JETIR.ORG ISSN: 2349-5162 | ESTD Year : 2014 | Monthly Issue
JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)
An International Scholarly Open Access, Peer-reviewed, Refereed Journal

Comparative Study of Customer Perception toward Banking Services with reference to Coimbatore City

Author: Dr.K.S.Nirmal Kumar, Assistant Professor, Department of Commerce, Sri Krishna Adithya College of Arts & Science, Kovaipudhur, Coimbatore.

Abstract:

There has been a growing importance of service sector world wide. In the Indian context also, the introduction of New Economic Reforms in 1991 has made the service sector to gain momentum which was in line with the global trend, growing demand for services of the banking industry, together with the increasing number of institutions in this sector due to the liberalized policy of the government, has resulted in the increasing competition among the banks. Of the various service industries that come under the ambit of service sector, the contribution of financial sector is one among the highest. competition between the banks that include public sector, private sector and foreign banks. The role played by the banking sector in economic development through the development of trade and commerce is quite immeasurable to survive in the tough competition

Key Words: Banks, Customer, New Economic Reforms, Etc.,

Introduction:

There has been a growing importance of service sector world wide. In the Indian context also, the introduction of New Economic Reforms in 1991 has made the service sector to gain momentum which was in line with the global trend. As a result, the share of service sector to GDP which constituted 45.35 per cent in 1991-92 has increased to reach 51.16 per cent in 1998-99 and further to 54.2 per cent in 2000-01. Between 2002-02 and 2003-04, the income from this sector has grown in real terms at the rate of 8.40 per cent1. These stand as ample testimonies to the increasing importance of this sector.

However, the growing demand for services of the banking industry, together with the increasing number of institutions in this sector due to the liberalized policy of the government, has resulted in the increasing competition among the banks that include the traditional public sector banks, private sector banks and foreign banks. This, inturn, has necessitated the diversification of their activities synchronizing with the concept of modern banking. Above all, it has also been realized that the major strategy of withstanding the stiff competition is not only to retain the old customers but also to attract new customers through provision of better services.

CUSTOMER SERVICE: AN OVERVIEW:

"A customer is the most important person who visits the premises of a bank. He is not dependent on the bank- rather the bank is dependent on him. He should not be considered as a rude interruption in work. Rather he is the purpose of the work. But for customers banks may not have any business or work. He is therefore, NOT an outsider but a part of the Bank and its business. Banks are certainly not doing him any favour, by serving him – rather he is doing a favour to the bank by giving it an opportunity to do so".

Mahatma Gandhi. – Father of Nation

In the field of banking it is very difficult to define the term "customer". Different views have been expressed at different times. In the early periods, a man who held some sort of an account was considered to be a customer.

However, there were differences of opinion prevalent saying, "it is not necessary to say that the keeping of an ordinary banking account is essential to constitute a person as a customer of a bank".

Customer Services in Banking Industry - Components:

The Talwar committee deserved that the main purpose of banking is "to create and deliver customer – needed services in a customer satisfying manner". This implies that there are two components that are required for the banking services, viz., creating and delivering services. While creation indicates the creation / introduction of new technology in services, carrying out these services effectively constitutes the delivering of services. These two components greatly determine the level of satisfaction of the customers.

Statement of the Problem:

Of the various service industries that come under the ambit of service sector, the contribution of financial sector is one among the highest. This is due to the effect of the Financial Sector Reforms which has ended in the stiff competition between the banks that include public sector, private sector and foreign banks. The role played by the banking sector in economic development through the development of trade and commerce is quite immeasurable to survive in the tough competition faced by the indigenous banks due to the entry of foreign players, rapid innovation and introduction of new financial instruments, understanding of changing customers' needs and extensive use of information technology have all become essential.

Objectives Of The Study:

1. To examine the trends in the growth of banking sector in India during the study period;
2. To analyse the demographic indices of the respondents in the study area;
3. To examine the services used by the samples from the study area

Methodology of the Study:

Coimbatore District has been selected for the purpose of the study as it has a high contribution of both public and private sector banks due to its strong industrial base. by adopting the simple random sampling technique, 25 customers from each of the sample banks have been selected.

Thus the study has a total sample size of 150.

Public Sector	No. of Sample Respondents	**Private Sector**	No. of Sample Respondents
Indian Bank	25	HDFC Bank	25
Indian Overseas Bank	25	Axis Bank	25
Punjab National Bank	25	City Union Bank	25
Total	**75**	**Total**	**75**

The importance of the financial sector in general and that of the banking sector in particular in the economic development of a country cannot be underestimated. Various activities of the banking sector like mobilisation of savings, lending to various segments of society and assisting the business and self employed, all directly contribute to the growth of not only the economy, but also that of the individuals. In this background, this chapter examines the growth trends of the overall banking sector and also that of the selected banks with the help of secondary data.

Table – 1 Important Indicators of the Selected Banks, during 2021-23

Bank	Market Share (%)	NIM (%)	Tier I Capital (%)	RONW (%)	Gross NPA (%)
Indian Bank	24	2.2	8.5	11.3	3.2
Indian Overseas Bank	4.3	3.4	6.4	18.2	2.1
Punjab National Bank	6.5	2.0	8.6	21.3	1.6
HDFC Bank	4.5	2.6	11.1	10.5	3.4
Axis Bank	4.6	3.6	11.5	15.3	2.4
City Union Bank	4.8	4.4	8.2	14.9	1.3

Table – 2 Demographic Indices of the Samples

Characteristics	Frequency	Percentage	Cumulative Percentage
Gender			
Male	94	62.67	62.67
Female	56	37.33	100.00
Total	**150**	**100.00**	
Age			
Less than 30	55	36.67	36.67
31-45	38	25.33	62.00
46-60	33	22.00	84.00
Above 60	24	16.00	**100.00**
Total	**150**	**100.00**	
Educational Level			
Upto Hr. Sec.	25	16.67	16.67
Degree	34	22.67	39.34
PG and above	53	35.33	74.67
Professional	38	25.33	**100.00**
Total	**150**	**100.00**	
Religion			
Hindu	74	49.33	49.33
Muslim	45	30.00	79.33
Christian	31	20.67	100.00
Total	**150**	**100.00**	
Community			
SC & ST	34	22.67	22.67
MBC	48	32.00	54.67
BC	42	28.00	82.67
OC	26	17.33	100.00
Total	**150**	**100.00**	

Table - 3 Type of Accounts held by the Samples

Type of Accounts	Sector	
	Public Sector Banks	Private Sector Banks
Time Deposits	23	28
Demand Deposits	26	30
Demat Accounts	26	17
Total	**75.00**	**75.00**
	100.00	**100.00**

Table - 4 Purpose of Accounts held by the Samples

Purpose of Accounts	Sector	
	Public Sector Banks	**Private Sector Banks**
Own Savings	23	28
Business	29	24
Tax Benefit	12	12
Investment	11	11
Total	**75**	**75**
	100.00	**100.00**

Table - 5 Mode of Banking done by the Respondents

Purpose of Accounts	Sector	
	Public Sector Banks	**Private Sector Banks**
Traditional Methods	32	29
Mobile	18	22
Internet	25	24
Total	**75**	**75**
	100.00	**100.00**

CONCLUSION:

This study examined the growth of the banking sector in India, products and services offered by the public sector and private sector banks to their customers, extent of satisfaction enjoyed by sample respondents and the factors that influence their extent of satisfaction. It is quite obvious that the government sector banks play a centric role in mobilising excess savings from the public and lending to the most important sectors like agriculture, small traders, businessmen, etc., but they also suffer from the political intervention in the form of shortage of manpower and increasing NPAs. Hence, they are not able to compete with the Private Sector with all their vigour and vitality However, government sector banks are still able to post sizeable growth in terms of deposits, investments, advances, interest income and also net profit, though the rate of growth is quite less.

Reference:

WWW.RBI.ORG.IN
WWW.GOOGLE.COM & WWW.IBA.ORG.IN