

Indian Bank Educating Customers towards Contemporary Services

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ABSTRACT

India is on a track to become the digital economy. It's easy to implement various digital/online banking services in India but may be difficult for the bank to implement that policy. Here comes the importance of educating the customers towards contemporary services. Digital services will be of no use if it is not used by the customer. So banks need to take initiative in guiding and educating the customers through various communication channels. After going through the literature review, various options have been recommended to the banks in guiding and educating the customers.

1. Introduction

Banking is the backbone of Indian Economy (Dwivedi & Charyulu, 2011). Bank is a place where the customer can deposit their hard earned money and in return can avail a loan facility. Now a day Banks are coming up with the modern, innovative banking services/products (Románova & Kudinska, 2016). The launch of various applications in smart phones and adding new features in internet/ mobile banking demands for a proper customer education (Vaidya, 2011). Banks may be on a way to launch new services everyday but if a customer is not aware of it, then it will become a futile exercise. This paper focuses on how a Bank can take various steps in educating the customers towards its modern services. Ever since India's independence in 1947, the biggest priority for the nation has been its economic growth, education for all and financial inclusion for the vast population of the country (Bihari, 2011). While India has made some noteworthy progress in the past six decades and more, but on the aspect of financial inclusion, progress has not been satisfactory (Kumar, 2013). There is a continuous change going on in the recent years in Indian Banking industry in terms of innovative services. Till the eighties Indian banking sector was submissive towards RBI guidelines. The concept of product & service innovation was unknown at that time and Banks need not to be more focused on delivering excellent services as the customer was easily available (Joshi, Little, & Little, 1996). Risks were not apparent. But after LPG 1991, Indian banking industry has seen a huge makeover in its functioning and service delivery.

Then come the era of private banks. Many giant organizations like HDFC Bank, ICICI Bank come into existence and started delivering the unique services to the customers (Singh, 2005). Till then, Indian telecom industry has not seen any penetration in mobile sector. The banks were acting as a "brick and mortar companies" in delivering their services. Back in the year 2002, a big conglomerate company Reliance revolutionize Indian telecom sector (Varghese, 2006). At that time HDFC Bank also launched Mobile banking services in India (Mittal & Kumra, 2001).

Now a days, banks are performing exceptionally well in providing the modern services to Indian customers (Safeena, Date, & Kammani, 2011). Some of the modern services are Internet Banking, Mobile Banking, Phone Banking, Online credit Card request, Online Debit card request, Online stop payment request, Online Demand draft request, online FD/RD make or liquidate request, on line bill payment(through Bank), Online Loan eligibility check and many more.

Though banks are performing excellent in providing the innovative services but are the Indian customers aware of these services?

India's lack of financial inclusion is well known to all (Ravichandran & Alkhatlan, 2009). Total number of saving and current account has risen to 157 Cr (Economic Times April, 2018). More than 36% of saving account holders are making payment through digital mode (Economic Times April, 2018).

Reserve Bank of India is also conscious about educating Indian youth on credit culture as the amount of non-performing assets in case of educational loans in various courses are 21% in nursing, 10% in engineering, 9.49 in other professions, 6.06 in medical, 5.59 in MBA (Soni, 2019). RBI has put in place a new mechanism for grant of financial assistance to the NGOs and other entities seeking to take up activities related to education and awareness of bank depositors. Those eligible for such financial grants would include institutions, organisations and associations such as not for profit public charitable trusts, corporates and universities

Banks need to take step in guiding, educating customers towards using the products and modern services (Sathye, 1999). Financial literacy through the use of technology has to be based on three principles: to effectively use the power of mediums like a computer, mobile and Internet to enable people to have the skills, knowledge or information about financial instruments (Hargittai & Hinnant, 2008). Secondly, we must ensure people that they have the ability to critically understand the content they have received through digital means and lastly

apply it to the best of their knowledge and capacity. Today is an era of technology. Social Media is playing a huge role in transforming the education level of Indian customers (Chauhan & Pillai, 2013). Facebook, WhatsApp, LinkedIn, Twitter are performing exceptionally well in educating the customers about the pros and cons of bank product or services (Selvaraj & Ragesh, 2018).

2. Customer Education

What an Indian customer thinks about all these services? Are Indian customers keeping pace with changes? How many customers can operate internet and how many of them are operating their account through mobile phone? How many of the Indian customers even know the full form of KYC/CIBIL? How many of them are periodically updating their software, internet browser? How many customers understand the importance of PIN and are they aware of this fact that they can deposit the cash through ATM also? How many villagers are able to use the browser?

In these circumstances, a question arises about educating the customer. It is time that customer education is taken up on a systematic manner. There is a need for every branch to spend time with the customers and help them how to use the banking services.

Some banks regularly run campaigns to raise consumer awareness on a variety of fraud related issues. Banks like HDFC Bank organises a many Secure Banking workshop in which it educate its customers about how to use a cheque, how to do transaction at ATMs, using debit or credit cards at POS terminals, merchant outlets and online banking etc. India has seen rapid growth in mobile adoption and today more than 70 % of the population holds a mobile phone (<https://z-aksys.in/dev/ourworld/wp-content/uploads/issues/HDFC-Bank-organises-Secure.pdf>). Of that, according to Internet and Mobile Association of India (IAMAI) and Indian market research bureau, the mobile Internet penetration will cross 500 million users by 2020. Keeping this thing in mind, Banks are launching various mobile applications like Payzapp by HDFC BANK and are educating its customers about its usage. (<https://www.hdfcbank.com/htdocs/common/PayZapp/index.html>).

Banks need to focus on the following points while educating its customers (<https://m.rbi.org.in/scripts/PublicationReportDetails.aspx?UrlPage=&ID=623>)

1. How to plan an event in which education will be given to customers, how to organize and manage that event?
2. Focus should be on interactive marketing triangle framework (Peltier, Schibrowsky, & Schultz, 2003) that include internal, external and interactive marketing
3. In order to educate the customer, support of top management is required whereby the resources will be shared with the educator.
4. To successfully implement the digital services, the management should include all the key stakeholders in designing, and improving contemporary services. Top management should establish clear goal of

educating the customer in consultation with all the stakeholders.

5. The awareness programs should be directed towards specific audience like bank customers, bank employees, law agencies, media personnel, different age groups etc.

3. Objectives of education program

1. Provide general and specific information about services
2. Help the customers in using ATM, SMS Banking etc
3. To make customer aware of the various fraudulent calls and not to share OTP/PIN with anyone including bank official.
4. Motivate individuals to start using contemporary services
5. Create a stronger culture of friendship between banker and a customer
6. To reach out large educated audience. They can educate the customers living in villages/semi urban area

4. How to Educate?

Banks can follow the below mentioned points in educating its customers about its services

1. Banks can distribute its leaflets and brochures. These should be written in a local language.
2. Banks can send Educational material in account opening kits.
3. Banks can write various safety instructions in cheque books, important information regarding account statement, PIN etc
4. Bank can share various case studies and videos on Facebook, Twitter etc
5. Banks can organize various camps in guiding and helping the villagers in using modern services thus also fulfilling the task of corporate social responsibility.
6. The best way to guide and educate the customer is by sending SMS
7. Banks should run recorded message on phone banking service numbers in local/regional language
8. Banks can run various campaigns on social networking site, television, radio
9. Banks can arrange various customer interaction sessions
10. Banks can run its educational message on various famous location sites, hoardings, petrol pumps and popular restaurants.
11. Banks can educate its customers via displaying the important messages on ATM screens, Emails etc.
12. Banks can collaborate with various universities and can run Distance learning programs.
13. Banks can arrange special classes in Schools/colleges and can introduce Banking operations as a subject in UG/PG courses.

The most important part is evaluating the impact of educational programs designed for target segment. Its performance can be checked by collecting the primary data. Questionnaires can be designed and the same can be

distributed among the customers though online and offline mode.

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