

# **A Study on Customer Attitude Towards Banking Services in Tiruchirappalli**

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## **ABSTRACT**

Before a person starts practicing medicine and surgery, he has to acquire sufficient knowledge about the structure of the body, the functions of different organs, the inter-relationship among different body organs. Similarly, a person can hope to understand and tackle problems of business properly only if he has some knowledge of the business world. Banks are now functioning in a highly competitive environment. Several branches of different banks compete with each other in the same business or residential area. If the customer is not satisfied with the services rendered or the behaviour of banks employees, they are at liberty to switch over their banking transactions to another bank. The bank who loses the customer, loses the business from the customer.

**KEY WORDS:** Banks, Customer, Government, Education, Communication.

## **INTRODUCTION**

Human life is built around work. Whether one likes it or hates it, work is an essential part of life. Numerous and varied are the activities that a man undertake during his life time and long indeed is the list of the roles that he has to play in the theatre of life. The essence of banking business lies in the two essential functions namely accepting of deposits and lending the same. The range of services rendered differs from bank to bank, depending mainly on the size and type of banks. A Customer is one who has an account with a banker or for whom a banker habitually undertakes to act as such. Banker must fulfill his obligations to the customers and exert his rights. Also a banker must pay attention towards developing and maintaining good relationship with the customers. It is very essential for a service organization like a bank to have totally satisfied and contented cliental for its long lasting success. While undertaking various financial transactions and rendering various services the banking personnel come into contact with numerous persons belonging to different strata of society and having diversified needs, tempers, mood, preferences and so on. While dealing with customer bank personnel must be extra cautious, careful and courteous, as inter personal relationship is very important in a banking organization.

## **OBJECTIVES OF THE STUDY**

Present study was made with the following objectives.

1. To give the importance of banking sector.
2. To analyze the socio-economic profile of respondents.
3. To know how the demographic factors of depositors are influencing the level of attitude.

**NEED FOR THE STUDY**

It is observed that customers are more reliable and attached with a particular type of services. So it becomes significant to study the motivational factors that compel them for selecting the services. A study on “Customer attitude towards services of banking sector” assumes a greater significance in the formulation of policies for the development of services of banks which ultimately leads to the economic development of a nation.

**METHODOLOGY**

This study was based on primary data obtained through a questionnaire. The first part of the questionnaire deals with the socio-economic background of customers relating to age, educational qualification, income etc. The second part of the questionnaire deals with the statements relating to customers attitude for the study. The samples were selected from individual customers of Trichy. The primary data obtained from the questionnaire was analysed by using the Percentage analysis, Kruskal-Wallis test and Mann-Whitney test and Garrett Ranking Technique. The analysis was performed using SPSS package. Further, the secondary data had been obtained from various internet websites, journals and other published sources.

**SAMPLING**

A sample design is a definite plan for obtaining a sample from a given population, as the researcher cannot be able to collect data from all the customers. As the population size is infinite, 500 customers are selected as respondents in Tiruchirappalli i.e., sample among the population using convenience sampling. Out of 500 questionnaires, 13 questionnaires were rejected due to incomplete data.

**FACTORS INFLUENCING THE LEVEL OF ATTITUDE OF RESPONDENTS****AGE**

Age plays a vital role in the attitude of the respondents towards banking services and growth. Since most of the benefits like educational loans, stipends and fee collection, subsidies and pension payment and salary credits are done through banks, respondents were need to state their age. Hence the respondents are asked to state their age and the data are compiled and shown in table 1.

**TABLE NO. 1**  
**AGE WISE CLASSIFICATION OF THE RESPONDENTS**

<b>AGE</b>	<b>FREQUENCY</b>	<b>PERCENT</b>
15-30	68	14.0
30-45	202	41.5
45-60	158	32.4
Above 60	59	12.1
Total	487	100.0

**Source :** Primary data

Table 1 shows that 41.5 percent respondents are between the age group of 30-45 years, 32.4 percent respondents are between the age group of 45-60 years and 12.1 percent respondents are above 60 years.

The relationship between age of the respondents and their level of attitude is presented in table 2  
Null hypothesis : There is no significant relationship between the age of Respondents and their attitude towards service of banks.

**TABLE NO. 2  
AGE AND ATTITUDE TOWARDS BANKING SERVICES**

AGE		N	MEAN RANK	CHI – SQUARE VALUE	‘P’ VALUE	SIGNIFICANT / NOT SIGNIFICANT
Total Score – Attitude towards services of Banks	15-30	68	226.99	42.272	0.000	Significant
	30-45	202	209.66			
	45-60	158	303.01			
	>60	59	223.17			
	Total	487				

From table 2, it is obvious that the respondents in the age group of 45-60 with highest mean rank of 303.01 having positive attitude towards services of bank. The test result shows that since significance level(p=0.001) is less than the table value 0.05, the null hypothesis is rejected and it is concluded that there is significant relationship between the age group and the level of attitude of the sample respondents towards service of banks.

**PLACE OF RESIDENCE**

The people can make decisions according to their living environment. Mostly, people living in rural areas have less knowledge about the modern services available in banks. But the people who are living in semi urban and urban areas have awareness about the modern techniques. The residence wise classification of sample respondents is given in table 3.

**TABLE NO. 3  
RESIDENCE WISE CLASSIFICATION OF THE RESPONDENTS**

PLACE OF RESIDENCE	FREQUENCY	PERCENT
Rural	220	45.2
Semi – Urban	136	27.9
Urban	131	26.9
Total	487	100.0

**Source:** Primary Data

Table 3 depicts that 45.2 percent respondents are living in rural areas ,27.9 percent respondents are living in semi-urban areas and 26.9 percent respondents are living in urban areas.

The relationship between place of residence of the respondents and their level of attitude is presented in table 4  
Null hypothesis: There is no significant relationship between place of Residence and their attitude

**TABLE NO. 4**  
**PLACE OF RESIDENCE AND ATTITUDE TOWARDS BANKING SERVICES**

PLACE OF RESIDENCE	N	N	MEAN RANK	CHI – SQUARE VALUE	‘P’ VALUE	SIGNIFICANT / NOT SIGNIFICANT
Total Score – Attitude towards services of Banks	Rural	131	218.53	12.349	0.002	Significant
	Semi-urban	136	229.33			
	Urban	220	268.24			
	Total	487				

It is known from table 4 that the respondents living in urban areas with highest mean rank of 268.24 are having positive attitude towards services of banks. The test result shows that since significance level (P=0.001) is less than the table value 0.05, the null hypothesis is rejected and it is concluded that there is significant relationship between place of residence of the respondent and their attitude towards services of banks.

**EDUCATIONAL QUALIFICATION**

Education gives a person good knowledge and wisdom. It is an important criteria which determines an individual’s status in the society. It also determines an individual’s occupation and the standard of living. Though the scale of education varies like high education and basic education, education offers a person ample scope to become knowledgeable. Hence level of education of the sample respondents are given in table 5

**TABLE NO. 5**  
**EDUCATIONAL QUALIFICATION OF THE RESPONDENTS**

EDUCATIONAL QUALIFICATION	FREQUENCY	PERCENT
Illiterate	20	4.1
School Education	154	31.6
Under Graduation	162	33.3
Post Graduation	121	24.8
Others	30	6.2
Total	487	100.00

**Source:** Primary Data

It can be seen from table 5 that 33.3 percent respondents have completed under graduation, 31.6 percent respondents have completed school education, 24.8 percent respondents have completed post graduation and 4.1 percent respondents are illiterate. The relationship between educational qualification of the respondents and their level of attitude is presented in table 6

Null hypothesis: There is no significant relationship between Educational qualification and attitude of respondents

**TABLE NO. 6**  
**EDUCATIONAL QUALIFICATION AND ATTITUDE TOWARDS BANKING SERVICES**

EDUCATIONAL QUALIFICATION	N	MEAN RANK	CHI – SQUARE VALUE	‘P’ VALUE	SIGNIFICANT / NOT SIGNIFICANT
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Total Score – Attitude towards services of Banks	Illiterate	20	203.75	27.383	0	Significant
	School Education	121	254.98			
	UG	162	208.43			
	PG	154	284.6			
	Others	30	210.22			
	Total	487				

Table 6 shows that the respondents completed Post Graduate with highest mean rank of 284.6 are having Positive Attitude towards services of banks. The test result shows that since significance level (P=0.001) is less than the table value 0.05, the null hypothesis is rejected and it is concluded that there is significant relationship between the educational qualification of the respondents and the attitude.

**OCCUPATION**

A person’s education is related to the educational level, opportunity and the traditional knowledge. These factors determine the type of job one employed with. Though the services are made with common goal, the scale of services is determined by the nature of the occupation. Hence an attempt is made to categorize the respondents according to their occupation in table – 7

**TABLE NO. 7  
OCCUPATION OF THE RESPONDENTS**

OCCUPATION	FREQUENCY	PERCENT
Agriculture	26	5.3
Business	73	15.0
Government Employee	171	35.1
Private Employee	55	11.3
Pensioner	37	7.6
Professionals	29	6.0
House wife	47	9.7
Others	49	10.1
	487	100.00

**Source:** Primary Data

It is clear from table 7 that 35.1 percent respondents are government employees, 15 percent respondents are doing business, 11.3 percent respondents are private employees and 5.3 percent respondents are engaged in Agriculture. The relationship between occupation of the respondents and their level of attitude is presented in table 8.

Null hypothesis: There is no significant relationship between Occupation and attitude of the respondents.

**TABLE NO. 8  
OCCUPATION AND ATTITUDE TOWARDS BANKING SERVICES**

OCCUPATION	N	MEAN RANK	CHI – SQUARE VALUE	‘P’ VALUE	SIGNIFICANT / NOT SIGNIFICANT
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Total Score - Attitude towards Banking Services	Agriculture	26	254.9	55.68	0	Significant
	Business	73	222.05			
	Government Employee	171	292.67			
	Private Employee	55	278.92			
	Pensioner	37	220.97			
	Others	49	191.57			
	Professionals	29	144.28			
	Housewife	47	188.46			
	Total	487				

It can be seen from table 8 that respondents working in government with highest mean rank of 292.67 are having positive attitude. The test result that, since significance level (P=0.001) is less than the table value 0.05, the null hypothesis is rejected and it is concluded that there is significant relationship between the occupation of the respondents and their attitude.

**GENDER**

In our society, male plays a natural role of a family head. It is widely seen that the male is the main earning member in the family. The status of being the family head, main earning member of the family and also he is the person who fulfills the financial needs of the family. The Gender – wise classification of sample respondents is given in table 9

**TABLE 9  
GENDER – WISE CLASSIFICATION**

GENDER	FREQUENCY	PERCENT
Male	274	56.3
Female	213	43.7
Total	487	100.00

Source: Primary Data

From table 9, it is clear that 56.3 percent respondents are male and 43.7 percent respondents are female.

The relationship between Gender wise classification of the respondents and their level of attitude is presented in table 10

Null hypothesis: There is no significant relationship between Gender of the respondents and their attitude.

**TABLE NO. 10  
GENDER AND ATTITUDE TOWARDS BANKING SERVICES**

	GENDER	N	MEAN RANK	SUM OF RANKS
Total score – Attitude towards Banking Services	Male	274	227.93	62452.5
	Female	213	264.67	56375.5
	Total	487		

Mann – Whitney U	-	24777.5
Wilcoxon W	-	62452.5
Z	-	-2.864
Asymp. Sig (2 tailed) -		0.004

Table 10 presents that the female respondents with the mean rank of 264.67 have positive attitude. The test result exhibits that, with the z value – 2.864 (outside the specified bounds – 1.96 and +1.96) and significance level of 0.004, there is significant difference in the attitude.

**PREFERRED FUTURE CHANGES NEEDED FOR BANKING SECTOR**

Today, the expectation of modern customer is more. They not only need changes in design of banks but also in quality of service. It is the duty of the banking sector to improve the quality of service. The changes needed by the sample respondents are analysed with the help of Garrett’s Ranking Technique and it has given in table 11

**TABLE NO. 11  
GARRETT’S RANKING ON PREFERRED FUTURE CHANGES IN BANKS**

SL.NO.	ITEM	RANK	PERCENTAGE POSITION	GARRETT RANK SCORES	GARRETT MEAN SCORE	GARRETT RANK
1.	Schemes	1	15.83	70	47.8	2
2.	Services	2	32.50	59	46.03	3
3.	Employees approach	3	49.17	50	38.64	5
4.	Infrastructure inconvenience	4	65.83	42	42.28	4
5.	Benefits	5	82.50	32	48.15	1
6.	Others	6	99.17	7	37.09	6

**Source:** Primary Data

It is evident from table 11 that changes needed for benefits provided by the banks occupied the first rank. The second and third ranks are changes needed in schemes and services provided by the banks. Changes required for infrastructure got fourth rank. Changes needed in employees approach occupied fifth rank.

**SUGGESTION**

- Banks should motivate the customer to utilize all services. They have to provide all services without any service charges to the people.
- The banks should make more awareness about the modern online payment services to avoid frauds and hijacking.
- The Government should take strict actions against cyber crimes like phishing, web hijacking and e-mail spamming by implementing amendments in cyber law.

- The Communication should be increased and more personalized service should be given to investors to earn trust and long run relationship.
- One should able to invest in secured and risk-free investments rather than high risk, highly profitable investments.
  
- Banks need to hire employees with both care and specialist skills.
- Sustained Government support and a careful re-evaluation of existing business strategies can help the Indian Banks achieve strong growth.
- Procedures must be simple and clear to attract more customers.

## **CONCLUSION**

Today banks have to equip themselves by improving their service to satisfy the customers. In the light of changing environment they have to constantly upgrade their knowledge of the internal and external environment to understand the customer relationship correctly. The banks has also felt the need of the customer renewed expectations and have underscored their vision as “Bank Services will be the Customer’s” first choice. If the Customers are happy and satisfied with the banks functioning, they will find no opportunity to lodge complaints with higher authorities or take legal recourse against the bank. It will save time, money and inconvenience for the bank officials, which they can devote to other fruitful purposes.

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