

A Study on Services Marketing in Co-Operative Banks with Special Reference To Pudukkottai District

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ABSTRACT

Commercial banks are playing important role in the Indian Financial System and also the well-being of rural people. These banks are providing loans to rural people for their economic stability. The service sector has tremendous development due to their differentiate service. In order to retain customers the organization wants to provide facilities. For this purpose the organization treat their existing customers in a better way than finding new customers. Customers are always taking the service marketing with a lot of expectation. These expectations can meet by the organization by providing services marketing with personal consideration. The importance of service marketing has been increased in these recent years sometimes there may be difference between customer's expectation and actual perception. The cooperative banks also contribute to the development of nation. A number of products and service marketing offered by cooperative banks. The important products offered by the cooperative bank include deposit and loans. The deposits are again classified in to S.B account, Current Account, Recurring deposits, fixed deposits and cash certificates. The loans include loan to salaried employees, housing loans, educational loans, loan of physically challenged persons. Service include clearing, safe deposit locker, ATM, Demand Draft /Pay Order. In this study the service marketing of cooperative banks at Pudukkottai District by taking customers samples.

Keywords: Service quality, cooperative banks, service marketing and customer loyalty of cooperative banks

1. INTRODUCTION

The world economy nowadays is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as indicative of a country's economic progress. Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the main stay of the economy. This shift has also brought about a change in the definition of goods and services themselves. No longer are goods considered separate from services. Rather, services now increasingly represent an integral part of the product and this interconnectedness of goods and services is represented on a goods-services continuum.

A service is the action of doing something for someone or something. It is largely intangible (i.e. not material). You cannot touch it. You cannot see it. You cannot taste it. You cannot hear it. You cannot feel it. So a service context creates its own series of challenges for the marketing manager since he or she must communicate the benefits of a service by drawing parallels with imagery and

ideas that are more tangible. Search quality is the perception in the mind of the consumer of the quality of the product prior to purchase through making a series of searches. So this is simple in relation to a tangible product because you might look at size or colour for example. Therefore search quality relates more to products and services. The experience quality is easier to assess. In terms of service you need to taste the food or experience the service level. Therefore your experiences allow you to evaluate the level and nature of the service. You remember a great vacation because of the food or service, but by the same token you remember an awful vacation because of the hopeless food or poor service. Credence quality is based upon the credibility of the service that you undertake. This is down to the reputation of a dentist or of a decorator. Credence is used where you have little knowledge of the topic and where you rely upon the professionalism of the expert.

CO-OPERATIVE MARKETING SERVICES IN INDIA

The Co- operative is an important tool of economic development in rural India, when it comes to cooperative marketing in India, it gives an idea of collective efforts to achieve specific objective to carry out marketing strategy for agricultural products. The cooperative marketing arises due to the prevalence of many defects in the private and open marketing system. This concept was first introduced in the European countries. It is defined as form of organization, where in person voluntarily associate together as human beings, on the basis of equality for the promotion if economic interests of themselves.

CO-OPERATIVE MARKETING SERVICES IN TAMIL NADU

Tamil Nadu has the privilege of being pioneer in co-operative movement in the country. Co-operatives have been playing a vital role in the economic upliftment of the people, particularly the weaker sections in rural areas during the last hundred decades and more. The different types of co-operatives in the state serve the people in the diverse economic activities. Its growth in Tamil Nadu has been so spectacular that at present, there is particularly no major sphere of economic activity of the people which has not been touched by it. Upto 1955, all types of co-operative societies in the State were under the administrative control of the Registrar of Co- operative Societies. Since 1956-57, certain types and functions of societies were transferred to the control of other Departments and statutory Boards from time to time, conferring on the Heads of these departments or Boards, as the case may be, the powers that of the Registrar. There are now fourteen such Functional Registrars, besides the Registrar of Co-operative Societies. The developmental activities covered by the co-operatives under the control of the Registrar of Co-operative Societies relate to credit for Agricultural Production & Development, Urban credit, Marketing and processing of agricultural produce, Distribution of agricultural inputs and supply of consumer good particularly essential commodities through Consumer cooperatives and implementation of Public Distribution System in the entire State and Co-operative Education, Technical Education and Training and Propaganda / Publicity.

IMPORTANCE AND NEED OF THE STUDY

The Cooperative banks serve an important role in the Indian economy, especially in rural areas. In urban areas, they mainly serve to small industry and self-employed workers. There is a fundamental change in the government policy to provide, and support by the cooperative banks' is increased among the banking consumers. This change has shown the way of cooperative banks,

and the social status to provide marketing in services has emerged, which speaks for the growing market for sustainable and socially responsible products and services. This study has undertaken the objective of offering suitable solutions to solve the problem of cooperative consumers. This is the main reason behind the researcher for choosing the research topic as marketing in services by Co-operative banks in Pudukkottai District.

2. STATEMENT OF THE PROBLEM

Services marketing are an organizational function and a set of processes for creating communication and delivering value for the consumer and for managing customer relationships in such a way, which benefits the organization. In all types of organizations like manufacturing, service, profit, and non-profit marketing plays a vital role. There are severe changes in the business world concerning the task towards the marketing in services by cooperative banks. Cooperative banks are a part and tract of overall corporate strategy, along with manipulating the traditional marketing mix (product, price, promotion, and place), it requires an understanding of the public policy process.

On the other hand, there is growing interest among consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, Cooperative banks have emerged, which speaks for a growing market for sustainable and socially responsible products and services. To know the cooperative banks marketing practices and its impact in Pudukkottai District

3. SCOPE OF THE STUDY

This study focuses on marketing services in co-operative banks in Pudukkottai District and its impact among the alternative credit source, cheap rural credit, productive borrowing, encouragement to saving and investment, improvement in farming methods.

4. OBJECTIVES OF THE STUDY

- To Study the personal and demographic profile of the Customers' in the study area.
- To analyse the association between personal and demographic profile of the customers' and their Satisfaction with the overall performance

5. HYPOTHESIS OF THE STUDY

- There is relationship between performance of cooperative banking and demographic variables.
- There is no relationship between performance of cooperative banking and demographic variables

6. METHODOLOGY OF THE STUDY

This study is based on marketing services in co-operative banks and their impact on the satisfaction and performance of co-operative banks, both in analytical and descriptive nature. It depends upon both primary and secondary data. The methodology is the explanation segment that governs the outcome of the research. It encompasses and directs the researcher to research a systematic process

that ensures and facilitates the truthfulness of the consequences. It deals with the data collected for the study, sources of data, sampling plan of the population of the study, location of the research, instrument used to collect data, method of collecting data, analysis and interpretation of the collected data with different statistical tools in order to find out the strength of the collected data and limitations of the study for the purpose of collecting primary data.

7. LIMITATIONS OF THE STUDY

Every researched study suffers from errors and limitations. Some of these are inherent in the research design, while some others become part of the survey during various stages of operation. The present study is only confined with co-operative banks in Pudukkottai District of Tamil Nadu. Hence, the findings of the review cannot be generalized in any other district, state, or country. The data gathering instrument is another source of error. The interview schedules are used for this study, despite pre-tested does remain a source of error. Moreover, the translation of the questions in Tamil could create response errors, especially ambiguity, in understanding the subject as well as the answer.

RELIABILITY TEST

The following table depicts the test of reliability, which has been used to test the various dimensions of the performance of banks

RELIABILITY STATISTICS

SL. NO	CUSTOMERS OPINION	NO. OF ITEMS	ALPHA	PERCENTAGE
1	Availing Bank Services	8	0.923	92.3
2	Amenities and Services	9	0.891	89.1
3	Opinion about Location and timing of banking services	7	0.882	88.2
4	Cost of Services and others	7	0.916	91.6
5	Grievances Handling	7	0.893	89.3

Source: Generated by SPSS

TABLE NO 1

Under Availing Bank Services, eight variables, i.e. bank check book, safety locker, automatic teller machine, debit card, demand draft, overdraft and evening counter services, were checked with reliability review, resulting in a highly preferable 92.3 percentage. Nine determinants such as furniture and supply, bank interior decoration, counter design, used software, forms used, consistency in passbook entries, timely issue of check books and methods of customer service were checked in Amenities and Services. The 89.1 percentage of the reliability measure is highly preferable. Under Opinion on Location and Timing of Bank Services, the consistency of reasonable business hours, required evening counters, located at an accessible location, accessibility, data accuracy and preserving valid confidentiality are checked. This results in 88.2 percentage points, which is also very preferred.

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The demographic profile of the respondents helps to on marketing services in co-operative banks in Pudukkottai District and its impact among the alternative credit source, cheap rural credit, productive borrowing, encouragement to saving and investment, improvement in farming methods of co-operative banks. To improve their marketing strategies by understanding issues such as the psychology of co-operative banks think about service. Percentage analysis was used to understand the segment of respondents in this study as well for analysing the effectiveness of marketing services and problems faced by the customers and to know the different techniques used in marketing services in co-operative banking customers.

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

	PROFILE	FREQUENCY	PERCENTAGE
Gender	Male	99	66.0
	Female	51	34.0
Occupation	Self	61	40.7
	Professional	29	19.3
	Business	19	12.7
	Employed	41	27.3
Age	Below 30 years	112	74.7
	Above 30 years	38	25.3
Education	Graduation	40	26.7
	Post-Graduation	85	56.7
	Diploma	7	4.7
	Others	18	12.0
Family	Nuclear family	113	75.3
	Joint family	37	24.7
Total		150	100.0

TABLE NO 2

In this study, Out of 150 respondent, 66% were male and 34% were female. 74.7% was under the age group of below 30 years and 25.3% of respondent's falls under the age group of above 30 years. 56.7% have done their Post-Graduation, 26.7% of the respondents have done their graduation, whereas 7% of respondents have done their diploma and the remaining 12% falls under other category. 66.7% of them belong to nuclear family and the other 33.3% as joint family. 40.7% of the respondents are students, 19.3% of the respondents are professionals, whereas 12.7% of the respondents are engaged in business and in service sector and the rest 27.3% of the respondents are employed. 45.3% of the respondents fall under the income group of Rs.1,00,000 to Rs.2,00,000, 21.3% of respondents fall under the income group of Rs.2,00,000 to 3,00,000, 14.7% of respondents fall under the income group of Rs.5,00,000 and above. Whereas, 10.7% of respondents fall under the income group of Rs.3, 00,000 to 4, 00,000 and 8% of respondents fall under income group of Rs.4, 00,000 to 5, 00,000. Demographic profile are used to frequently to cooperative banking customers, as well as understand the market segment of consumers helps the marker to know about the target group helps to achieve highest position in the competitive marketing scenario (Kotler,2010). The study also examined the association between perception of the consumers towards cooperative banking respect to gender and age. It is identified that there is no significant association between gender and age

with respect to consumer satisfaction and perception towards cooperative banking in Pudukkottai

CUSTOMER SATISFACTION WITH OVERALL PERFORMANCE OF TOWARDS COOPERATIVE BANKING IN PUDUKKOTTAI

PARTICULARS		FREQUENCY	PERCENTAGE
Consumer sharing	Yes	135	90.0
	No	15	10.0
Series	Maintain Complaint box	38	25.3
	Hearing and Grievances	83	55.3
	Disposing Grievances	10	6.7
	Attitude of official	10	6.7
	General behavior of staff	9	6.0
Types of card	Cash purchase	99	66.0
	Credit card	6	4.0
	Debit Card	9	6.0
	Savings scheme	14	9.3
	All of the above	7	4.7
visit to banks	Daily	97	64.7
	Weekly	36	24.0
	Monthly	4	2.7
	Occasionally	13	8.7
Total		150	100.0

TABLE NO 3

In this study, out of 150 respondents, 90% of Respondents share those consumers towards cooperate banks to media advertisements, farmers, working employees, etc., and rest 10% of the respondent does not share the campaign; 55.3% of respondents gives more importance for the success of services marketing through visit to banks, followed by Maintain Complaint box (25.3%), Disposing Grievances (6.7%), Attitude of official (6.7%) and 6% of respondent come to know by General behaviour of staff 66% of consumers share mode of payments these store purchasing with their cash purchase and they are the most popular saving scheme and 9.3% of respondent with their debit card, 6% of consumers with their all of the above, 4.7 % with bloggers and 4% with their credit card. 64.7% of the respondents access social networking sites daily, whereas 24% of people access weekly, while 8.7% of respondents visit vary rarely and remaining 2.7% of respondents access only monthly once. Therefore it is accomplished that go viral means spreading the word of mouth by using internet and it is effective tool in promoting store retailer through social networking site as well it is considered as easy way of reaching the community.

AWARENESS ABOUT THE ANCILLARY SERVICES OF COOPERATIVE BANKS

The ancillary services of co-operative banking customer are one of the most powerful service practices for service sector. The science behind store co-operative banking is the key factors that drive growth in marketing i.e. Cheque book facilities, Demand Draft (DD) facilities, Collecting

banking services, Paying banking services, Provision of financial guarantee, Provision of safety-vault facilities, easy to reject and disruptive. The above attributes are gathered with previous studies. Ranking the ancillary services of helps to identify the attribute which influencing more in the mind-set of consumer.

RANKING ATTRIBUTES OF CO-OPERATIVE BANKING CUSTOMERS

ATTRIBUTES	WEIGHTED AVERAGE MEAN	RANK
Cheque book facilities	3.73	2
Demand Draft (DD) facilities	3.28	6
Collecting banking services	3.75	1
Paying banking services	3.71	3
Provision of safety-vault facilities	3.47	5
Provision of financial guarantee	3.55	4

TABLE NO 4

The most important positive attribute of an preferred to co-operative banking customers is being Collecting banking services (3.75), while the second most popular reason for Cheque book facilities (3.73), it is been followed by Paying banking services (3.71), Provision of financial guarantee (3.55), Demand Draft (DD) facilities (3.47), Travellers cheque (3.34),) are most important consumer perception which are considered while spreading marketing messages and negative attributes towards ancillary services of co-operative banking.

DISCRIMINANT ANALYSIS VALIDATION OF CLUSTER RESULTS

In this study, the discriminant analysis was carried out for 2 cluster groups according to their perception level and it resulted in 1 discriminant functions and consequently 1 Eigen values.

DISCRIMINANT ANALYSIS VALIDATION OF CLUSTER RESULTS

DIMENSIONS	N-63	N-87	N-150	WILKS' LAMBDA	F VALUE	P VALUE
Cheque book facilities	17.11 (1.833)	15.64 (2.199)	16.26 (2.172)	.888	18.657	.000
Demand Draft (DD) facilities	25.22 (2.524)	19.78 (2.838)	22.07 (3.816)	.501	147.164	.000
Collecting banking services	12.37 (1.903)	10.79 (1.862)	11.45 (2.029)	.853	25.558	.000
Paying banking services	12.48 (3.482)	11.49 (3.827)	11.91 (3.706)	.983	2.592	.110
Provision of safety-vault facilities	15.94 (2.055)	11.79 (2.602)	13.53 (3.142)	.574	110.000	.000
Provision of financial guarantee	16.38 (1.689)	14.07 (2.662)	15.04 (2.567)	.801	36.756	.000

TABLE NO 5

From the above table consumers are clustered into 2 groups with 6 attributes according to their perception of the consumers towards cooperative banking. They are internally homogeneous and externally heterogeneous. In order to determine the variables which significantly contribute to the differentiation of groups, F-test for Wilks's Lambda was used for discriminating variables. F-test value shows that Cheque book facilities, Demand Draft (DD) facilities, Provision of safety-vault facilities, Collecting banking services, Paying banking services, Provision of safety-vault facilities, Provision of financial guarantee, (significant smaller than 0.05) are significantly discriminate towards consumers towards cooperative banking. Whereas only irritating was not a significant (significant value is more than 0.05) discriminating attribute to the respondents. The mean scores for attributes that encourage the groups for cooperative banking services. Through co-operative banking customers were: Cheque book facilities =16.26 (SD= 2.172), Demand Draft (DD) facilities = 22.07 (SD= 3.816), Collecting banking services = 11.45 (SD = 2.029), Paying banking services = 11.91 (SD= 3.706), Provision of safety-vault facilities = 13.53 (SD= 3.142)

EIGENVALUES

FUNCTION	EIGENVALUE	% OF VARIANCE	CUMULATIVE %	CANONICAL CORRELATION
1	1.855 ^a	100.0	100.0	.806

a. First 1 canonical discriminant functions were used in the analysis

The highest eigenvalue (1.855) corresponds to the discriminant function, which shows that it has the strongest power of discrimination of the function and the canonical correlation is a correlation between the discriminant scores and the levels of the dependent variable. The present correlation of 0.806 is extremely high.

WILKS' LAMBDA

TEST OF FUNCTION(S)	WILKS' LAMBDA	CHI-SQUARE	DF	SIG.
1	.350	152.099	6	.000

It's clear that calculated lambda value is $.350 < 0.5$ which indicates the stronger power of discriminant function and the calculated chi-square value is 152.09 and it is significant at the level of significance .000 at the degrees of freedom 6. In chi-square analysis if the significant value is less than 0.05 then reject the null hypothesis and accept the alternate hypothesis. In the above obtained result, since the significance value is less than 0.05 the null hypothesis is rejected and alternate hypothesis is accepted and it is concluded that the perception of respondents on consumers towards cooperative banking sectors does significantly vary according to their discriminant variables.

8. SUGGESTIONS

Even though majority of the total respondents were satisfied with the overall performance, the banker has to adhere uniformity while servicing; without any discrimination. Co-operative Banks in Pudukkottai District has to take necessary steps to increase the satisfaction level of their customers while using debit card and overdraft facilities. In location and timing of services, banker has to concentrate on business hours and necessary counters. Co-operative Bank has to issue of cheque book on time to satisfy their customers. Satisfaction with Performance of Banks: In Pudukkottai

District, Co Operative Banks has to take necessary steps to improve the technology and forms used by them. Co – Operative Bank has to minimise the time for withdrawal and remittance. Necessary information and facilities has to be providing to their customers with utmost care. Co Operative Banks in Pudukkottai District has to maintain necessary complaint boxes and has to take necessary steps to improve the behaviour and operating skills of their employees by giving required training and counselling. Location wise employees' opinion on the services provided: In Pudukkottai District, even though that Co – Operative Banks not at all providing their services based on Branch location, they have to provide various services to their customers and to take necessary steps to liberalise the procedures for lending loans. Branches have to be open nearer to their customers for providing better services to them. Co – Operative Banks has to make easier their formalities for improving their services. In Pudukkottai District Co Operative Banks has to update their technologies to reduce the waiting time of their customers, as a result it helps to provide speedy service and to minimise the crowd.

9. CONCLUSION

The study mainly focused on services marketing in co-operative banks with special reference to pudukkottai district. The significance of services marketing in co-operative banks evident from the fact that on many auspicious occasions services marketing in co-operative banks a part of life co-operative banks has not only been considered for the purpose of adoration, but also as a security in times of contingency. Cooperative banks have not made systematic acting efforts to squeeze out the rural business. Now-a-days banks are facing stiff competition from other banking and non-banking financial intermediaries. Flexibility in evolving an appropriate marketing strategy is essential for the survival and growth of cooperatives. For which, knowledge about needs, wants, aspirations, attitude, opinions, preferences and problems of the customers are needed to enable the bank and the policy-makers to frame suitable marketing strategies for banks.

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