

CUSTOMERS' PERCEPTION ON URBAN COOPERATIVE BANKS WITH REFERENCE TO TIRUPPUR AND DINDIGUL DISTRICT

¹N.G.BALAVENKATESH, ²Dr. X.L.X.WILSON

¹Research Scholar, ²Associate Professor
Department of Cooperation
Sri Ramakrishna Mission Vidyalaya College of Arts and Science (Autonomous)
Coimbatore-641020.

Abstract: In the phenomenal increase in the countries population and the demand for banking services, speed, and service quality and customer satisfaction are going to be differentiations for each bank future success. It is imperative for banks to get useful feedback on their actual response time and customer service quality aspects of retail banking which in turn will help them to take positive steps to maintain a competitive edge. Even though there are many banks, the co-operative banks play a major role in banking sector. But they following traditional methods of banking. Due to development of technology in banking sector it is important to know the consumers' perception and satisfaction on the banking activities of cooperative bank. So the researcher focuses to know the customers' perception on urban cooperative bank with reference to Tiruppur and Dindigul district. For this study the researcher collected data from 560 customers through questionnaire. The convenient sampling method was used to select the respondents. Percentage analysis, score value analysis and chi-square analysis were used to analyze the data. The results found that high customers' perception from score value analysis and all demographic factors except residential location were associated with customers' perception.

Keywords: *Customers' Perception, Urban Cooperative bank, Bank Services, Bank in Tiruppur and Dindigul.*

1. Introduction:

"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so." - **Mahatma Gandhi.**

In the phenomenal increase in the countries population and the demand for banking services, speed, and service quality and customer satisfaction are going to be differentiations for each bank future success. It is imperative for banks to get useful feedback on their actual response time and customer service quality aspects of retail banking which in turn will help them to take positive steps to maintain a competitive edge. From the customer's point of view the level of satisfaction depends upon the enquiry counter response, recognition courteousness, quick service and other needed services. If the customer expectations are fully fulfilled then the banks can definitely get success.

Customer value has become a strategically significant factor in global competitiveness and its value as a vehicle for transitioning from market driven and reactive to market driving and anticipatory firms is being increasingly recognized. Customers have also changed in recent years. Customers are more knowledgeable, sophisticated and assertive. They demand higher levels of customers service, are less loyal and more inclined to switch to a competitor. Modern customers receive flexibility in hours of operation, greater convince, customization, transparency, accessibility and control. Competition to attract new customers is fierce. Customer's defection rates are higher than ever because of increased market competition. With so many different financial institutions to choose from customers can now demand better quality service and customized products from their bank. In this consumer economy, attracting and crucially keeping customers for the long term is a key challenge for all businesses. Dr.M.Kanagarathinam and A. Sukumar says that 'Service quality and consumer perception is one of the reasons for employees stress' (2015¹). So understanding the consumers' perception will help to maintain stress free work environment also.

1.1. Urban cooperative bank

Urban cooperative banking sector is the most important and growing segment of cooperative sector which is totally self-reliant and most vibrant. Urban co-operative banks have a prestigious place in the co-operative credit structure. These institutions had glorious past of being reliant voluntary in nature, democratic management and self reliant in financial position with less risk in operation. Despite the fact that their growth is heterogeneous, lopsided, they have glittering future even in the competitive market situation in the banking industry.

¹A.Sukumar&M.Kanagarathinam (2015), 'Stress Management among the Employees of Nationalised Banks in Coimbatore City', 'International Journal in Management and Social Science', Vol.3, Issue-08, pp : 445 – 450.

2. Review of Literature:

S. Amolak Singh, Mrs. B. Anusha, M. Raghuvardhan² (2014), together made a study on “Impact of Banking Services on Customer Empowerment, Overall Performance and Customer Satisfaction: Empirical Evidence”. The study was undertaken to ascertain the services causes to Customer empowerment, customer satisfaction overall performance of the bank which enhance understanding of consumers’ expectations and its role in improving services for customer delight. Data was collected from the fifty one account holders on the bank and to draw valid conclusions multiple regression test was conducted by using SPSS. The findings of this study revealed the services offered by the bank have facilitated moderate in customer empowerment (CE), bank’s overall performance (OP) and customer satisfaction (CS).

Tabassum Chowdhury³ (2014), made a study on “customer satisfaction on service quality in private commercial banking sector in bangladesh”. The study endeavors to discover the impact of service quality on customer satisfaction in private sector banks in Bangladesh. Five dimensions in service quality (servqual) such as tangibility, reliability, responsiveness, empathy, and assurance (Parasuraman, Zeithaml, & Berry, 1985) are considered as the base for this study. A structured questionnaire with 5 point Likert scale has been used to collect the data by conducting survey. The sample size is 110 and is chosen on a convenient basis. Data has been analysed by using SPSS software (version: 17). Result of the study showed that tangibility, reliability, responsiveness, assurance and empathy significantly and positively influenced customer attitudes in terms of satisfaction that is service quality dimensions are crucial for customer satisfaction in private commercial banking sector in Bangladesh.

Siddharth Sharma , Rajesh Verma⁴ (2015), made a study on “Extent of Service Quality in Commercial Banks in Punjab”. The purpose of this paper was to measure the extent of service quality in commercial banks in Punjab. The extent of service quality helps in filling up the gap between expected and perceived service quality and gives a wider picture to recognize the needs of the customers. The SERVQUAL multi-item scale was used to measure the extent of service quality in commercial banks in Punjab. The scale consists of five parameters, that is, Tangibility, Reliability, Responsiveness, Assurance, and Empathy. The study conducted a comparative analysis of extent of service quality in private and public sector banks in Punjab. Primary data was collected from 200 top managers of private as well as public sector banks. It was found that among all the five factors of the SERVQUAL model, Responsiveness acted as a dominant factor and had a greater impact on customers' expected level of satisfaction and service quality.

Garima Srivastav, Arun Mittal⁵ (2016) made a study on “Impact of Internet Banking on Customer Satisfaction in Private and Public Sector Banks”. This is an exploratory research paper which discussed the impact of various Internet banking (IB) services on the overall satisfaction levels of the banking customers. With the help of forward stepwise regression, we explained how various variables both negatively and positively influenced customers' satisfaction with Internet banking. Data were collected from 500 respondents (250 from private sector banks and 250 from public sector banks) in India (Delhi-NCR), constituting a 65% response rate. The application of this analysis revealed that customers wanted the private sector banks to improve upon the features like quality of service, frequency of reminder given for password change, safety, privacy of ID and password, and proper entering of the details in the bank registers. In case of the public sector banks, customers had different sets of concerns - like they were much worried about the lack of development in rules and regulation of E- banking as well as the poor regulatory framework in Internet banking. However, security issues aroused a common concern from the customers in case of both sectors of banks. The results also showed that the customers were ready to adopt Internet banking provided they were given necessary guidelines and constant built up of trust.

3. Statement of problem

Technology development and adoption of new technology makes the commercial banks more customerfriendly. That forces the cooperative banks to recheck their customer perception on their regular banking activities and procedures. They warned that unless and until these were cured, these institutions would fail to possess a competitive edge to meet the challenges of the changing environment. Therefore the urban cooperative banks in the state of Tamil Nadu are found to be the best and most suitable counterpart for comparing the quality of customer service of the urban cooperative banks in Dindigul and Tiruppur district of Tamil Nadu. It is expected that the comparative study of this issue will help find out weak spots of the customer service in the two districts of urban cooperative banks. Customer perception is important to improve the cooperative bank services. The same will strengthen the services of cooperative banks and also pave way to plan new strategies to improve the services. At this juncture Tiruppur and Dindigul districts are industries. How the customers will be satisfied? what are the new approaches should be adopted? What are the strategies to be followed to increase the efficiency? Both Tiruppur and Dindigul Urban Cooperative Banks How they are providing services to the members? How it can be improved? How system can be improved to compete the competitors? Are to analyzed in this study.

4. Scope of the Study:

The need for urban co-operative banking system felt in the early nineteenth century. Now a- days these UCBs have become the integral part of the economy system. The UCB helps in channelizing the idle savings of the society into a fruitful venture. Apart from channelizing the idle savings, these UCBs helps in the development of small & medium scale enterprises in urban areas by providing substantial credit facilities. Despite the fact that the business and asset base of UCBs has grown over the years, but these institutions have been facing numerous challenges for its development and sustainability. First of all the market competition and the need to retain good clientele are affecting the UCBs too. Secondly the larger private sector commercial banks, with their ability to invest more in technology and offer better remuneration to attract skilled persons, are better off in this competitive era. Most of

the problems faced by the UCBs are due to governance issues and other related to the administration. Unlike the case of other institutions the shares of which can be listed in a stock exchange and can change hands without affecting the capital base, in case of UCBs, the shareholders can withdraw their contribution to capital resulting into shrinkage of capital of the bank. For that the study is comparative one and it reveals the current urban bank customer services in two districts Tiruppur and Dindigul.

5. Objectives of the Study:

- To study the geographical background of the respondents.
- To assess the customer perception towards the cooperative services rendered by the selected banks.
- To identify the influencing factors on perception.

6. Methodology:-

Field survey method and personal interview were adopted for the collection of data required for the present study. The data were collected from four urban co-operative banks, (i.e.) two from Tiruppur district and the remaining two from Dindigul district. Apart from that, data were collected from the individual members. Besides records and registers maintained by the selected banks were also referred.

6.1. Sampling Procedure:

6.1.1. Stage 1: Selection of Districts:

The researcher used purposive sampling in selecting the districts, because the Tiruppur and Dindigul are industrial cities of Tamilnadu, and felt that the urban co-operatives rendered very good services to the small entrepreneurs. So, both these districts were selected for the study

6.1.2. Stage 2: Selection of Cooperative Banks:

A Multistage sampling procedure was adopted. Among the three urban co-operative banks in Tiruppur district, two were selected on the basis of Simple Random Sampling on the criteria of most successful and successful working banks in Tiruppur district. Likewise in Dindigul district, among four Urban Co-operative banks, two were selected on the basis of Simple Random Sampling on the criteria of most successful and successful banks in Dindigul district.

6.1.3. Stage 3: Selection of Members:

To select the members, incidental sampling was adopted. Each bank, 140 respondents were approached to collect the data. After explaining about the study a total of 560 respondents 'data were collected. The sample plan table as following :

TABLE 1.1

6.2. Sampling Pattern:

CATEGORIES OF BANKS	NO OF RESPONDENTS		TOTAL
	TIRUPPUR DISTRICT	DINDIGUL DISTRICT	
MOST SUCESSFUL CO-OPERATIVE URBAN BANK	140	140	280
SUCCESSFUL CO-OPERATIVE URBAN BANK	140	140	280
TOTAL	280	280	560

6.3. Area Covered:-

The present study covered Tiruppur and Dindigul district.

6.4. Tools and Techniques:-

Two schedules i.e., one for the institutions and another for the members were used for the study. The institution schedule was constructed for collecting the required data from the four selected urban co-operative banks i.e., two from Tiruppur district and the remaining two Dindigul district. The members schedule was framed to cover personal, customer Perception about the cooperative banking services, level of utilization of customers of the selected urban cooperative banks, to identify the prominent factors which influence customer satisfaction and to evaluate the linkage between perception and utilization of banking products etc.

6.5. Field Work:-

The field work for the collection of data was carried out for a period extending for more than 75 days during the months of February, March, April, May and June 2015. The interview schedule was filled up by getting responses from the bankers who occupy highest position in the banks such as General Manager, AGM, section Managers and senior most Officers in the bank.

Each variable were explained and the respondents (bankers) answers were filled in the schedule. The doubt regarding any statement were cleared and the schedule contains details about the profile of the selected banks, its membership position, the source of finance, its deposits and type of accounts, types of loans issued and net profit position etc.

6.6. Statistical Tools Used:-

To identify the solutions to the research problem and to reach the objective of the study, various statistical tools have been applied.

1. Percentage Analysis
2. Score value analysis
3. Chi-Square test

7. Analysis and Interpretations:

Table No. 2
Classification of Respondents on the Basis of Demographic Factors

Demographic Factors	No. of Respondents	Percentage	
Location of the bank	Dharapuram	140	25.0%
	Dindigul	140	25.0%
	Palani	140	25.0%
	Tiruppur	140	25.0%
Gender	Male	314	56.1%
	Female	246	43.9%
Age	Below 25 years	113	20.2%
	25 years – 35 years	314	56.1%
	36 years – 45 years	97	17.3%
	46 years – 55 years	36	6.4%
Educational Qualification	Illiterate	55	9.8%
	Primary level	70	12.5%
	Higher Secondary	213	38.0%
	Graduate	157	28.0%
	Post Graduate	32	5.7%
	Professional	33	5.9%
Occupational Status	Government Employee	103	18.4%
	Private Employee	87	15.5%
	Business	334	59.6%
	Professional	15	2.7%
	Others	21	3.8%
Monthly Income	Less than Rs.10,000	345	61.6%
	Rs.10,001 to Rs.15,000	62	11.1%
	Rs.15,001 to Rs.20,000	105	18.8%
	Above Rs.20,000	48	8.6%
Marital Status	Married	467	83.4%
	Unmarried	93	16.6%
Residential Location	Urban	336	60.0%
	Semi-urban	185	33.0%
	Rural	39	7.0%
	Total	560	100%

Source: Primary Data

The above table shows that equal number of respondents were selected from 4 different locations; 56.1% of respondents were male; 56.1% of respondents were in the age group between 25 to 35 years, 38% of respondents were having higher secondary level of education, 59.6% of respondents were doing business, 61.6% of respondents' monthly income was less than Rs.10,000; 83.4% of respondents were married, 60% of respondents were residing at urban.

Table No.3
Customers' Perception on Different Factors

Factors	High	Moderate	Low	Total	Score	%
Utilizing Financial Services	322	82	156	560	1286	76.55
Utilizing Value Added Services	323	82	155	560	1288	76.67
Utilizing Routine operational factors	320	66	174	560	1266	75.36
Utilizing Staff Factor	327	60	173	560	1274	75.83
Utilizing Guidance facility	317	83	160	560	1277	76.01
					6391	76.08

Source: Computed Data

The above table shows that, 'Utilizing Value Added Services' gets score 1288 which is 76.67%, 'Utilizing Financial Services' gets score of 1286, which is 76.55%, 'Utilizing Guidance facility' gets score 1277 which is 76.01%, 'Utilizing Staff Factor' gets score of 1274, which is 75.83%, 'Utilizing Routine operational factors' gets score 1266 which is 75.36%. The total score for 'Factors' is 6391, which is 76.083%. It is above 66% and below 100%, hence it is concluded that the customers' perception level is 'High'.

Hypothesis:

Null Hypothesis: There is no significant relationship between Customers' and Demographic factor
 Alternative Hypothesis: There is a significant relationship between Customers' and Demographic factors

Table No.4
Association between Customers' Perception and Demographic factors

S. No.	Demographic Factors	Value	DF	Sig.
1	Location of the bank	342.598	6	0.000
2	Gender	8.904	2	0.012
3	Age	74.760	6	0.000
4	Educational Qualification	75.794	10	0.000
5	Occupational Status	50.142	8	0.000
6	Monthly Income	48.635	6	0.000
7	Marital Status	13.044	2	0.001
8	Residential Location	7.552	4	0.109

Source: Computed Data

Location of the bank: The calculated value is 342.598 and the Significance value is 0 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Location of the bank and Customers' Perception.

Gender: The calculated value is 8.904 and the Significance value is 0.012 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Gender and Customers' Perception.

Age: The calculated value is 74.76 and the Significance value is 0 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Age and Customers' Perception.

Educational Qualification: The calculated value is 75.794 and the Significance value is 0 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Educational Qualification and Customers' Perception.

Occupational Status: The calculated value is 50.142 and the Significance value is 0 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Occupational Status and Customers' Perception.

Monthly Income: The calculated value is 48.635 and the Significance value is 0 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Monthly Income and Customers' Perception.

Marital Status: The calculated value is 13.044 and the Significance value is 0.001 which is less than 0.05, so the Null hypothesis is rejected. Hence, there is a significant relationship between Marital Status and Customers' Perception.

Residential Location: The calculated value is 7.552 and the Significance value is 0.109 which is greater than 0.05, so the Null hypothesis is accepted. Hence, there is no significant relationship between Residential Location and Customers' Perception.

8. Findings:

- 56.1% of respondents were male; 56.1% of respondents were in the age group between 25 to 35 years, 38% of respondents were having higher secondary level of education, 59.6% of respondents were doing business, 61.6% of respondents' monthly income was less than Rs.10,000; 83.4% of respondents were married, 60% of respondents were residing at urban.
- High Consumers' perception was found from score value analysis.
- Except residential location all other demographic factors were associated with customers' perception.

9. Conclusion:

From the above study it is concluded that the customers' perception towards urban cooperative bank is in high level. And the same time the customers expect the bank to adopt new technology in their regular activities to speedup the activities and to increase the accuracy level of the banking activities. Tiruppur district urban cooperative bank shows that maximum customers' perception in the study.

10. LIMITATIONS OF THE STUDY:-

- * Since the study has considered only two banks from Tiruppur and Dindigul district the overall result of this study may not be applicable as a whole.
- * The recommendations can be implemented in other banks provided with necessary changes.

Reference:

- [1] A.Sukumar&M.Kanagarathinam (2015), 'Stress Management among the Employees of Nationalised Banks in Coimbatore City', 'International Journal in Management and Social Science', Vol.3, Issue-08, pp : 445 – 450.
http://www.academia.edu/29226903/STRESS_MANAGEMENT_AMONG_THE_EMPLOYEES_OF_NATIONALISED_BANKS_IN_COIMBATORE_CITY
- [2] S.Amolak Singh, Mrs. B. Anusha, M. Raghuvardhan "Impact of Banking Services on Customer Empowerment, Overall Performance and Customer Satisfaction: Empirical Evidence" IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 1. Ver. II (Jan. 2014), PP 17-24 www.iosrjournals.org

- [3] Tabassum Chowdhury Rashed Al Karim “**CUSTOMER SATISFACTION ON SERVICE QUALITY IN PRIVATE COMMERCIAL BANKING SECTOR IN BANGLADESH** ” British Journal of Marketing Studies Vol.2, No.2, pp.1-11, June 2014 Published by European Centre for Research Training and Development UK (www.ea-journals.org)
- [4] Siddharth Sharma , Rajesh Verma_“**Extent of Service Quality in Commercial Banks in Punjab**” **Indian Journal of marketing** Volume 45, Issue 10, October 2015
- [5] GarimaSrivastav, Arun Mittal “**Impact of Internet Banking on Customer Satisfaction in Private and Public Sector Banks**” Volume 46, Issue 2, February 2016