

CUSTOMERS PERCEPTIONS ON BANKING SERVICES OF THOOTHUKUDI DISTRICT CENTRAL CO-OPERATIVE BANK

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ABSTRACT

The Banking Sector plays a crucial role in the economic development of a nation. A Sound, efficient, effective, vibrant and innovative banking system stimulates economic growth by mobilization of savings on a massive scale and efficiently allocating resources for productive purposes and also for consumption which too is a driver of growth. Customer is an important determining factor for success in any business. Customer perception is one of the best indicators of working in business organisation. To analyze the customer's perceptions about various traditional and modern services offered by Thoothukudi district Central Cooperative bank. In general customers perceive a good bank as a customer friendly providing a wide range of products and excellence services as per their convenience.

KEY WORDS: Economic development, mobilization, customer.

Introduction

A co-operative Bank is an organization established in accordance with the provision of the co-operative acts and in fulfillment of the general principles and objectives of co-operation. In Indian Co-operative banking started with the passing of the co-operative societies act in 1904. Indian co-operative banking has a phramidical structure with primary agricultural credit societies at the base central Co-operative Banks in the centre and the state co-operative bank at the top. Central Co-operative banks besides being leader's of the co-operative movement at the district level. Act as balancing centre and provide the needed credit requirements of the primary agricultural banks and all other co-operative institution in the district.

Review of literature

Bhavani.O, (2009) suggested that, To analyse the customer's perceptions about various traditional and modern services offered by SBI. In general customers perceive a good bank as a customer friendly, providing a wide range of products and excellence services as per their convenience. Today SBI is catering to millions of customers both in the country and abroad having its branches spread over every nook and corner of the country with various customer friendly products and services.

Manjunatha H.S. (2011) pointed out the timely repayment of loans and proper utilization helps the banks to circulate credit uninterruptedly. Which is necessary for rural development. Unfortunately the repayment of loan by the borrowers of primary cooperative agriculture and

rural development banks has been very poor and has become a cause of concern for the bank. All possible steps must be taken sincerely by the government to improve repayment capacity of the borrowers, the repay the loans through appropriate legal action and to eliminate outside interferences in the normal functioning of the banks and keep the NPA within tolerable limit.

Rajamohan.V, (2012) observed that Customer Relationship Management includes the methodologies, strategies and capabilities that help the co-operative banks to organize and manage customer relationships. It is the collection and distribution of all data to all areas of the business in the co-operative banking sector. The general purpose of customer relation management is to enable co-operative banks to better manage their customers through the introduction of reliable systems, processes with those customers. In today's competitive business environment, a successful customer relation management strategy cannot be implemented by simply installing and integrating a software package designed to support customer relation management processes.

James Jacob.A (2010) pointed out Customer Relationship Management has its higher and most successful implementation in financial service industry. Customer intimacy or relationship with customer is observed as one of the competitive differentiators in this industry. With the increased income levels customers are now looking for better banking investment facilities. The importance of adapting itself to the changing needs of the customers is compelling the bank to adopt more customer friendly and operational systems. Urban co-operative banks should today acknowledge that appropriate understanding and implementation of Customer Relationship Management strategy is the key to success.

Objectives of the Study

- (a) To ascertain the perception of customers of Thoothukudi District Central Cooperative Bank towards the Service rendered.
- (b) To analysed the perception of customers of Thoothukudi District central Co-operative Bank towards the loans and advances.
- (c) To assess the significance of customer relationship practices in Thoothukudi District central Co-operative Bank.
- (d) To find out the problems faced by the customers and to suggest solutions to solve the problems based on the findings of the research.

Methodology

The Present study on is based on primary data. The Primary data was collected from the customers of The Central Cooperative bank through interview Schedule. A sample of 850 customers of Thoothukudi District Central Co-operative Bank was selected at the rate of 50 from each banks. It was found that ten interview schedule were incomplete and hence rejected. Thus the total sample size was 840 stratified random sampling Technique was applied in collecting data from the customer by using lottery method. The data collected from different customer constitute 280 samples from salaried employees, 280 samples from business men and 280samples from agriculturists.

Tools of Analysis

(a) One way analysis of variance has been applied to analyse the significant difference among the three groups of customers regarding their perception towards Thoothukudi District Central Cooperative Bank.

(b) Index number has been used to exhibit the perception of the respondents towards the services rendered by bank.

Attitudes of Customers towards service

The customers attitudes are analysed with the help of the mean score on the six variables among the customers. In orders to reveal the significant difference among the three groups of customers regarding their attitude towards six variables in services, the one way analysis of variance has been administered. The resulted mean score of the variable and the respective F-statistics are given in table 1.

TABLE 1
ATTITUDE OF CUSTOMERS TOWARDS IMPORTANT ASPECTS
IN SERVICES

Sl No	Aspects	Mean Score				F-Statistic
		Salaried Employees	Business People	Agriculturist	Overall	
1	Demand draft service	3.050	2.925	2.525	2.833	19.273**
2	Depository Service	4.825	4.400	4.600	4.608	60.604**
3	Cheque Service	4.075	4.175	4.050	4.100	3.153*
4	Agency service	1.750	1.946	2.096	1.931	7.010**
5	Counter service	4.250	4.875	4.500	4.541	72.221**
6	Safety locker service	3.300	4.125	3.125	3.517	61.545**

Source: Primary Source

** Significant at one percent level

* Significant at five percent level

NS -Not Significant

From table 1, it is observed that the business people perceived highly on all aspects of services more than that of the salaried employees and agriculturist. The highly perceived factors among the salaried employees are depository service, counter service and cheque service since the respective mean scores are 4.825, 4.250 and 4.075. Among the business people these factors are counter service, depository service and cheque service since the respective mean scores are 4.875, 4.400 and 4.175. Depository service, counter service and cheque service are the highly perceived factors for the agriculturist. The significant difference among the three groups of customers are identified regarding the perception on the services in the central cooperative bank especially in counter service, depository service, safety locker service, demand draft service and agency service, since the respective F-Statistics are significant at one percent level.

Attitude towards services index in Central Co-operative Bank.

The attitude index on service (ATSI) is prepared to compare the overall attitude towards the service among the customer. The ATSI is calculated by,

$$ATSI = \frac{\sum_{i=1}^n SVSI}{\sum_{i=1}^n MSVSI} \times 100$$

where,

ATSI = Attitude towards services index.

SVS = Score on variables in services.

MSVS = Maximum score on variables in services.

i = 1...n = Number of variables included in the services.

In the present study, ATSI is confined to 20-50 and 50-75 and 75-100 percent. The distribution of customers according to the ATSI is shown in table 2.

TABLE 2**ATTITUDE ON SERVICES INDEX (ATSI) AMONG CUSTOMERS**

Sl.No	ATSI in Percentage	Number of Customers			Total
		Salaried Employees	Business People	Agriculturist	
1	25-50	0 (0)	0 (0)	6 (2.1)	6 (.7)
2	50-75	196 (70.0)	163 (58.2)	197 (70.4)	556 (66.2)
3	75-100	84 (30.0)	117 (41.8)	77 (27.5)	278 (33.1)
	Total	280 (100.0)	280 (100.0)	280 (100.0)	840 (100.0)

In total, a maximum of 66.2 percent customers have on ATSI OF 50-75 percent. Among the salaried employees, the number of customers who have an ATSI of 50-75 percent whereas among the business people and agriculturist, it constitutes 58.2 and 70.4 percent. The business people, who have an ATSI of 75-100 percent, constitute 41.8 percent whereas among the salaried employees and agriculturist, it constitutes 30 and 27.5 percent. Among the agriculturist the number of customers who have an ATSI of 25-50 percent constitute 2.1 percent. There are no customers who have an ATSI of 25-50 percent in salaried employees and business people.

Attitudes of Customers towards Loans and Advances

The customers' attitudes are analysed with the help of the mean score on the six variables among the customers. For which the mean scores on six variables are calculated from the score respective variables in it among the three groups of customers separately. In order to reveal the significant difference among the three groups of customers regarding their attitude towards six variables in loans and advances, the one way analysis of variance has been administered. The resulted mean score of the variables and the respective F-statistics are presented in table 3.

Table 3**Attitude of customers towards important aspects in loans and advances**

Sl. No	Aspects	Mean Score				F-statistic
		Salaried Employees	Business People	Agriculturist	Overall	
1.	Jewel loan	4.200	4.375	4.325	4.300	4.088**
2.	Self help group loan	2.625	2.625	2.725	2.658	0.924 ^{NS}
3.	Consumer loan	4.025	4.025	3.825	3.958	4.144*
4.	Agriculture loan	4.675	3.475	4.350	4.500	22.579**
5.	Interest rate	1.750	1.909	2.071	1.909	6.469**
6.	Small business loan	4.025	4.035	3.775	3.941	18.890**

Source: Primary Source

** Significant at one percent level

*Significant at five percent level

NS – Not significant

The business people perceived highly on all aspects of loans and advances more than that of the salaried employees and agriculturist. The highly perceived factors among the business people are jewel loan, small business loan and consumer loan since the respective mean scores are 4.375, 4.035 and 4.025. Among the salaried employees these factors are agriculture loan, jewel loan, consumer loan and small business loan since the respective mean scores are 4.675, 4.200 and 4.025. Also, the highly perceived factors among the agriculturist are agriculture loan, jewel loan and consumer loan. The significant difference among the three groups of customers are identified regarding the perception on the loans and advances in the central co-operative bank especially in agriculture loan, small business loan and interest rate since the respective 'F' statistics are significant at one percent level.

Attitude towards Loans and Advances Index in Central Co-operative bank.

The attitude index on loans and advances (ATLAI) is prepared to compare the overall attitude towards the loans and advances among the customers. The ATLAI is calculated by,

$$ATLAI = \frac{\sum_{i=1}^n SVLAI_i}{\sum_{i=1}^n MSVLA_i} \times 100$$

Where,

ATLAI = Attitude towards loans and advances index

SVLA = Score on variables in loans and advances

MSVLA = Maximum score on variables in loans and advances

i = 1...n = Number of variables included in the loans and advances.

In the present study, ATLAI is confined to 50-75 and 75-100 percent. The distribution of customers according to the ATLAI is shown in table 4.

Table 4**Attitude on loans and advances index (ATLAI) among the customers**

Sl. No	ATLAI in percentage	Number of Customers			Total
		Salaried employees	Business People	Agriculturist	
1.	50-75	189 (67.5)	195 (69.6)	184 (65.7)	568 (67.6)
2.	75-100	91 (32.5)	85 (30.4)	96 (34.3)	272 (32.4)
	Total	280 (100.0)	280 (100.0)	280 (100.0)	840 (100.0)

In total, a maximum of 67.6 percent customers have an ATLAI of 50-75 percent followed by 32.4 percent customers have an ATLAI of 75-100 percent. Among the business people, the numbers of business people who have on ATLAI of 50-75 percent constitute 69.6 percent whereas among the salaried employees and agriculturist, it constitutes 67.5 percent and 65.7 percent of its respective total. At the same time the business people who have an ATLAI of 75-100 percent constitute 30.4 percent to its total whereas among salaried employees and agriculturist, it constitutes 32.5 and 34.3 percent of its respective total.

Attitudes of Customers towards Customers Relationship

The customers' attitudes are analysed with the help of the mean score on the six factors among the customers. For which the mean scores on six factors are calculated from the score respective variables in it among the three groups of customers separately. In order to reveal the significant difference among the three groups of customers regarding their attitude towards six factors in customers' relationship, the one way analysis of variance has been administered. The resulted mean score of the factors and the respective F-statistics are presented in table 5

Table 5**Attitude of customers towards important aspects in customers relationship**

Sl. No	Aspects	Mean Score				F-statistic
		Salaried Employees	Business People	Agriculturist	Overall	
1.	Getting loan	3.950	4.000	4.400	4.116	79.871**
2.	Customers meeting	3.975	4.075	4.350	4.133	55.251**
3.	Overdraft facility	1.750	1.650	1.675	1.691	1.346*
4.	Introduce new customer	3.025	3.350	3.125	3.106	4.923*
5.	Customers complaints	2.800	2.850	3.150	2.933	9.329**
6.	Customer care centre	1.750	1.875	2.085	1.903	7.521**

Source: Primary Source

**Significant at one percent level

*Significant at five percent level

NS – Not significant

The agriculturist perceived highly on all aspects of customers relationship more than that of the salaried employees and business people. The highly perceived factors among the salaried employees are customers meeting, getting loan and introducing new customers since the respective mean scores are 3.975, 3.950 and 3.025. Among the business people these factors are customers meeting, getting loan and introducing new customers. Also, the highly perceived factors among the agriculturist are getting loan, customers meeting and customers complaints since the respective mean scores are 4.400, 4.350 and 3.150. The significant difference among the three groups of customers are identified regarding the perception on the customers relationship in the central co-operative bank especially in getting loan, customers meeting, customers complaints and customer care centre since the respective F-statistics are significant at one percent level.

Attitude towards Customers Relationship Index in Central Co-operative Bank

The attitude index on customers relationship (ATCRI) is prepared to compare the overall attitude towards the customer relationship among the customers the ATCRI is calculated by,

$$ATCRI = \frac{\sum_{i=1}^n SVCR_i}{\sum_{i=1}^n MSVCR_i} \times 100$$

Where,

- ATCRI = Attitude towards customers relationship index
 SVCR = Score on variables in customers relationship
 MSVCR = Maximum score on variables in customer relationship.
 i = 1...n = Number of variables included in the customer relationship.

In the present study, ATCRI is confined to 25-50, 50-75 and 75-100 percent. The distribution of customers according to the ATCRI is shown in table 6.

Table 6

Attitude on customers relationship index (ATCRI) among customers

Sl. No	ATCRI in Percentage	Number of Customers			Total
		Salaried Employees	Business People	Agriculturist	
1.	25-50	84 (30.0)	25 (8.9)	24 (8.6)	133 (15.8)
2.	50-75	175 (62.5)	252 (90.0)	234 (83.6)	661 (78.7)
3.	75-100	21 (7.5)	3 (1.1)	22 (7.9)	46 (5.5)
	Total	280 (100.0)	280 (100.0)	280 (100.0)	840 (100.0)

In total, a maximum of 78.7 percent customers have an ATCRI of 50-75 percent followed by 15.8 percent customers have an ATCRI of 25-50 percent. Among the business people, the number of business people who have an ATCRI 50-75 percent constitutes 90 percent whereas among the salaried employees and agriculturist it constitutes 62.5 and 83.6 percent of its respective total. At the same time, the business people who have an ATCRI of 75-100 percent constitute 1.1 percent to its total whereas among the salaried employees and agriculturist, it constitutes 7.5 and 7.9 percent of its respective total.

Policy implications

Core and net banking system should be introduced as in the case of nationalised banks ATM facility should be introduced by Thoothukudi Central Cooperative Bank to retain existing customer, and motivate people to become the new customers of bank.

Thoothukudi District Central Cooperative bank should have separate customer care centre.

Locker facilities should be given to all branches of Thoothukudi district Central Cooperative bank.

Separate Staff must be appointed in enquiry counter. Awareness must be given to the customers on agency services of Thoothukudi District Central Cooperative Bank.

Thoothukudi District Central Cooperative bank has to continue their very valuable lending services to agriculture sector.

Conclusion

The main objective of this research is the analysis of customers perception, to find solution to overcome all the draw bank and maintain positive aspects of Thoothukudi District Central Cooperative Bank. If Suggestions are implemented in Thoothukudi District Central Cooperative Bank, It will march forward to Success. Cooperative Banks Success depends on Successful financial management, human resource management, and customer relation management.

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