their broad – based service package in the midst of stiff competition. To ensure their competitive edge in future, they have to fight with rivals in term of quality of their customer services. The future of any business or everybody's business is now excelling and managing customer relationships. Customer focusing is not to be viewed as just a business strategy but should become a corporate minion. Unless this mission percolates through out the organization at all levels, the chances one that the attempts to address customer issues will receive only lip sympathy. Building value for customers should be seen as equal to building shareholder value. The challenge for banks will be in the area of people (Changing their beliefs and attitudes/technology and competition).

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