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A STUDY ON CUSTOMER PERCEPTION ON SERVICE PROVIDED BY IN BANK MADURAI DISTRICT

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Abstract

Banking system occupies an important place in a nation's economy. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. The emergence of new private sector and foreign banks is one of the major challenges before the public sector commercial banks in India and this prompted the Indian banking industry to reckon with the challenges posed by the competition while rendering services to the customers.

The paper on "A STUDY ON CUSTOMER PERCEPTION ON SERVICE PROVIDED BY BANK IN MADURAI DISTRICT" The paper aims to explore the perception of the customer service in banking sector and finding out the socio-economic profile of the customer. It also aims to find out the customer perception on the services provided by bank in Madurai district and to find out the opinion about customer perception. Finally the paper aims to possible suggestion to the customer perception on service provided by bank.

Key words: banking system, customer perception, banking service, customer satisfaction.

Introduction

Banking system occupies an important place in a nation's economy. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. The phenomenon of globalisation brought about significant changes in terms of products and services that are being offered to Indian customers and consequently the complexion of the banking sector in india too underwent a note worthy change in the last decade. The emergence of new private sector and foreign banks is one of the major challenges before the public sector commercial banks in india and this prompted the Indian banking industry to reckon with the challenges posed by the competition while rendering services to the customers.

The banking sector is the life line of any modern economy. Banks are one of the oldest financial intermediaries in the financial system. They play an important role in the mobilization of deposits and disbursement of credit to various sector of the economy. The banking sector reflects the financial and economic health of the country. The banking sector is very dominant in India as it accounts for more than half of the assets of the financial sector. The banking system in India has undergone significant changes during last two decades. Banking sector reforms introduced in the line of L.P.G. policies have touched upon almost all aspects of banking operations. There have been new banks, new instruments, new opportunities and along with all these, new challenges.-As a result of reforms, the reach and performance of banks have improved as reflected in their increased profitability. The banking industry has been a witness to several regulatory changes that have resulted in a heightened level of competition among the banks; and recognition of service quality as a competitive weapon is accepted more and more. The entry of private sector banks and foreign banks, subsequent to the recommendations of the Narshimhan Committee, has increased manifold the expectations of the customers in all areas relating to customer service. India's banking sector responded to the post liberalization reforms in a creditable manner by showing admirable speed in absorbing the impact of reforms. Banks have been forced to explore the trade-off between winning new customers and retaining old ones. The focus of marketing has shifted to managing relationship with customers. In this backdrop, the present study makes a systematic attempt to investigate the service quality issues from the perspective of the customers in the banking industry of India.

Benefits of Customer Perception

Consumers can evaluate a product along several levels. Its basic characteristics are inherent to the generic version of the product and are defined as the fundamental advantages it can offer to a customer. Generic products can be made distinct by adding value through extra features, such as quality or performance enhancements. The final level of consumer perception involves augmented properties, which offer less tangible benefits, such as customer assistance, maintenance services, training, or appealing payment options. In terms of competition with other products and companies, consumers greatly value these added benefits when making a purchasing decision, making it important for manufacturers to understand the notion of a "total package" when marketing to their customers. For example, when manufacturing automotive parts, a high-performing product will provide the customer base with basic benefits, while adding spare parts, technical assistance, and skill training will offer enhanced properties to create a total package with increased appeal to consumers.

Review of Literature

Sheth et al.(1991)Study focused on five types of customer value: functional value,social value, emotional value, epistemic value, and conditional value. Social value is determined by the utility perceived through customer identification with reference groups, whereas emotional customer value is determined by the following emotions perceived by customer - comfort, passion, security, and the feeling of guilt. Sweeney & Soutar(2001)The authors alleged that epistemic value and conditional value should not be included in customer value construct. Their research proposed PERVAL model and included some factors to the functional value dimension. Gounaris etal. (2007)The study examined the relationships of customer-perceived value, satisfaction, loyalty and behavioural intentions in automobile sector. Beside emotional value, social value, product value and perceived sacrifice value the authors also had distinguished procedural value and personnel value. Procedural value is the benefit which is received from the after-sales service and maintenance offered by organization, whereas personnel value is described as the benefit which is predetermined by personnel skills and capabilities

Objective of the Study

- To find out the socio economic profile of the customers,
- To find out the customer perception on the services provided by the bank in Madurai district,
- To find out the opinion about customer perception.

Methodology

This type of research being descriptive in nature, questionnaire method of data collection was followed primary method of data collection from different category of customers are collected various aspects. Around 50 samples are selected in a systematic manner.

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Research Design

This study is applicable to the customer perception on service provided by bank Madurai District at rural and semi urban areas. The researcher proposes directly visit the banks and collected the necessary data with the help of pre-tested interview schedule. As the numbers of customers are large, the researcher decided to adopt convenient sampling for collecting information from 50 customers as sample respondents of bank. The required data are collected from the respondents by the studying in the bank during the banking hours.

Tools For Data Analysis

The study used following financial tools for analysis

- Percentage analysis
- Chi square analysis
- Multiple regression

Findings

Table -1 Demographic Factor of the Respondents

S.NO	VARIABLE	MAJORITY CATEGORY	PERCENTAGE
1	Age	25(30-40)	50
2	Gender	30(female)	60
3	Marital status	45(married)	90
4	Educational qualification	25(PG)	50
5	Occupation	15(employed in private sector)	30
6	Monthly income	25(20000-30000)	50
7	Types of family	35(nuclear family)	70

The above table shows that the majority of the customers are in the age group of 30-40,(50%) mostly (90%) married female (60%). They are with a monthly income of 20000-30000/. (50%), and most of their occupations are employed in private sector (30%). Most of the customers are dependent nuclear family (70%).

Table -2 Opinion about Customer Perception

S.NO	VARIABLE	MAJORITY CATEGORY	PERCEN TAGE
1	Customer support	40/50 (S.A)*	80
2	Good manners and hospitality	30/50 (A)**	60
3	Maintaining of customer grievances	30/50 (S.A)*	60
4	Imposing of service charge	25/50 (S.A)*	50
5	Safety of customers investments	25/50 (N)***	50
6	Keep confidentiality of account and transactions	30/50 (S.A)*	60
7	Prompt and accuracy in transactions	35/50 (A)**	70
8	Reputation of the bank	25/50 (S.A) *	50
9	Infrastructure facilities like parking, ATM etc.	35/50 (S.A)*	70
10	Banking Network	25/50 (A)**	50
11	Modern equipment and décor	20/50 (S.A)*	40
12	Easy to operating account	25/50(S.A)*	50
13	Convenience business hour	25/50 (S.A)*	50
14	Providing prompt information to customers	35/50(D)****	70

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The above table shows that 80% of the respondents are strongly agree that customer support services of bank out of this 80%, 60% of the respondents agree that their bank provide good manners and hospitality. 60% of respondents strongly agree to the fact that maintaining of customer grievances and 50% strongly agree that imposing of service charge, followed by 50% strongly agree to the fact that safety of customers investments.60% of the respondents strongly agree that bank keep confidentiality of account and transactions and 70% of the respondents agree that it prompt and accuracy in transactions. The majority of the respondents i.e 50%,70%,40%,50%,50% of the respondents strongly agree that like reputation of the bank, infrastructure facilities, modern equipment and décor, easy to operating account and convenience business hour. 70% of the respondents disagree that bank providing prompt information to customers.

*S.A - Strongly Agree
**A - Agree
***N - Neutral
****S.D - Strongly Disagree
*****D - Disagree

Table-3 Chi-Square test

From the above table it is found that Education, Age and occupation are found to be significant with respect to customer perception.

Variables	P Value	Significance
Age of the Respondents with Customer support	50.000	.032
Age of the Respondents with Good manners and hospitality	73.333	.021
Age of the Respondents with Maintaining of customer grievances	50.000	.043
Age of the Respondents with Imposing of service charge	78.667	.022
Age of the Respondents with Safety of customers investments	1.500E2	.041
Age of the Respondents with Keep confidentiality of account and transactions	1.000E2	.024
Age of the Respondents with Prompt and accuracy in transactions	71.429	.013
Age of the Respondents with Reputation of the bank	59.500	.002
Age of the Respondents with Infrastructure facilities like parking, ATM etc.	46.429	.001
Age of the Respondents with Banking Network	1.020E2	.004
Age of the Respondents with Modern equipment and decor	56.667	.003
Age of the Respondents with Easy to operating account	50.750	.001
Age of the Respondents with Convenience business hour	78.667	.004
Age of the Respondents with Providing prompt information to customers	21.429	.002
Educational Qualification of the Respondents with Customer support	12.500	.003
Educational Qualification of the Respondents with Good manners and hospitality	60.000	.032
Educational Qualification of the Respondents with Maintaining of customer grievances	33.333	.024
Educational Qualification of the Respondents with Imposing of service charge	50.000	.013
Educational Qualification of the Respondents with Safety of customers investments	82.000	.042
Educational Qualification of the Respondents with Keep confidentiality of account and transactions	33.333	.021
Educational Qualification of the Respondents with Prompt and accuracy in transactions	21.429	.014
Educational Qualification of the Respondents with Reputation of the bank	50.000	.022

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Educational Qualification of the Respondents with Infrastructure facilities like parking, ATM etc.	21.429	.014
Educational Qualification of the Respondents with Banking Network	50.000	.031
Educational Qualification of the Respondents with Modern equipment and décor	21.429	.013
Educational Qualification of the Respondents with Easy to operating account	50.000	.032
Educational Qualification of the Respondents with Convenience business hour	40.556	.044
Educational Qualification of the Respondents with Providing prompt information to customers	50.000	.021
Occupation of the Respondents with Customer support	11.562	.041
Occupation of the Respondents with Good manners and hospitality	24.250	.031
Occupation of the Respondents with Maintaining of customer grievances	3.125	.022
Occupation of the Respondents with Imposing of service charge	18.083	.043
Occupation of the Respondents with Safety of customers investments	22.683	.002
Occupation of the Respondents with Keep confidentiality of account and transactions	17.000	.047
Occupation of the Respondents with Prompt and accuracy in transactions	18.560	.046
Occupation of the Respondents with Reputation of the bank	27.417	.026
Occupation of the Respondents with Infrastructure facilities like parking, ATM etc.	13.393	.023
Occupation of the Respondents with Banking Network	25.250	.047
Occupation of the Respondents with Modern equipment and décor	20.750	.013
Occupation of the Respondents with Easy to operating account	7.708	.014
Occupation of the Respondents with Convenience business hour	18.083	.054
Occupation of the Respondents with Providing prompt information to customers	3.968	.043

Table-4Demographic variables influencing opinion about customer perception

Variables	R	R^2	Increment
Age	0.782	0.611	-
Gender	0.795	0.632	0.021
Marital status	0.809	0.655	0.023
Educational qualification	0.812	0.660	0.005
Types of family	0.891	0.794	0.134

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From the above table it is found that age contributes to 61% relating to the customer perception of Bank. It is concluded that age is most influencing factor with respect to the customer perception of bank.

Conclusion

The study clearly shows that customer perception is an important factor for successful running of bank. Customer perception is a suitable study for evaluating customer perception on service provided by bank. The study reveals that opinion about customer perception towards bank. Even through customer perception is suitable study for evaluating the performance of customers. Consumers can evaluate a product along several levels. Its basic characteristics are inherent to the generic version of the product and are defined as the fundamental advantages it can offer to a customer. Generic products can be made distinct by adding value through extra features, such as quality or performance enhancements.

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