



Impact of Modern Banking Services Towards Customer Satisfaction in Indian Bank With Special Reference To Villupuram Town

KEYWORDS

Banking Services, On-line banking, Mobile banking, ATMs, Telephone banking

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ABSTRACT Modern banking services play an important role in the economic development and easy access of banking service in world. It is commonly perceived that technology is important to enhance the quality of customer service and to make it customer friendly. Banking industry is fast growing with the use of technology in the form of ATMs, On-line banking, Telephone banking, Mobile banking, Electronic Fund Transfer (EFT), Electronic Clearing Services (ECS) etc. Debit and Credit card is one of the banking products that provide to the needs of retail section have seen its number grow in geometric progression in recent years. In the present day, the concept of core banking has made 'anywhere and anytime' banking a reality. Along with technology, banking services have also evolved and the delivery of various banking products are carried out through the medium of high technology at a lesser cost to the customer. This paper focus on the impact on modern banking service to customer satisfaction and to banks for its development, what are problems involved in use of modern banking. A structured questionnaire designed and distributed to bank customer in study area to measure the impact and traced out the problem faced by the customers. The present study is emphasis on different dimension of modern banking services used by Indian Bank customer and their level of satisfaction towards different services rendered by Indian Bank. The researcher has used Likers five point scales for measuring customer satisfaction towards modern banking services. In addition to that Garrant ranking techniques has been also used to examine customer satisfaction. The findings of this study can be contributed to Indian Bank for enhancing their banking services up to expectation of different customers

Introduction:

Banks play an important and dynamic role in the economic development of a country. Banking systems of any country needs to be effective, efficient and disciplined because it brings about a rapid growth in the various sectors of the economy. Liberalization brought several changes to Indian service industry. Technology is revolutionizing all areas of human endeavor and activity. It has now brought in E-banking, which is progressively replacing the traditional branch banking. Internet banking has emerged as the biggest focus and targetable area. The customers are able to choose their banker from a number of banks offering wide range of services and delivering quality service. The commercial banks in India are now becoming more market oriented and customer friendly. Internet banking is changing the banking industry and is having a significant impact on the banking relationship. Banking industry is fast growing with the use of technology in the form of ATMs, on-line banking, Telephone banking, Mobile banking etc., This growth has been strongly supported by the development in the field of technology, without which this could not have been possible. Banks now a day's provide a wide range of services to satisfy the financial and non-financial needs of all types of customers from the smallest account holder to the largest company and in some cases of non customers. The range of services offered differs from bank to bank depending mainly on the type and size of the bank. This paper is focus on the impact and risk involved in modern banking services.

Objectives of the Study:

1. To know various modern banking services rendered by Indian banks
2. To assess the impact of modern banking service in the study area
3. To find out which modern banking services frequently

used by bank customers

4. To trace out the problem faced by customer in modern banking services.

Statement of Problems:

Modern banking is known as innovative banking. Indian Bank is offered a wide range of services to their customer through ICT. Banking through internet has emerged as a strategic resource for achieving higher efficiency, control of operations and reduction of cost by replacing paper based and labour intensive methods with automated processes thus leading to higher productivity and profitability.

Technological advancements can bring about close integration between the urban and rural population. The primary challenge is to give consistent service to customers irrespective of the kind of customer whether rural or urban. Retention of customers is going to be a major challenge. Banks need to emphasis on retaining customers and increasing market share. Even with ATM machines and Internet Banking, many consumers still prefer the personal touch of their neighborhood branch bank. The researcher tried to address why the customer till prefer branch banking system rather than using e - banking services.

ResearchDesign

This is an exploratory and descriptive study; it gives insight to understand the customer satisfaction of modern banking services in Villupuram town.

Sample

Sample size refers to the number of items to be selected from the population to constitute a sample. A Sample of 50 had been taken used convenient sampling method for this study

Collection of data

A well structured questionnaire was prepared and distributed to the customer of Indian banks in villupuram town. The five point likert scale is used for data collection. The secondary data has been collected by researcher through various books, journals, magazines and websites of banks. The Collected data was analyzed through percentages, likert five point scale and mean score.

Data Processing:

After collected the primary data the researcher thoroughly verified the data, edited and coded them in master table then they were converted in table and statistical tool such as percentage and mean score were used for processing and drawing inferences.

Analysis and Inferences:

Master Table 1			
Demographical Factors			
Sl. No	Demographic Factors	No of Respondents	%
AGE			
1	Below 20	7	14
2	21-30	17	34
3	31-40	15	30
4	41-50	8	16
5	Above 50	3	6
		50	100
Gender			
1	Male	28	56
2	Female	22	44
		50	100
Educational Qualification			
1	Illiterate	3	6
2	SSLC	5	10
3	UG	14	28
4	PG	12	24
5	Professional	12	24
6	Others	4	8
Occupation			
1	Govt Employee	12	24
2	Private	24	48
3	Self Employed	13	26
4	Agriculture	2	4
5	Retired	1	2
Duration of Account in the Bank			
1	Less Than 1 Year	5	10
2	1 - 3 Years	23	46
3	3-5 Years	16	32
4	Above 5 Years	6	12
Awareness About Modern Banking Services			

1	Bank Prospectus	4	8
2	Advertisements	16	32
3	Friends	9	18
4	Banker	21	42

Sources: Primary Data

Age analysis of respondents indicates that most of the respondents fall in the age group of 21-30 years it was indicated by 30% of respondents in the sample. The age wise study reveals that 30% are comes under the age of 21-30.

Gender classification of respondents of study is 56% are male and remaining 44% are female.

The occupation wise study reveals that out of total 50 respondents 48 percent are comes under the private employee categories, 26 percent business class.

The education wise study about the respondents shows that 25 percent are the graduate. 32 percent respondents are aware modern banking services through advertisements.

Master Table 2 Shows Mean score of Modern banking services relate to satisfaction level , awareness level and satisfaction level in grievance settlement

SL No	Particulars	Mean Score		
		Satisfaction Level	Awareness Level	Satisfaction Level in Grievance Settlement
1	Debi Card	4.12	3.94	2.4
2	Credit Card	2.92	3.32	2.92
3	ATM	4.18	3.12	3.23
4	Tele Banking	3.18	3.14	2.62
5	Mobile Banking	3.06	3.24	2.58
6	Internet Banking	3.62	3.56	3.36
7	ECS	3.96	3.18	3.22
8	EFT	3.68	3.06	2.69

The result obtained from 50 respondents had been thoroughly analyzed and the output of the result had been clearly explained in this section with regards to satisfaction level of customer in modern banking services, awareness level of customer and satisfaction level in grievance settlement systems.

As far as satisfaction of level of customers about modern

banking services concerned, majority of customers are highly satisfied with ATM service. Most of the respondents are not satisfied with credit card as its mean scores (2.92) low than other modern banking services.

In the view of the awareness level about modern banking services among customer it has been observed that majority of customer are very much aware regarding modern services offered by banks.

It is clear that majority of customer are not satisfied with regard to grievance settlement system followed by banks.

Suggestion:

The Researcher suggest that the bankers in order to retain the customers, they must improve the safety, provide accurate information and make easy for customers in using the Modern banking services.

Conclusion:

Banking today is a flourishing industry, focused on technological innovation. Banks play an important and active role in the economic development of a country. India is one of the top 10 economies in the world, where the banking sector has tremendous potential to grow. The number of ATMs has doubled over the past few years, with more than 100,000 in the country at present (70 per cent in urban areas). They are estimated to further double by end of 2016, with over 60 per cent expected to be set up in small towns. Also, the scope for mobile and internet banking is big. At the start of 2013, only 2 per cent of banking payments went through the electronic system in the country. Today, mobility and customer convenience are viewed as the primary factors of growth and banks are continuously exploring new technology, with terms such as mobile solutions and cloud computing being used with greater regularity. However, Indian banking industry faced the numerous challenges such as increasing competition, pressure on spreads, and systemic changes to align with international standards have necessitated a re-evaluation of strategies and processes in order to remain competitive in this dynamic environment. Banks have to adopt a holistic approach to fulfill the ever changing needs of customers and to grab a better market share. Development of sophisticated products with low cost technology is the key. This analysis plays a very important role in devising new strategies, products and services

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