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As per the regulations of the Madurai Kamaraj University, Madurai **Mrs.P.UmaShanthi**, (Reg No. F9545), as a Full-Time Research Scholar, Commerce Research Centre, V.H.N.Senthikumara Nadar College, (Autonomous), Virudhunagar, will present her viva-voce through Video Conferencing mode using Google Platform.

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A copy of the thesis is available in the Department of Commerce, V.H.N.S.N.College (Autonomous), Virudhunagar for your reference. Faculty members, Research Scholars and Students are welcome to attend the Viva-Voce through Google Meet.

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CUSTOMER PERCEPTION TOWARDS CORE BANKING SERVICES IN VIRUDHUNAGAR DISTRICT

SYNOPSIS SUBMITTED TO MADURAI KAMARAJ UNIVERSITY IN PARTIAL
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INTRODUCTION

“A customer is the most important visitor on our premises.

He is not dependent on us. We are dependent on him”.

Mahatma Gandhi

Customer satisfaction is a mental state which results from the customer's comparison of expectations prior to a purchase with performance perceptions after a purchase. The characteristics of service also make it unique and different from goods such as Intangibility, Heterogeneity, Inseparability, Perishability, Non-returnable and Needs-match uncertainty, Interpersonal, Personal and Psychic etc.

Customer satisfaction is very difficult as well as quite complex issue and there is a lot of debate and confusion about what exactly is required and how to go about it. An attempt has been made to review the necessary requirements, and discuss the steps that need to be taken in order to measure and track customer satisfaction.

Perception is a process by which an individual selects, organizes and interprets stimuli in a meaningful picture of the world. Perception is the process of selecting, organizing and interpreting or attaching meaning to events happening in environment. The perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. Perception is one of the objects studied by the science of consumer behaviour. Analyzing the work of scientists studying the consumer behaviour, it is possible to make a conclusion that perception is presented as one of personal factors, determining consumer behaviour. Personal factors mean the closest environment of a human, including everything what is inside the person, his head and soul characterizing him as a personality. Using his sensory receptors and

being influenced by external factors, the person receives information, accepts and adapts it, forms his personal attitude, aptitude, opinion, and motive which can be defined as factors that will influence his further activity and behaviour.

CUSTOMER PERCEPTION

Customer Perception consists of impression, awareness and/or consciousness about a product or a service. Perception is one of the objects studied by the science of consumer behaviour and is presented as one of personal factors, which mean the closest environment of a human, including everything what is inside the person, his head and soul, characterizing him as a personality. B. Dubois (2000) defines perception as a separate variable of consumer behaviour. The characteristics of service also make it unique and different from goods such as Intangibility, Heterogeneity, Inseparability, Perishability, Non-returnable, Needs-match uncertainty, Interpersonal, Personal, and Psychic etc.

STATEMENT OF THE PROBLEM

Today the banking industry has achieved more scope on the technology front than ever before. Earlier banks were just business enabler; information technology (IT) is now a business driver for the banking sector. With the help of information technology, banks have been able to implement Core Banking Service. Core Banking is automation of banks across multiple delivery channels. Under Core Banking, banks can achieve a centralized processing mechanism and in turn, provide an 'anytime anywhere' service to their customers. However, core banking applications have a set of challenges as well.

With increasing competition and changing market dynamics, banks have been forced to keep updated themselves for changing dynamics now and then. Besides these new regulations and compliance requirements, industry consolidation,

delivering cost-effective products and services, maintaining secure data platforms, meeting ever-increasing customer demands and other strategic issues, have made banking far more complicated than it used to be in the past. Therefore, to handle the increasing transaction volumes and do away with issues hanging around the current systems, banks require the right Core Banking in place.

Currently, out of the total expenses of the banks on information technology, about 75 per cent goes towards the maintenance of existing systems ensuring that the business of the bank goes through smoothly. As a result, a significant amount of expenditure involved in upgrading core banking architecture is not affordable for many banks. To gain a periphery over their competitors and for responding to customer demands effectively, banks are required to take balanced steps by replacing old systems with new platforms, without giving up on existing core banking modules which may still cater to changing needs.

While adopting core banking technology, banks have faced many problems like designing the structure of core banking, connectivity, the acceptability of core banking system by employees, overwork, less operational reliability, error in the transaction, traffic in the network and so on. There could be a breach of security, reluctance to change, the chance of data loss and lack of awareness among the customers. The challenges in the wake of core banking are formidable.

With the changing environment, banks have implemented core banking services such as mobile banking, ATM, RTGS, NEFT, ECS, Internet banking and others one after another. Due to the rapid change in technology and the entry of private and foreign banks, some new products and delivery channels have been introduced. Among the major initiatives, core banking services have brought the customers the much-demanded convenience. The advent of core banking services

offers banking firms a new frontier of opportunities and challenges. Despite these possibilities, there are various psychological and behavioural issues such as reluctance to change, trust in one's bank; security concerns, preference of human interference and the like impede the growth of core banking services. In this regard, the present study has been undertaken to analyse the perception of customers towards core banking services provided by the Banks in Virudhunagar District.

OBJECTIVES OF THE STUDY

- ✚ To analyze the Core banking services offered by commercial banks in Virudhunagar District
- ✚ To study the awareness of Core banking services by the customers in Virudhunagar District
- ✚ To explore the customer's perception towards the usage of Core banking services in Virudhunagar District
- ✚ To ascertain the problems faced by the customers in using Core banking services in Virudhunagar District.
- ✚ To offer suitable suggestions based on the research findings.

RESEARCH DESIGN AND METHODOLOGY

In view of considerable data – from survey research as well as secondary sources – collected and presented in this research report, 'descriptive research' is considered the most appropriate for the present study. Hence, the study has been descriptive and analytical. The research problem, the null hypothesis and interview schedule all have formulated and framed accordingly. The suggestions of the study emerge from the inferences drawn from the sample survey of Customer Perception towards Core Banking Services in Virudhunagar District.

PRIMARY DATA

The present study is an empirical one based on survey method. First-hand data collected from the fields through interview schedule and observation. Data relating to the Customer Perception towards Core Banking Services gathered through the interview schedule. The interview schedule was extensively pre-tested. The survey envisaged the application of cluster sampling. Some discussions held with knowledgeable persons for designing the interview schedule, stating the research problem and formulating the hypothesis.

SAMPLING DESIGN

People who have a bank account and used any one of the Core banking services provided by the commercial bank in the study area was considered as population. A sample unit is a person who has a bank account and uses any one of the Core banking services provided by the commercial bank in the study area. The sample size for the study was fixed as 450. There are eleven blocks in Virudhunagar District. The sample was drawn from all the eleven blocks by using Cluster sampling method.

The number of samples drawn for each block was presented in the below table.

Sl. No	Name of the Block	No. of Respondents
1	Rajapalayam	44
2	Sivakasi	54
3	Virudhunagar	58
4	Aruppukkottai	32
5	Sattur	46
6	Tiruchuli	40
7	Srivilliputtur	36
8	Kariapatti	29
9	Watrap	27
10	Vembakkotai	48
11	Narikudi	36
Total		450

CHAPTER SCHEME

The present study entitled "Customer perception towards Core Banking Services in Virudhunagar District" has organized under six chapters.

CHAPTER I – “INTRODUCTION AND DESIGN OF THE STUDY”, deals with the introduction of the study, development of banking sector, statement of the problem, the scope of the review, objectives of the study, research design, period of the study, limitations of the research and the chapter arrangement.

CHAPTER II – “REVIEW OF LITERATURE” presents the review of literature in various banking services.

CHAPTER III – “RECENT TRENDS IN CORE BANKING SERVICES”, is designed to analyze the growth and trends of core banking and core banking services offered by banks.

CHAPTER IV – “AWARENESS ABOUT CORE BANKING SERVICES” presents the profile of the respondents like gender, family income, educational qualification, occupation, marital status and awareness of core banking services.

CHAPTER V – “CUSTOMERS’ PERCEPTION TOWARDS CORE BANKING SERVICES”, discusses the perception of customers towards core banking services.

CHAPTER VI – “SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION”, highlights the research report to a logical conclusion. Further, it spells out the essential findings from the research. Moreover, it provides valuable suggestions for improving the core banking services.

SUGGESTIONS

Based on the findings of the study, the following suggestions are made for attracting the more customers towards core banking services and improvement in the core banking services.

1. To encourage core banking adoption, banks need to develop strategies that improve the customer's trust in the technology.
2. To build positive attitude towards core banking, banks may need to expose the benefits associated with the technology and provide opportunity for their customers to "test- drive" the technology.
3. The main security issue consists of the establishment of a secure channel to provide data confidentiality and data integrity of communication between a client and an authenticated bank. Security is all about risks and associated costs. Banks should ensure the security of their services.
4. Banks have the responsibility of providing quality core banking services as the customers are quality conscious. Designing a comprehensive and advanced technological core banking framework is also vital aspect for banks to consider due to the elements of competition. They must also provide easiest and fastest services with the right quality.
5. In the case of National Electronic Fund Transfer (NEFT), connectivity failure due to traffic congestion sometimes makes the operations incomplete this result in waste of time and in missing the chance of completing the transaction on time. This issue must be addressed very carefully using scientific and innovative measures; otherwise customers under this category may be discouraged from continuing such operations.
6. E-payment system requires some changes in order to increase the effectiveness in the functioning of E-payment. In retail payment system although there are multiple systems and options like ECS debit, ECS Credit, EFT & NEFT. But their contribution to overall payment system has not been

quite high. So initiative should be taken to increase the share of all the modes of payment system.

7. With the help of ATM, Internet banking and Mobile banking customers, may be provided with on options for opening Fixed Deposit, Recurring Deposit and Loan remittances, so that the customers need not visit the branch, and at the same time can earn more interest on the holding in savings bank accounts.
8. In case of technology related service, the banker should ensure privacy and transparency which is the main problem faced by the customers. This should be properly taken care by the banks.
9. The demographic factors namely age; gender, educational profile, marital status, occupation and annual income of the customers play a vital role in assessing the Banking services. It is recommended to Bank should understand the demographic profile of customers when designing the core banking strategy and refine accordingly.
10. Regional languages may also be incorporated to make use of the Core Banking Services more effectively by the customers.
11. Most of the respondents feel that the site doesn't work when one need to access their account in an emergency. This type of technical problems should be eradicated and the banks should overcome this problem in an effective manner.
12. To make the customer aware about various investment patterns, investment ideas bared on the account balance may be provided to the user when the customer logs into the site.

CONCLUSION

The success of a banking system without information technology and communication is not possible. It has enlarged the role of banking sector in the Indian economy. The financial transactions and payment can now be processed quickly and easily. The banks with the latest technology and techniques are more successful in the competitive market. With increasing competition and changing market conditions, banks have been forced to keep updated themselves for newer obstacles now and then.

Customers today are left with a multitude of offers, options and opportunities when choosing banking services. They are rapidly evolving in their use of banking services and technologies. Changing customer preferences and behaviours indicate need for introduction of new strategies and latest technologies to attract and maintain customers.

From the banker's point of view, the new regulations and compliance requirements, delivering cost-effective services, maintaining secure data platforms, meeting ever-increasing customer demands and other strategic issues are the major obstacles faced in disseminating the core banking services. The bankers also have other organizational and administrative barriers and technology dimension.

The heart of banking technology lies in the Core Banking Services (CBS). CBS helps banks to achieve a centralized processing mechanism and in turn provide an anytime anywhere service to their customers. Even though there are number of Core Banking Services, still there are number of problems encountered from the customers point of view. The persistent problems are lack of awareness in utilizing core banking services, safety and security issues, hacking of personal details like bank account number, pin, password and other cyber crimes issues.

The researcher's aim throughout the study has been to examine how far the customers are satisfied with the services under the core banking system. Realizing the importance of customer service, the banks have to rectify the above said issues in order to improve the service quality for the benefit of the customers to sharpen their focus at the customer's end. The important one is that customers are getting more and more critical of the service they receive. Many customers are not only desiring but craving for much better core banking services.