

“Customer’s perception and contentment on quality of the services offered by Cuddalore District Central Cooperative Bank”.

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Abstract

Cooperative is one of the ancient and operational systems in terms of the development of human civilisation. Cooperative institutions are controlled and managed on the principle of cooperation, self-help and conjoint help. There are different types of cooperative institutions running in India. A cooperative bank is a financial body which fit into its members, who are at the same while the owners and the customers of their bank. Cooperative banks were regularly created by persons residing at the same local or professional community or sharing a common concern. For the development of their performance or quality of service, the banks should measure how their products and services met or go beyond customers expectations. As the banking industry is going through remarkable competition, i.e. quality of service will help organisations to generate interest and inspire the customers to buy their goods and services. Organisations are making significant efforts to boost their service quality and have adopted a more specialised technique to address customers.

This paper attempts to study the customer perception and satisfaction of service quality offered by Cuddalore district central cooperative banks. Responses of 160 customers were randomly selected for knowing their experience with the bank. The analysis showed that the customers of this bank were highly satisfied with banking services, and they are strongly agreed that the quality of service offered by the bankers is too good.

Keywords: customers satisfaction, Banking services, Banking sector, Cooperative Bank.

Introduction:

The main objectives of co-operative bank are to provide short term and medium-term loan to its members for agricultural purposes, borrow funds from members or others to be utilized for loans to members, sell the agricultural products of the members like seed, manure, implements, cattle feed etc.. It helps the agriculturist for the production of new kind of seeds, Purchasing of seeds, fertilizers, pesticides, cattle feed and agricultural equipments and selling these among the members at reasonable rates or helping them to purchase through financial assistance, purchase moveable and immoveable properties for the working of the bank. It provides financial support in the form of purchase to the members for

purchasing household and other articles, encourage thrift, self-help mutual aid among the members, receiving deposits from the members for the purpose of issuing long term, medium-term and short term loans, provide facilities to the members for pricing green manure with in the area of operation.

The co-operative banks are small-sized entities which operate both in urban and rural. They finance small trade borrowers, industrial sectors borrowers also professional and salary classes. Co-operative banks also perform the essential banking functions of banking, but they differ from commercial banks in the following respects

Service Quality

Service quality is a judgemental issue relating to individuals perceived expectation of service and the actual service performance. Many definitions are applied to the concept of service quality. Phrases such as “meeting customer expectations” or providing customers what they want, when they want it and at an acceptable cost” are well – known explanations of the meaning of quality.

Customer satisfaction

Level of customer satisfaction will vary from person to person. As the banking industry is undergoing marvellous competition, i.e. Quality of service will help organisations to create interest and provoke customers to buy their goods and services. Organisations are making significant efforts to develop their service quality and have adopted a more specialised technique to address customers.

To establish a competitive position, banks must calculate and determine their level of service quality, if they are craving to keep their consumers intact and satisfy their needs by continuously upgrading and enlightening their services at regular intervals. Goodservice should fulfil the customers’ requirements, expectations and satisfaction. Customers play a vital role in the perception of effect on the quality of service delivered by the banks.

Service quality is necessary for the competitive strategy to hold customer base. Service quality plays a major role in getting customer satisfaction. Banks are trying hard to earn customer satisfaction by providing better quality services. For the improvement of their performance of service quality, banks should measure how their products and services meet or exceed customer expectation. Based on that the bank should improvise their quality service to the customers.

Statement of the problem

The banking industry is undergoing a rapid change, followed by a series of essential developments due to liberalisation and deregulation of trends. Quality is the crucial factor which leads to development banks. A lot of new services are improving the satisfaction of customers. Especially rural customers are entering into cooperative banks with a lot of expectation. Sometimes there may be a success or failure. So

this study is an attempt to understand the satisfaction and perception on quality of the service offered by Cuddalore District Central Cooperative Bank

Objectives of the study:

- To determine the major factors that are influencing the customers to opt this bank.
- To analyse the satisfaction level of customers and perception on quality of the services provided by the Cooperative Banks

Review of literature:

- **Merry Elizabeth John and Joby Joseph Thoomkuzhy (2018)** have analysed the satisfaction level of the customers who are availing services from the bank and analysing the services quality dimensions of the Pathanamthitta District Co-operative banks. It also aims at developing strategies to enhance the quality of services and also to suggest different ways of improving client comfort. There are many factors manipulating their satisfaction level. Since the people in the district are mainly settled in rural areas, this study becomes significant. Primary data were received from the customers of about six branches of the Pathanamthitta District Co-operative Bank, visiting their houses and the shops. The study concludes that the people under the low-income category are the leading service takers of the co-operative banks. Even though they are happy with the service rates, they are dissatisfied with the bank in updating them with the information on new services. From the suggestion of one of the staffs, it is clear that the legal limitations put forward by the Government have restricted the growth of the co-operative banks.
- **Anis Ali and L.S. Bisht (2018)** studied Customers' satisfaction in public and private sector banks in India. The findings showed that there is not much of a difference in the satisfaction level among the customers of the two banks with regard to the services rendered expect for the tangibles and the behavioural considerations of the employees of the public sector banks. The researcher from the findings suggested that proper training should be provided to the employees in public sector banks, and also that they should be equipped with latest technologies to avoid inconvenience and delay.
- **BabitaRatwani and Anis Ali (2017)** in their paper 'Customers' Satisfaction in Indian Banks: Problems and Solutions' observed that customers were satisfied with the banking services but not with regard to the responsiveness and individual attention given by the employees. Customers felt that they were discriminated on the bases of their profession. The researcher recommended that special training should be to change the attitude of the employees towards customers only then it is possible to retain the customers.
- **Ravi R.A. (2008)**, in his comparative study, indicates that there is a positive perception for both the sectors, but still the public sector banks must make a sensible effort to meet the customer needs and requirements in the awaken of competition and ever-increasing expectations of customers. The change in nature, structure and competition pressurise the public sector banks to change their attitude towards the market and market-related issues. It is significant that they concentrate on the customisation of products

which creates a positive user perception. This will be the only way to meet the challenge posed by private sector banks.

- **S. Reddy and R.C. Reddy (1994)** attempted to appraise the performance of District Central Co-operative Banks in Andhra Pradesh. Secondary data were used and the performance of the bank was verified with the help of selected indicators such as membership, share capital, branch expansion, deposits, borrowings, advances and recovery. It is found that the deposit potential of the area has not been fully exploited by the bank and for many years the target has not been achieved. Hence, there has been a considerable increase in external borrowings. Lending performance is also not satisfactory. The growth rate of the overdue is far higher than the loans outstanding.

Research Methodology:

This study is based on primary and secondary data. The primary data collected over a well-designed questionnaire prepared and directly administered to the respondents. Secondary data have been collected through published textbooks, journals, reports, published thesises and from online sources.

Research sampling:

In this study, the predetermined objectives have been focused; the relevant data have been collected through the structured questionnaire. The researcher has taken the sample size from the larger population, based on that, the researcher has selected the respondents by Convenience sampling method. The following analysis was applied in this study

- Anova
- T-test

Limitation of the study:

The present study is confined only to Cuddalore District. Further, the study is confined only to Cooperative banks, and hence the outcome cannot be generalised, and the study is restricted only to a specific period. The study may have some biased opinion as the respondents may have their own perception, interest, taste and like that is inevitable in the study, and also Satisfaction level may vary from person to person. The study of customers' satisfaction is static in nature; this may reveal some deviating results.

Data Analysis:

One-Sample Statistics of T-test							
	N	Mean	Std. Deviation	Std. Error Mean	T value	Sig. (2-tailed)	Ranking
1.	160	4.1272	.69443	.02751	40.966	.000	1
2.	160	3.8666	.74990	.02971	29.165	.000	3
3.	160	3.8226	.81549	.03231	25.459	.000	5
4.	160	3.5699	.99222	.03931	14.495	.000	7
5.	160	3.8524	.83941	.03326	25.631	.000	4
6.	160	3.5887	1.00646	.03988	14.763	.000	6
7.	160	3.9089	.84370	.03343	27.191	.000	2
8.	160	3.5353	1.01441	.04019	13.319	.000	8
9.	160	3.4349	1.14961	.04555	9.547	.000	9
10.	160	3.2763	1.18519	.04696	5.884	.000	10

From the above table it is found that mean values of 10 variables lie within the limit from 3.2763 to 4.1193. SD also ranges from 0.67866 to 1.18519 and T values also lie between 5.884 and 41.626. The rankings are also given for all the 10 variables that are considered for the analysis. It is further concluded that the customers of Cuddalore District Central Cooperative Bank are highly influenced by the advantage of the location of the bank. It is also identified that the customers of Cuddalore District Central Cooperative bank gives a very moderate agreement and least preference for customers support as the main factor influencing them to opt this bank. This result is analogous with the results derived

Influence of occupational on the factors of service quality offered by Cuddalore District Central Cooperative Bank.

H₀: there is no significant relationship between gender and the perception towards service quality offered by the Cuddalore district central Cooperative Bank.

The perceptual difference between 2 different gender's of customers over the perception towards service quality are presented in the following ANOVA table.

ANOVA						
Factors		Sum of Squares	df	Mean Square	F	Sig.
Reliability	Between Groups	.010	1	.010	.021	.886
	Within Groups	60.152	159	.473		
	Total	60.162	160			

Responsiveness	Between Groups	.710	1	.710	1.298	.255
	Within Groups	72.421	159	.547		
	Total	73.131	160			
Assurance	Between Groups	.333	1	.333	.781	.377
	Within Groups	52.842	159	.427		
	Total	53.175	160			
Empathy	Between Groups	.393	1	.393	.624	.430
	Within Groups	80.705	159	.629		
	Total	80.098	160			
Tangibility	Between Groups	.562	1	.562	1.161	.282
	Within Groups	70.470	159	.484		
	Total	71.032	160			
civility	Between Groups	.052	1	.052	.085	.771
	Within Groups	75.744	159	.612		
	Total	75.796	160			
Accessibility	Between Groups	.690	1	.690	2.276	.132
	Within Groups	40.480	159	.303		
	Total	41.170	160			
Security	Between Groups	.032	1	.032	.033	.857
	Within Groups	100.243	159	.978		
	Total	100.275	160			
Tech-savvy	Between Groups	.873	1	.873	2.126	.145
	Within Groups	40.685	159	.411		
	Total	41.557	160			

From the above analysis of variance table, it is found that all the variables are not statistically significant @5 % level. Therefore, it can be concluded that there is no significant relationship between the Cuddalore District Central Cooperative Bank customer's gender and their perception towards the reliability, responsiveness, assurance, empathy, tangibility, civility, accessibility, security, tech-savvy factors of the service quality.

Hence the null hypothesis accepted because p-value is greater than the significance level 0.05. So there is no significant relationship between the customers gender and their perception on quality of the service offered by the Cuddalore District Central Cooperative Bank.

Influence of Occupational status of customers on the satisfaction level for the service offered by the Cuddalore District Central Cooperative Bank.

H₀: There is no significant relationship between customers' occupational status and their perception towards service quality offered by Cuddalore District Central Cooperative Bank.

The perceptual difference among 4 different occupational status of customers over the satisfaction on service are presented in the following ANOVA table.

ANOVA						
Factors		Sum of Squares	df	Mean Square	F	Sig.
Preliminary Service Satisfaction	Between Groups	2.040	4	.510	1.276	.278
	Within Groups	41.400	156	.400		
	Total	43.440	160			
Processing Time Satisfaction	Between Groups	2.257	4	.564	.773	.543
	Within Groups	59.243	156	.730		
	Total	61.500	160			
Loan Repayment Satisfaction	Between Groups	3.423	4	.856	1.659	.158
	Within Groups	54.012	156	.516		
	Total	57.436	160			

E-Payment Service Satisfaction	Between Groups	2.314	4	.578	1.213	.304
	Within Groups	49.502	156	.477		
	Total	51.816	160			
Digital Products Satisfaction	Between Groups	1.194	4	.299	.760	.551
	Within Groups	46.561	156	.393		
	Total	47.755	160			
Procedural Formalities Satisfaction	Between Groups	1.919	4	.480	.929	.447
	Within Groups	54.459	156	.517		
	Total	56.378	160			
Exit Procedures Satisfaction	Between Groups	1.007	4	.252	.549	.699
	Within Groups	48.067	156	.458		
	Total	49.074	160			
Cost Satisfaction	Between Groups	3.000	4	.750	1.189	.315
	Within Groups	55.542	156	.631		
	Total	58.542	160			

From the above analysis of variance table, it is found that all the variables are not statistically significant @5 % level. Hence it can be concluded that there is no significant impact between the Cuddalore District Central Cooperative Bank customer's occupational status and their satisfaction level on banking service towards the preliminary service satisfaction, processing time satisfaction, loan repayment satisfaction, E-payment service satisfaction, digital products satisfaction, procedural formalities satisfaction, exit procedures satisfaction, cost satisfaction

Hence the null hypothesis accepted because p-value is greater than the significance level 0.05. Therefore, there is no significant relationship between the customer's occupational status and their perception on quality of the service offered by the Cuddalore District Central Cooperative Bank

Findings:

- From this study, 112 customers were male, 48 respondents were female in that 32 customers were agriculturist.
- The researcher found that majority of the respondents (79%) belongs to the age group between 36-54 years and 64% were married customers.
- The researcher found that likely 30% of the customers were earning from ₹30000 to 60000. About 11% of the customers were earning up to ₹30000. Nearly
- Customers most preferred mode of the transaction is a personal visit to the bank (67%), nearly 23% of the customers were making their transaction through ATM's.
- Based on the data about 83% of the customers was availed loan from the Cuddalore District Central Cooperative Bank
- Customers' main purpose of saving in this bank is for the provision of business expansion (44%) and the provision of children's education/ marriage (21%).
- Most of the customers were visiting the bank once in 15 days (67%).
- About 63% of the customers operating their account as a joint account, nearly 37% customers operating their account as single and either or survivor.
- The researcher found that 54% of the customers were opened an account for to avail credit facility from the bank. About 21% of the customers opened account for savings purpose etc..
- The researcher found that most of the customers were satisfied with the basic banking operations like deposits, withdrawals, cheque related operations etc. and also aware of various products and schemes.
- About 77% of the customers were happy with the loan procedures, the interest rate on loans and the time taken to sanction the loan amount.
- The data shows that the service charge is affordable for all banking services; even the low-income group people felt the same thing.
- The facilities that are provided by the bank were moderately satisfied among the respondents, like basic amenities and infrastructure facilities etc.
- Majority of the respondents (78%) were highly satisfied with the customer service support of the bank.
- The major factors that influenced the customers to choose this bank are based on the location advantage (37%) and the range of product and services (27%) and operational simplicity (10%).
- At last many customers were suggesting that they want awareness about the services and support by bankers to use mobile banking, some customers said that cashless facilities should be improved.

Suggestions:

- The bank should come up with new services and products like ATM (Automated Teller Machine), CDM (Cash Deposit Machine), Passbook Printers etc.

- Bankers should educate customers to make cashless transactions.
- Gradually the co-operative banks should adopt more modern technologies for facing competition and make their services more qualitative one
- Various awareness programs can also be conducted to make customers be aware of the bank's new services.
- The Cuddalore District Central Cooperative bank should adopt the modern methods of banking like internet banking, credit cards etc.
- The Cuddalore District Central Cooperative bank should plan for expansion of ATM'S and branches.

Conclusion:

The co-operative bank is playing a vibrant role in the Indian Banking System. It's playing an important role in providing credit to different sectors of the economy for various purposes. Co-operative banks form an integral part of banking system in India. These banks operate mainly for the benefit of rural areas, particularly the agricultural sector. We have conducted a study on customer perception and contentment on service quality measurements in Cuddalore District Central Co-operative Bank. On the result of analysis of the study, it is found that overall customers are satisfied with the banking services and they strongly agree with the service quality of the bank.

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