

A Study on Customers Attitude towards the Core Banking Services offered by Banks in Madurai City

Selvaraj N^{1*}, Alagupandi .V²

Assistant Professor of Commerce, Saraswathi Narayanan College, Madurai, India

Faculty Member, Institute of cooperative management, Madurai, India

***Corresponding Author:** Selvaraj N, Assistant Professor of Commerce, Saraswathi Narayanan College, Madurai, India, Email: selvaraj_narayanan@yahoo.com

ABSTRACT

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. 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. The present study focuses on the Customer Attitude towards the Core Banking Services Offered by Banks in Madurai City. 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 this section an attempt has been made to analyse the attitude of customers towards core banking services in relation to personal factors such as age, education, occupation, income, social factor, type of accounts, expenditure, encouragement, awareness about services, savings and status of the family. 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.

Keywords: Services, satisfaction, accounts, banking and customer

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. 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.

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 Attitude towards the Core Banking Services Offered by Banks in Madurai City.

OBJECTIVES OF THE STUDY

To investigate the attitude of the customers towards the core banking services offered by the banks in Madurai city. 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. 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. 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 extents 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. 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.

Attitude of Customers towards Core Banking Services

In this section an attempt has been made to analyze the attitude of customers towards core banking services in relation to personal factors such as age, education, occupation, income, and social factor, type of accounts, expenditure, encouragement, and awareness about services, savings and status of the family. The attitude of customers towards core banking services has been rated by using five points scale namely very high (5 score), high (4 score), moderate (3 score), low (2 score), and very low (1 score). Table 1 indicates the ratings given by the respondents against the personal factors.

Table1. Attitude of customers towards Core banking services in relation to personal factors

Personal Factors	Very High	High	Moderate	Low	Very Low	Total	Score value	Rank
Age	175 (33.65)	194 (37.31)	48 (9.23)	92 (17.69)	11 (2.12)	520	1990	2
Education	195 (37.50)	164 (31.54)	81 (15.58)	48 (9.23)	32(6.15)	520	2002	1
Occupation	182 (35.0)	153 (29.42)	66 (12.69)	90 (17.31)	29 (0.19)	520	1929	4
Income	192 (36.92)	155 (29.81)	55 (10.58)	104 (20.0)	14 (2.69)	520	1967	3
Social factor	23 (4.42)	25 (4.81)	146 (28.08)	233 (44.81)	93 (17.88)	520	1212	10
Type of accounts	99 (19.04)	134 (25.77)	153 (29.42)	121 (23.27)	13 (2.5)	520	1745	6
Expenditure	90 (17.31)	96 (18.46)	143 (27.5)	166 (31.92)	25(4.81)	520	1620	7
Encouragement	50 (9.62)	58 (11.15)	132 (25.38)	221 (42.5)	59 (11.35)	520	1379	9
Awareness about services	177 (34.04)	140 (26.92)	88 (16.92)	100 (19.23)	15 (2.88)	520	1924	5
Savings	75 (14.42)	48 (9.23)	151 (29.04)	223 (42.88)	23 (4.42)	520	1489	8
Status of the family	26 (5.0)	14 (2.69)	140 (26.92)	244 (46.92)	96 (18.46)	520	1190	11

Source: Primary Data.

In the classification of age, out of 520 respondents, majority of them (37.31 per cent) were high attitude towards core banking services. It is followed by very high attitude (33.65 per cent) very low and low attitudes were found only less than 20 percent.

In the case of educational level, majority of them (37.50 per cent) were very high level attitude towards core banking services, followed by high level attitude (31.54 per cent). Very low level attitude was found only 6.15 percent.

Occupation-wise analysis showed that very high and high level of attitude was found to be 64.42 percent respondents. Very low level was found below one per cent (0.19 percent).Income-wise analysis indicated that very high and high level

attitude was observed in high position and they were 36.92 per cent and 29.81 percent respectively.

In the case of social factor, very low and low level attitude was found high and it is accounted 44.81 per cent and 17.88 per cent respectively. Very high and high level attitude was found less than 5 per cent respectively.

Type of accounts-wise analysis revealed that majority of the respondents (29.42 per cent) were moderate level of attitude towards core banking services. It is followed by high level attitude (25.77 per cent) and low level attitude (23.27 per cent).Expenditure-wise analysis revealed that out of 520 respondents, large number of them (31.92 per cent) was low level

attitude followed by moderate level of attitude (27.5 per cent). In the case of encouragement, 43 per cent were low level attitude towards core banking services. It is followed by moderate level of attitude 25.38 percent. Awareness about services analysis revealed that 34.04 per cent were very high level attitude towards core banking services.

It is followed by high level attitude (26.92 per cent). Savings-wise analysis inferred that low level (42.88 per cent) and moderate level (29.04) of attitude were found high relating to core banking services.

Regarding the status of family, large number of the respondents (46.92 per cent) was low level of attitude towards the core banking services in the study area. It is followed by moderate level of attitude 26.92 percent. The score value has been calculated for each personal factors by using five point scale and the results are given in Table 1.

The analysis revealed that a highest total score was found in the category of education and it was ranked I among the personal factors. It indicates that the education has influenced the high level attitude of the respondents towards core banking services.

It is followed by the factor age, income, occupation and awareness about services which were ranked II, III, IV and V places respectively. The least score value was found in states of family and social factor which were ranked XI and X places. One sample test has been conducted and presented in Table 2.

Table 2. Rating towards core banking services – One sample test

Sl. No	Personal factors	t	Sig. (2-tailed)
1	Age	76.554	.000
2	Education	73.311	.000
3	Occupation	67.088	.000
4	Income	71.074	.000
5	Social factor	54.750	.000
6	Type of accounts	69.063	.000
7	Expenditure	60.523	.000
8	Encouragement	53.954	.000
9	Awareness about services	70.038	.000
10	Savings	58.199	.000
11	Status of the family	54.110	.000

Source: *computed data*

It revealed from the test results that t-value showed the significancy of all the factors under study. Hence, it may be concluded that the

ratings towards core banking services are rated to be no difference.

SUMMARY OF FINDINGS

The score value has been calculated for each personal factors by using five point scale.. The analysis revealed that a highest total score was found in the category of education and it was ranked I among the personal factors.

It indicates that the education has influenced the high level attitude of the respondents towards core banking services.

The test results that t-value showed the significancy of all the factors under study. Hence, it may be concluded that the ratings towards core banking services are rated to be no difference

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 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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Citation: SelvarajN, Alagupandi .V, “A Study on Customers Attitude towards the Core Banking Services offered by Banks in Madurai City”, *Journal of Banking and Finance Management*, 2(2), 2019, pp.19-22.

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