

A Study of the Customers Opinion about the Satisfactory Level of Various Services Provided by the Bank with the Help of Core Banking in Madurai

Selvaraj N* and Santhanamari R

Department of Commerce, Saraswathi Narayanan College, Madurai, Tamilnadu, India

Abstract

Core Banking is normally the business conducted by a banking institution with its retail and small business customers. Many banks treat the retail customers as their core banking customers, and have a separate line of business to manage small businesses. Larger businesses are managed via the Corporate Banking division of the institution. Core banking basically is depositing and lending of money. The present study focuses on the customer's opinion about the satisfactory level of various services provided by the bank with the help of core banking in Madurai. The results of one sample test for various services provided by the bank with core banking systems, opinion regarding the services was statistically significant and they were accepted for similarity in opinion of the customers with mean values for individual statements.

Keywords: Attitude; Core banking; Bank customers; Customer service; Promotion

Introduction

An attitude can be defined as a positive or negative evaluation of people, objects, event, activities, ideas, or just about anything in your environment, but there is debate about precise definitions. Eagly and Chaiken, for example, define an attitude "a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor."

Core banking is the services provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices [1].

Core Banking is normally the business conducted by a banking institution with its retail and small business customers. Many banks treat the retail customers as their core banking customers, and have a separate line of business to manage small businesses [2]. Larger businesses are managed via the Corporate Banking division of the institution. Core banking basically is depositing and lending of money.

Scope of the Study

The banking companies under core banking system have introduced many of the services like Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearance Service (ECS), Cheque Transaction, Cheque Collection, Clearing, ATMs, SMS banking, internet banking related to cash payments, transfer of funds, payment to utility bills, dividends and so on.

The present study focuses on the customer's opinion about the satisfactory level of various services provided by the bank with the help of core banking in Madurai [3].

Objectives of the Study

- To investigate the customer's opinion about the satisfactory level of various services provided by the bank with the help of core banking in Madurai.
- To offer suitable suggestions on the basis of findings of the study.

Methodology

Considering the nature of the topic taken for the research and data available from primary sources opinion study had been taken

as the appropriate way to carry out the research work. The interview schedule had been framed accordingly [4]. The suggestions and recommendations are emerged from the census study of the customers in the study area.

Sources of Data

The study is based on both primary as well as secondary data. In order to get information from banks and customers, the researcher contacts them with the help of an interview schedule [5]. To supplement the study, secondary data is also collected from the Records of banks, Interviews given by CEOs and Bank Managers, Bank Manual, Magazines, online Editions, Reports of software companies, Reports of consultants, Journals and Newspapers.

Sampling Design

The scope of the study extends only to Madurai city limit only. So the respondents were selected from the said limit only. A person made a single transaction with bank is called customer. In the banking service it is very difficult to define the customer [6]. Hence the researcher assumes deposit holder as a customer. In case of customers, the researcher adopts the cluster random sampling technique in choosing the respondents. The researcher contacted 120 customers from Madurai City.

Statistical Tools

The collected data were tabulated and analyzed with the help of percentage and Spearman rank correlation.

*Corresponding author: Selvaraj N, Assistant Professor of Commerce, Saraswathi Narayanan College, Madurai, Tamilnadu, India, Tel: +09843727975; E-mail: selvaraj_narayanan@yahoo.com

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Opinion about the satisfactory level of various services provided by the bank with the help of core banking

Success of core banking system depends upon the satisfaction of the customers. There is a need to analyze the level of satisfaction of core banking services made available by the banks. The survey results regarding the opinion of the respondents are depicted in Table 1.

Table 1 revealed that majority of the respondents have opined as excellent or good satisfactory level regarding the services provided by the core banking system in terms of Cash withdrawal (43.34 per cent), Cash remittance (51.67 per cent), Demand draft and local draft (53.34 per cent), RTGS (38.34 per cent), NEFT (38.34 per cent), ECS (41.67 per cent), Cheque management (45.00 per cent), Account management (38.34 per cent), Clearing system (40.00 per cent), Teller transaction (50.00 per cent), Internet banking (40.00 per cent), and Customer Information file (46.67 per cent) [7]. Customer Relationship Management was found to be satisfactory level of banking services with Core banking system.

Comparison between customers and bankers

Table 2 shows the comparison of attitude of customer and banker

Sl. No	Services	Excellent	Good	Satisfactory	Poor	Very Poor	Total
1	Cash withdrawal	15 (25.00)	26 (43.34)	18 (30.00)	1 (1.67)	-	100
2	Cash Remittance	8 (13.34)	31 (51.67)	21 (35.00)	-	-	100
3	Demand Draft and Local Draft	10 (16.67)	32 (53.34)	15 (25.00)	3 (5.00)	-	100
4	RTGS	23 (38.34)	23 (38.34)	13 (21.67)	1 (1.67)	-	100
5	NEFT	20 (33.34)	23 (38.34)	16 (26.67)	1 (1.67)	-	100
6	ECS	17 (28.34)	25 (41.67)	14 (23.34)	4 (6.67)	-	100
7	Cheque Management	18 (30.00)	27 (45.00)	10 (16.67)	5 (8.34)	-	100
8	Account Management	15 (25.00)	20 (33.34)	23 (38.34)	2 (3.34)	-	100
9	Clearing system	11 (18.34)	24 (40.00)	18 (30.00)	7 (11.67)	-	100
10	Teller Transaction	9 (15.00)	-	18 (30.00)	3 (5.00)	30 (50.00)	100
11	Mobile Banking	9 (15.00)	29 (48.33)	21 (35.00)	1 (1.67)	-	100
12	Internet Banking	17 (28.34)	24 (40.00)	18 (30.00)	1 (1.67)	-	100
13	MIS	9 (15.00)	23 (38.34)	24 (40.00)	2 (3.34)	2 (3.34)	100
14	Customer Information File(CIF)	6 (10.00)	24 (40.00)	28 (46.67)	2 (3.34)	-	100
15	Customer Relationship Management(CRM)	13 (21.67)	25 (41.67)	20 (33.34)	2 (3.34)	-	100

Source: Primary Data

Table 1: Opinion about the satisfactory level of services provided by the bank with the help of core banking.

Services	Customer			Banker		
	Total score	Average	Rank	Total score	Average	Rank
Cash withdrawal	2066	3.973	5	455	4.099	12
Cash Remittance	2086	4.012	3	448	4.036	14
Demand Draft and Local Draft	2125	4.087	2	457	4.117	11
RTGS	2146	4.127	1	496	4.468	1
NEFT	2018	3.881	6	472	4.252	6
ECS	1992	3.831	7	486	4.378	3
Cheque Management	1930	3.712	9	453	4.081	13
Account Management	1868	3.592	12	467	4.207	9
Clearing system	1915	3.683	10	471	4.251	7
Teller Transaction	2082	4.004	4	491	4.423	2
SWIFT	1568	3.015	15	286	2.577	15
Internet Banking	1794	3.45	13	469	4.225	8
Fund Transfer	1910	3.673	11	459	4.135	10
Customer Information File(CIF)	1962	3.773	8	479	4.315	4
Customer Relationship Management(CRM)	1613	3.102	14	474	4.27	5

Spearman rank Correlation=0.2357

Table 2: Attitude of core banking system between customers and bankers (Spearman rank correlation).

towards satisfactory level of services provided by banks.

Table 2 revealed that both bankers and customers are similar opinion about RTGS as secured maximum score values and assigned I rank. In the case customer, they have given II and III preference for demand draft and local draft and cash remittance [8]. Whereas in the case of customers, ATM and ECS were assigned II and III ranks. The computed value of Spearman Rank Correlation co-efficient was 0.2357. It indicates that a poor agreement between customers and bankers was observed regarding the satisfactory level of various core banking services provided by banks.

One sample test

One sample test results regarding similarity in opinion about satisfactory level of various services are given in Table 3.

As per the results of one sample test for various services provided by the bank with core banking systems, opinion regarding the services was statistically significant and they were accepted for similarity in opinion of the customers with mean values for individual statements [9].

Sl. No	Services	Test Value=0 T	Sig. (2-tailed)
1	Cash withdrawal	102.231	0
2	Cash Remittance	161.783	0
3	Demand Draft and Local Draft	156.888	0
4	RTGS	185.469	0
5	NEFT	156.191	0
6	ECS	138.284	0
7	Cheque Management	86.512	0
8	Account Management	96.555	0
9	Clearing system	124.366	0
10	Teller Transaction	115.557	0
11	SWIFT	64.498	0
12	Internet Banking	70.807	0
13	Fund Transfer	124.1	0
14	Customer Information File(CIF)	136.826	0
15	Customer Relationship Management(CRM)	90.423	0

Source: Computed data.

Table 3: Opinion of satisfactory level of services provided by bank with the help of core banking.

Suggestions

- The banks should also enhance its technological capabilities and continue to implement its core banking solutions plan. This connectivity will help to understand its customers better, manage its customer relationships and allow it to offer a large number of value added products and to sell its products more effectively.
- The banks should expand its presence in international banking system.
- Having such a strong technological base, the bank must use these capabilities to differentiate its products and services from those of its competitors.
- The banks should market its products more aggressively to attract more customers.
- Customers of core banking solutions must be given utmost priority in the banks.
- Banks can open special counters for customers of core banking solutions

- Bank staff must clear doubts of the customers in their vernacular language.
- The bankers are expected to consider the problems like failure of network services, improper functioning of core banking network and improper system maintenance and shall take immediate steps to solve them.
- The head office may concentrate on branches in semi-urban and rural areas to implement core banking solutions.

Conclusion

In modern banking, customers are the pillars of the banks. To safeguard the interest of the customers, customer service departments were established. Customer grievance redressal mechanism is also prevalent in banks. Therefore, banks are reviewing the customer care aspects periodically. It is also noted that, the success of core banking not only depends on the technology but also dependent to the large extent to the attitude, commitment and involvement of the operating staff at all levels and how for the customers reap the benefits from core banking solution.

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