

Abstract

Management activities are often discussed and analyzed from a single perspective because of which the large picture of the changing managerial environment is sometimes left incomplete. This setting of this case is an organization which implementing new initiatives in its effort to improve its sales, profits and growth rates. The body of case is presented in the form of a letter with several enclosures, recreating the chain of events leading to the final letter. While the situation described touches upon some specific areas of management it also attempts to illustrate the effect that decisions in one business area may have on other business areas, with particular reference to the Indian business environment.

Introduction

Narayan Sharma, CEO of the August Bank of Commerce (ABC), Bizarreland (1), was perusing his mail, which had been carefully sorted by his executive assistant when the letter caught his eye.

Narayan sighed. His day had started badly that morning when he had received a message purporting to be from HawaVani his mobile phone service provider: "Despite our repeated requests you have not submitted your documents. Please consider this to be our final reminder and submit your documents to your nearest customer care centre without fail or we will be forced to suspend services to your phone. Contact XYZ at no immediately".

The message had infuriated Narayan, not merely because it was factually incorrect, (contrary to what it said, it was the first such message he was receiving; moreover without submitting documents no law abiding citizen could get a mobile phone connection activated in Bizarreland), but also because of the unnecessarily unfriendly and threatening tone. His first action on arriving at his office had been to snap at his assistant to call the number given and blast Customer care at the number given in the message for their rude message. Mid-way through the firing, his assistant had discovered that the person at the other end was not Customer care but an apologetic dealer. Still angry and now also embarrassed because the wrong person got scolded Narayan almost decided to terminate his connection on the spot. The only thing that held him back for the time being at least was the consequences of having to communicate his new number to all his contacts.

And now there was this letter.

The ABC was one of the oldest and largest foreign banks operating in Bizarreland. Despite problems in the past its Corporate Division had overcome various setbacks and continued to expand and grow and was perhaps the most profitable in the world. The Consumer Banking Division was a slightly different story. Its laid back approach had proved no match for the aggressive wheeling and dealing approach adopted by other competitors. Still, it had been reputed for good staff service and had loyal customers. The only problem had been its low profitability. As a result, five years ago an uncompromising new

approach had been adopted, based on cost cutting by introducing the use of various technologies, and focussing on growth areas such as credit cards with demanding targets set all down the line. This had necessitated a shift from the earlier culture, which had been rather laid back and personalized, to the current intense focus on achievement of sales and profit targets. Many staff had found the culture change transition difficult and the HR Department in particular had faced considerable problems with people asking for transfers to other divisions resulting in a shortage of people to staff the front desks. The rapid growth in cards had also resulted in problems with defaults, which in turn had resulted in tighter procedures.

Unfortunately, there had also been a sharp rise in customer complaints. The letter was one such customer complaint. Normally such matters would have been dealt with elsewhere, but the reference to BCB was potentially troublesome.

Exhibit: The Letter

Registered Post

Irate Customer 1
BizarreNagar, 400xxx

29/3/20X2

**The CEO,
August Bank of Commerce,
BizarreNagar, 400yyy**

Sub: A/c 1234 UNRESOLVED CONCERNS

Dear Sir,

My son and I are account holders at your bank holding the account no mentioned above. We also avail of various other services including depository services etc offered by your bank.

I am compelled to write to you about the absolutely abysmal service experiences we have encountered recently concerning two issues: (i) ATM card and (ii) Depository statement. As long standing customers of the bank, we are surprised and shocked about the course these matters have taken.

(i) Non renewal of ATM Card: My previous ATM expired in 20X1 and I did not receive a fresh card extending the expiry date.

(ii) Non receipt of demat statement for November - December 20X1.

We first emailed your customer care about these matters on 31/1/20X2. We got an email response about the ATM card on 5/2/20X2 and no response about the depository statement. Since we were not satisfied with the response we then approached your head of Customer care on 7/2/20X2 and received his reply on 15/2/20X2. Briefly his response was that (i) depository

statement had been despatched in January and (ii) that an email responding my query about renewal of ATM card had been sent.

Since this reply was even more useless than the previous one, and despite the extremely callous and careless tone of the communication yet another email clarifying our position was sent to your head of customer care on 18/2/20X2 and got your automated acknowledgement Auto Response from August Bank of Commerce on Feb 18 RefNo: 02/01/GOBBLE. Your policy I believe promises a response in 5 days. Over 5 weeks have passed and we have had no answer. (Copies of all emails are attached in chronological order for your ready reference.)

I would also like to point out the following:

1. I have tried phone banking. I am a senior citizen as you can verify from your records. I find it extremely inconvenient to use your phone banking option. There is no mention of ATM/Debit cards in the main menu, nor is there any mention of any option to speak to a phone banking executive in the main menu either. It is possible that both options are buried inside somewhere. Furthermore I have an expired ATM card and as such I am not even sure how it will work even if I do get to ATM cards on the menu.

Earlier when I did not get my add-on credit card, your branch employees, who are generally helpful, answered that they were helpless about (credit) cards. Therefore, I was left with little option other than to contact customer care by email, and like a typical bureaucracy, they in turn redirect me to phone banking? If that is all that your 'Customer Care Dept' can do, may I take the liberty of pointing out that they do not serve any constructive purpose?

2. As of now, twice you claim to have sent me cards which I have not received. In other words you have a 0 (zero) % delivery record (two out of two undelivered). If you resend the card using the same delivery mechanism, what guarantee is there that I will receive it this time? That is why I asked about an alternative delivery mechanism, which your head of customer care apparently does not care to respond to. Nor does the fact of the non-delivery seem to bother him. (In fact even a pointed suggestion that BCB norms are perhaps being violated merits no response.)

(We regret that the tone of our earlier communication/suggestion about bank practices and BCB norms was, unfortunately, not worded in an entirely courteous manner, but we also hope that you will understand the extreme provocation that triggered it.)

3. Earlier, I knew your branch staff (and perhaps more importantly, they knew me too - by face if not by name). These days almost every visit I find myself dealing with new faces and while they are in general quite obliging, the personal touch is quite missing.

4. Sometimes the questions your phone banking employees ask are quite daft. Once I wished to verify if a cheque deposit had been cleared and the person at the other end of the phone wanted details of my last transaction ostensibly to verify my identity. Since I was calling to verify my last transaction, (a cheque deposit), how could I have provided any answer to such a question?

I have been a customer of ABC in various capacities from 1980 onwards. Never have I experienced

such a lack of customer care and service. For example, in the past, in a similar situation, (non receipt of demat statement) some kind hearted and competent person simply arranged to send me another copy of the statement, without all this run around. Possibly he was from a BPO. Clearly the same level/standard of service appears to be beyond the competence / capability / authority of your current customer care department, including, lamentably, its head.

Ultimately, after a personal visit to your branch the depository matter was resolved. However, the ATM card matter is still pending.

Kindly arrange to resolve this issue at the earliest and also kindly ensure that such situations are avoided in future. If I do not hear from you within three weeks I will be forced to consider what steps I need to take to protect my own interest.

Thanking you,

Yours truly,

Irate Customer 1

Encl: emails dated 31/1/20X2, 31/1/20X2, 5/2/20X2, 7/2/20X2, 15/2/20X2, 18/2/20X2 and 18/2/20X2.

Email 1 of 31/1/20X2

from Irate Customer 2 @gmail.com
to customer.care@ABC.com
date Sun, Jan 31, 20X2 at 1:02 PM
subject Non receipt of Debit/ATM card

Irate Customer 1
BizarreNagar 400xxx

31/01/20X2

**The Manager,
Customer Care,
August Bank of Commerce**

Sub: SBA/c No: 1234

Dear Sir/Madam,

I am an account holder at your BizarreNagar branch and also the holder of the Debit/ATM card (number ABCD) which expired last month. Till date, (and over a month has passed) I have not received a fresh card. This lack of service from your bank is causing me considerable inconvenience.

Kindly do the needful and let me have a fresh card extending the validity at the earliest.

Thanking you,

Yours truly,
Irate Customer 1

Email 2 of 31/1/20X2

from Irate Customer 2@gmail.com
to customer.care@ABC.com
date Sun, Jan 31, 20X2 at 1:07 PM
subject Non receipt of depository statement

Irate Customer 2
BizarreNagar, 400xxx

31/01/20X2

**The Manager,
Customer Care,
August Bank of Commerce**

Sub: Demat A/c No: 5678

Dear Sir/Madam,

I am a joint account holder at your BizarreNagar branch and also the holder of the demat account (number given above). Till date, (and over a month has passed) I have not received the statement for the previous quarter. I had put through some transactions towards the end of November and would like to verify the same.

Kindly do the needful and send me my depository statement at the earliest.

In case there is some option to view the status of the demat account online please let me know how to go about it.

Thanking you,

Yours truly,
Irate Customer 2

Email 3 dated 5/2/20X2

from customer.care <customer.care@ABC.com>
to Irate Customer 2 @gmail.com
date Fri, Feb 5, 20X2 at 1:52 PM
subject Customer Satisfaction First and Last August Bank of Commerce

Ref: 01/GOBBLE

Dear Mr. Customer,

This is with reference to your e-mail dated January 31, 20X2 regarding your account held with us.

I have perused the contents of your email and note your concerns regarding the non receipt of the renewal debit card at your mailing address. I sincerely regret the inconvenience caused to you in this regard. I thank you for bringing the same to our attention.

A review of our record indicates that the renewal debit card had been issued and despatched to your mailing address in the month of November 30, 20X1. I wish to inform you that the above mentioned card had been returned undelivered to us with the reason "door closed". Now the said card has been destroyed as per the retention policy.

In this regard I request you to contact our Phone banking service at the below mentioned numbers to issue a fresh debit card favoring to you account.

Please feel free to let us know should you require any further assistance or clarification in this regard.

Assuring you of our best service always,

Yours Sincerely
Officer 1,
Customer Care

We would like to know whether you are satisfied with this response. Please click on the following link to provide your feedback. August Bank of Commerce is committed to making your banking with us a delightful experience. We value your feedback.

Email 4 dated 7/2/20X2

from Irate Customer 2@gmail.com
to head.service@ABC.com
date Sun, Feb 7, 20X2 at 9:51 PM
subject Re: Customer Satisfaction First and Last August Bank of Commerce

Irate Customer 2
BizarreNagar - 600xxx

07/02/20X2

To:

Mr. B. Victorious
Head - Customer Care
August Bank of Commerce,

Dear Sir,

I had sent two emails to customer care on 31/1/20X2 regarding TWO different issues. 1) Regarding my demat account and 2) Non receipt of ATM/Debit card for my father. This email concerns both.

First: Demat a/c statement: Please refer to my original mail. Till date I have received no response regarding this issue. May I request you to kindly look into the same and expedite?

Second: Non-receipt of ATM card: Please refer to the original mail and also to the reply received

May I point out that the so-called reply is not a proper reply at all?

a). What does "door closed" mean? My father is retired and a senior citizen and was in station during the time mentioned. He stays in a block of flats. Even if he was out by chance, word can be left with someone/a note slipped under the door as to when the delivery person would try again. How do you verify these things?

b) With all these nice phrases about customer care, and KYC norms, is there no responsibility on the part of the bank to check up on such matters? Especially since this is an ATM card and in the present scenario it becomes extremely difficult to operate without one. Is the bank not concerned about its customers at all?

c) Having informed you that the ATM card has not been received, which you have then verified, why do you again ask us to contact phone banking? Does the bank not have any alternative delivery system?

I would like to inform you that something is peculiar about your delivery mechanism as this is the second time such a thing is happening.

About a year ago, I got the following email in reply to non receipt of the add on credit card

>>>

Mon, Sep 22, 20X0 at 6:23 PM subject Re: Card renewal
Ref: 09/GOOK

Dear Mr. Customer,

This is with reference to your e-mail dated September 22, 20X0

We have dispatched the renewal card to your mailing address and the same has been returned undelivered.

We tried contacting you, but were unable to reach you.

We request you to contact Help line in this regard.

Assuring you of our best services always

Yours sincerely,
Officer - Customer Care

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Why do we seem to have this trouble repeatedly with August Bank of Commerce cards? Even on that occasion my father was very much in station. In fact I was so shocked at the casual reply that I did not even bother to follow my request. Unfortunately this time it is an ATM card, which is of some use to my father in operating the account and we are left with no option other than to request a new one,

Therefore, I request you to please arrange to do the needful and provide my father with a functional ATM card at the earliest. Please note that my father may be out of station from March 6th onward for some time.

Thanking you,

Yours truly,
Irate Customer 2

Email 5 dated 15/2/20X2

from head.service <head.service@ABC.com>
to Irate Customer 2 @gmail.com
date Mon, Feb 15, 20X2 at 7:16 PM
subject Re: Customer Satisfaction First and Last August Bank of Commerce : TWO issues

Ref: 02/GOBBLEDYGOOK

Dear Mr. Customer,

This is with reference to your e-mail dated February 07, 20X2 regarding the Depository Account 5678

We have noted the contents of your email with regard the statement of account. In this regard, we wish to inform you that as per our records there were no transactions found in the above account for the period of October 01, 20X1 to November 0, 20X1. Hence as per process, the statement of Transaction has note been generated for the said period. Our records indicate that the bill for the month of December 20X1 has been forwarded to your mailing address in the month of January 20X2. We trust the above clarifies your concern.

We also wish to inform you that we have responded your query with regarding the debit card vide email reference number 01/GOBBLE

Assuring you of our best services always

Yours sincerely,
B Victorious
Head, Customer Care

We would like to know whether you are satisfied with this response. Please click on the following link to provide your feedback. August Bank of Commerce is committed to making your banking with us a delightful experience. We value your feedback.

Email 6 dated 18/2/20X2

from Irate Customer 2 @gmail.com
to head.service @ABC.com
date Thu, Feb 18, 20X2 at 10:14 AM
subject Re: Re: Customer Satisfaction First and Last August Bank of Commerce: TWO issues

18/2/20X2

Sub: UNRESOLVED CONCERNS

Dear Sir,

With no disrespect intended, I regret to inform you that who so ever answers your emails apparently does not read/understand them.

Therefore I am compelled to take up the issues raised by me earlier yet again. Let me clarify in simpler and hopefully more understandable terms:

1. Re my demat account: You claim that you have sent my statement to me in January. Today is 18th February and I have still not received any statement. I am concerned that I have not received my statement. I have made no comment about your sending it or otherwise. I still have no confirmation of my transactions. My concern remains unresolved.

As you so kindly point out, since your statement of transactions also is your statement of account. Therefore, I have not received your statement of account (charges) based on which you have/will debit my account without giving me the opportunity to verify/confirm the same.

It strikes me that perhaps I have approached the wrong office. In case you are not sufficiently familiar with these operational procedures or lack the authority to deal with my problem please be so kind as to inform me the contact details of your superior is so that I can contact him/her about the same.

2. Re non receipt of ATM card: I have mentioned that I received an earlier email which was UNSATISFACTORY. Telling me that an earlier mail (which I have enclosed to you) has been sent to me does not resolve anything.

As mentioned in the previous case, in case you are not the competent authority to deal with this matter, kindly inform me how to contact your superior officer so that I can take up this matter with him/her.

Permit me to take the liberty of sharing one doubt I have: In view of the Bizarreland Central Bank (BCB)'s guidelines about ATM operations, is claiming that the card was returned undelivered a mechanism to reduce your transaction cost due to withdrawals at the ATMs of other banks?

Thanking you in advance for the inconvenience caused,

Yours truly,

Irate Customer 2

Email 7 dated 18/2/20X2

from head.service <head.service@ABC.com>
to Irate Customer 2 @gmail.com
date Thu, Feb 18, 20X2 at 10:16 AM
subject Auto Response from August Bank of Commerce

RefNo: 02/01/GOBBLE

Dear Customer,

Thank you for your e-mail. This is to acknowledge the receipt of your e-mail to us.

If you have raised a query, we will get back to you shortly.

Assuring you of our best services always,

Yours sincerely,

August Bank of Commerce

Author Note:

1. Many writers refer to the division/divergence of India and Bharat. In some parallel universe, the Indian sub-continent (of our universe) was instead divided into Bizarreland and Bazaarland. This case is set in those two lands. Likewise BizarreNagar is a city in Bizarreland.