



A STUDY ON STUDENTS AWARENESS TOWARDS DIVERSIFIED PRODUCTS AND SERVICES OF COMMERCIAL BANKS IN TEZPUR TOWN

Babita Lahkar

Research Scholar, Department of Commerce, Assam University, Diphu Campus, Karbi Anglong Assam, INDIA

Prof. Ratan Borman

Department of Commerce, Assam University, Diphu Campus, Karbi Anglong, Assam, INDIA

ABSTRACT

The changing environment of banking industry such as deregulation and information technology has made this industry to change its traditional way of earning income. To survive in present environment banks have diversified tremendously by raising their involvement in non-traditional intermediation products and services. In this changed environment it is necessary to study the customer knowledge and awareness about the products and services offered by the banks. Hence in this study an attempt has been made to know the students knowledge on diversified products and services offered by the commercial banks. The study was descriptive and analytical in nature. In this study it was found that more than 80% respondents were highly aware about diversified products and services.

KEYWORDS : diversification, products and services of banks, awareness.

1. Introduction

Global market technologies, policy of liberalization and deregulation has made the banking sector very competitive (Nagarajan, 2013). Traditionally bank operated relatively in a stable environment for decades (Gayathry, 2013). Now a days banking industry is more competitive and hence this industry is undergoing tremendous changes. To survive in present environment, banks have diversified their portfolios away from traditional intermediation into new geographical areas and new products and services such as bancassurance, brokerage services, merchant banking, housing finance, credit cards, mutual funds, pension fund, general insurance, custodian services, private equity, advisory services, structured products etc.

1.1 The Concept of Diversification

The term diversification has its origin in the word "diverse". The literary meaning of diversification is difference. Diversification is a strategic approach which takes place when organization adopted it in different forms. There are various forms of diversification.

1.2 Customer Knowledge and Awareness

Customer Knowledge and awareness are the component which increases the collective consciousness among the customers and guarantees confidence. There is a need of mutual trust and confidence between customer and bank (Jenifer and Siddiq, 2017). The bank should take all effort to reach its products and services to the customers. Bank must popularize their products and services in such a way and thereby make the customer aware of such services (Kanthi and Singu, 2015). Thus bank has to assess and reassess continuously its products and services as offered to the customer and also find out new and emerging customer expectations from time to time.

2. Statement of the Problem

Due to increase competition in banking industry it becomes very difficult to understand the consumer perception (Tendan, et.al. 2016). Hence banks have introduced with a flood of new products and services. So, there is a need to analyze the recent trends of products and services of banking companies which is important and justified. It is also essential for the banks to analyze the overall attitude or behavior of their customer towards diversified products and services offered by them. As a service provider banks should find the difference between what customers expect and what they received actually. Hence the bank has to pay special attention to satisfy the needs of the customers.

3. Review of Literature

1. Acharya et al. (2006), performed one of the first and most important studies about diversification on banks' credit

portfolio. In their study it was found that both industrial and sectoral diversification reduces bank returns while producing riskier advances.

2. Chaudhari A., et.al. (2014), in their research they measured the level of awareness regarding e-banking services offered by both public and private banks. It is also found in their study that students were aware about e-banking services but less aware regarding security issues in e-banking.
3. Iswarya R., (2015), in his study developed an increasing association with the customers through modern services. The findings of the study were most of the customer used mobile phone for banking transactions. There was a significant difference between age and level of service satisfaction of the customers.
4. Gayathry S, (2013), in his study focused on the effectiveness of banks in creating awareness among customers regarding number of products and services introduced by them. The study had made certain recommendations which would help the bankers to create awareness of the customers regarding modern banking services.
5. Nadeem, M., et.al. (2015), the study threw light on development and consciousness of electronic banking services.. The result revealed that students were aware about the new services of the bank and well informed.
6. Otiano, O.A. and Moronge, M. (2014), in their research paper they interpreted how new markets, technology and information flow influence overall performance of commercial banks as well as to determine how innovativeness impacts on financial performance of commercial banks..

4. Research Gap

However, so far, previous studies have not focused customer preference pattern and level of awareness regarding diversified products and services provided by the banks. The previous literatures have not focused on awareness about diversified products and services of the students. Therefore, a study on students perception, knowledge and awareness about diversified products and services of commercial bank is appears to be imperative which added knowledge in this direction.

5. Objectives of the Study

1. To list out the diversified products and services offered by the banks in general to their customers in Tezpur town
2. To study the factors that influence preference pattern of the students towards diversified products and services of the banks.
3. To study the student's awareness and usage of diversified products and services provided by the banks.

6. Research Design and Methodology

6.1 Types of Research

In order to achieve the objectives, descriptive and analytical research designed was followed

6.2 Area of Study

The study was carried out in Tezpur town of Assam.

6.3 Population

The targeted population for the study was students from different educational institutions of Tezpur town.

6.4 Sampling Technique

In this study non probability sampling procedure was used to identify the sample units.

6.5 Sample Size

Sample size of this study was 90 students from different educational institutions in Tezpur town of Assam

6.6 Sources of Data

Primary data collected through structured questionnaire. However secondary data were collected with the help of articles books, research papers and documents related to the present study.

6.7 Data Analysis

Data were analyzed systematically and then percentages calculated based on the total number of respondents. Further calculated data were presented with the help of table and diagram.

7. Limitations of the Study

The degree of correctness of primary data is restricted and limited by the respondents. The small sample size raises the issue of generalizability.

8. Analysis

Profile of the respondents

TABLE 1: Distribution of the sample respondents according to their GENDER

GENDER	NO.OF RESPONDENTS	PERCENTAGE
Male	50	55.56
Female	40	44.44
Total	90	100.00

Source: primary data

TABLE 2- Distribution of the sample respondents according to their EDUCATION

EDUCATION	NO.OF RESPONDENTS	PERCENTAGE
Undergraduate	35	38.89
Graduate	30	33.33
Post Graduate	25	27.78
Total	90	100.00

Source: primary data

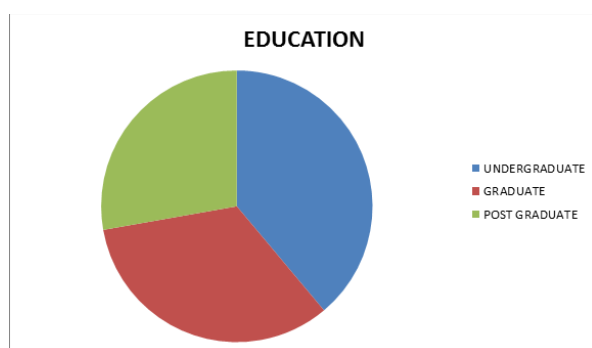


TABLE 3- List of Diversified Products and Services offered by Commercial Banks (public and private) in Tezpur Town.

Banks	Products/Services
State Bank of India	ATM/debit card, credit card, online banking, mobile banking, RTGS(Real Time Gross Settlement), FOREX(Foreign Exchange Service), NEFT(National Electronic Fund Transfer) IMPS(Immediate Payment Service), education loan, remittance of fund, insurance services (life and non life), mutual fund, PPF(Public Provident Fund), demat account, Atal pension Yojana, Sukanya Smridhi Yojana.
UCO	ATM/debit card, internet banking, mobile banking, NEFT, RTGS, IMPS, bancassurance, Atal Pension Yojana, PMJJBY(Pradhan Mantri Jeevan Jyoti Bima Yojana), PMSBY(Pradhan Mantri Suraksha Bima Yojana), PPF
Punjab National Bank	ATM/debit card, online banking, mobile banking, insurance service, PPF
Allahabad Bank	ATM/debit card, credit card, FOREX, NEFT, RTGS, IMPS, insurance services, health insurance, mutual fund, PPF, demat account
Vijaya Bank	ATM/debit card, credit card, mobile banking, net banking, V Pay Quick, PPF, mutual fund, systematic investment plan, gold bond, Atal Pension Yojana, bancassurance, Vijaya UPI(Unified Payments Interface application)
Federal Bank of India	ATM/debit card, credit card, mobile banking, net banking, NEFT,RTGS,IMPS, insurance service, demat account, investment in stock and shares.
Yes Bank	ATM/debit card, credit card, mobile banking, online banking, FOREX card, NEFT, RTGS, IMPS, remittance of fund(inward and outward), insurance services, RD(Recurring Deposit) demat account, mutual fund, PPF.

TABLE 4-Average Rank Analysis-Factors influencing preference pattern of diversified products and services offered by banks

Factors		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total Score	Mean	Rank
Accessibility	Value	5	4	3	2	1	330	3.6	3
	Nos.	28	21	30	5	6			
	Score	140	84	90	10	6			
Ease of use	Value	5	4	3	2	1	350	3.8	2
	Nos.	30	32	19	6	3			
	Score	150	128	57	12	3			
Convenience	Value	5	4	3	2	1	360	4	1
	Nos.	40	25	15	5	5			
	Score	200	100	45	10	5			
Security	Value	5	4	3	2	1	255	2.8	6
	Nos.	10	15	30	20	15			
	Score	50	60	90	40	15			
Time saving	Value	5	4	3	2	1	271	3.01	5
	Nos.	16	19	25	10	20			
	Score	80	76	75	20	20			
User Friendly	Value	5	4	3	2	1	279	3.1	4
	Nos.	13	21	23	28	5			
	Score	65	84	69	56	5			

Source: Primary Data

TABLE 5-Respondents' AWARENESS level towards diversified products and services on the basis of GENDER

Products/Services	Fully aware				Partially Aware				Not aware			
	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Internet Banking	41	45.56	35	38.88	6	6.66	4	4.44	3	3.33	1	1.11
Mobi banking	38	42.22	30	33.33	10	11.11	5	5.55	2	2.22	5	5.55
ATM/Debit card	50	55.55	38	42.22	0	0	2	2.22	0	0	0	0
Credit Card	21	23.33	15	16.67	20	22.22	17	18.88	5	5.55	12	13.33
Insurance Product	26	28.88	20	22.22	18	20	10	11.11	6	6.66	10	11.11
NIFT	33	36.66	20	22.22	12	13.33	7	7.77	8	8.88	10	11.11
Mutual fund	20	22.22	9	10	16	17.77	14	15.55	14	15.55	17	18.88

Source: Primary data

TABLE 6-Respondents' AWARENESS level towards diversified products and services on the basis of their EDUCATION.(UG-Under Graduate, G-Graduate and P.G.-Post Graduate)

Product/Service	Fully Aware			Partially Aware			Not Aware		
	U.G	G	P.G.	U.G	G	P.G.	U.G	G	P.G.
Internet Banking	30	23	23	4	4	2	1	3	0
Mobile Banking	24	20	24	6	8	1	5	2	0
ATM/Debit Card	34	29	25	1	1	0	0	0	0
Credit Card	12	10	14	10	16	11	13	4	0
Insurance Product	10	14	22	13	13	2	12	3	1
NEFT	16	16	21	7	11	1	12	3	3
Mutual Fund	5	6	18	14	13	3	16	11	4

Source: Primary data

TABLE-7 Frequency of USAGE of the following diversified products and services

Frequency of Usage	Internet Banking	Mobile Banking	ATM/Debit Card	Credit Card	NEFT
Daily	5	19	23	0	1
Weekly	20	29	37	0	5
Monthly	35	30	21	3	21
Yearly	16	1	7	9	20
Never	14	11	2	78	43

Source: Primary Data

9. Findings

- Distribution of the respondents based on gender is 50(55.56%) male and 40 (44.44) %female.
- 35 students (38.89%) were undergraduate level, 30 students (33.33%) were selected from graduate level and 25 (27.78%) are from post graduate level studying in different educational institutions of Tezpur town.
- Apart from traditional services like personal and business accounts, loan for business and consumers, some other services like ATM facility, debit card, RTGS, NEFT, online banking, mobile banking and IMPS are common diversified services offered by banks in Tezpur town. Insurance services are also introduced all the banks including life, health, equipments and car insurance etc. Remittance of fund and demat account are also available both in public and private sector banks. However only few banks provided FOREX service and credit card facility to the customers.
- Average rank analysis regarding the motivational factors that influenced the preference pattern, 40 students strongly agreed with the factor convenience that scored highest mean of 4 and got first rank. While 30 students strongly agreed with the factor ease of use with mean of 3.8 and got second rank. 28 students were strongly agreed with the factor accessibility with mean of 3.6 and got third rank. Regarding time saving, user friendly and

security, relatively a small number i.e. 16 students, 13 students and only 10 students were strongly agreed.

- There was no significant difference between male and female students regarding awareness about the internet banking, mobile banking and debit card services. Services like credit card, insurance, NIFT and mutual fund investment, male respondents were more aware than female respondents.
- Level of awareness on the basis of education, P.G. students were highly aware about diversified products and services. However U.G. and Graduate students were not fully aware in all cases.
- Frequency of usage of mobile banking is highest on daily basis. While usage of ATM or debit card is highest in weekly basis. However usage of internet banking is highest in monthly basis. Usage of NEFT and credit card were lowest in daily, weekly and monthly basis. Majority of the students never used credit card because only few banks have that service.

10. Suggestions

- Students need to be well informed and should enhance their knowledge by reading magazines, news papers etc. so that they can update themselves about various facilities provided by the banks.
- Experienced persons should be employed by the banks to arrange certain promotional programmes at college and university campus to inform students about various banking transactions.
- Parents may also grow banking habits to their children by opening account in the bank.
- College authority may take initiative by arranging some visits with the students to the bank branches for practical approaches such as operation of digital transactions, use of ATM services, etc.

11. Conclusion

The study gave an overview of the awareness of students and found that most of the students in Tezpur town were aware about banks diversified products and services and also had good knowledge. Still a section of the respondents were not using all the diversified products and services offered by the banks as most of the diversified products and services require tech-savvy customer. For that banks have to arrange certain programmes to improve level of awareness of the students. To increase the frequency of usage, bank should build up positive perception towards their products and services.

12. REFERENCE

- Acharya, v., Hasan, I., and Saunders, A. (2006), Should Banks be Diversified? Evidence from Individual Bank Loan Portfolios [online], <https://www.bis.org/publ/work118.pdf>
- Chaudhari A., Patil M. and Sonawane M. (2014), A Study on Awareness of E-Banking Services in College Students of Bhusawal city, International Journal of Innovative Research and Development, Vol-3, Issue-1, pp.219-224

3. Gayathry, S. (2013), Awareness-The Role of Banks, International Journal of Innovative Research and Development, Vol-2, Issue-1, pp-201-215.
4. Iswarya, R. (2015), A Study on Consumer Awareness on Modern Banking Services, International Journal of Commerce Business and Management, Vol-4, No- 6, pp 823-830.
5. Janefer, C. and Siddiq, A. (2017), A Study on Customer Awareness towards Banking Service with Reference to Deposit and Loan in Mangaluru City, International Journal on Recent and Innovation Trends in Computing and Communication, Vol-5, Issue-7, pp 520-522.
6. Kanthi P. and Singu B.H. (2015) A Survey Report on Customer Awareness towards Bharatiya Mahila Bank with Special Reference to Coimbatore City, IJARIE, Vol-1 Issue-4, pp.250-253.
7. Nadeem M., et al (2015), Awareness of Electronic Banking System among Students: Evidence from Karachi, Pakistan, Singaporean Journal of Business Economics and Management Studies, Vol-3, No-12, pp 34-42.
8. Nagarajan, G. (2013), A Study on Customer Awareness towards Loan Product and Services in Bangalore with Special References to State Bank of India, Asia Specific Journal of Research, Volume:111, Special Issue: x, pp 1-16.
9. Otieno, A.O., and Moronge, M. (2014), Influence of Product Diversification on the Financial Performance of Selected Commercial Banks in Kenya, European Journal of Business Management, 1(11), pp 1-14.
10. Tandan, A, Goel M., and Bisnoi S., (2016), Consumer Awareness towards Internet Banking: A Comparative Study of Public, Private and Foreign Banks, International Journal of Hybrid Information Technology, Vol-9, No-6, pp 77-90. vol 2, no-12, pp 111-119.