

A STUDY ON CUSTOMER SATISFACTION TOWARDS CANARA BANK ON BASIS OF DEMOGRAPHIC FACTORS IN COIMBATORE CITY

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ABSTRACT

The banking industry in India has a huge canvas of history, which covers the traditional banking Practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long drive. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same.

INTRODUCTION

The term bank is either derived from Old Italian word banca or from a French word banque both mean a Bench or money exchange table. In olden days, European money lenders or money changers used to display (show) coins of different countries in big heaps (quantity) on benches or tables for the purpose of lending or exchanging. A bank is a financial intermediary that creates credit by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial system and influence on national economies, banks are highly regulated in most countries.

Most nations have institutionalized a system known as fractional reserve banking under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to other regulations intended to ensure liquidity, banks are generally subject to minimum capital requirements based on an international set of capital standards, known as the Basel Accords. Banking in India in the modern sense originated in the last decades of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829-32; and the General Bank of India, established in 1786 but failed in 1791.

The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those which are included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalized banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refer to both scheduled and non-scheduled commercial banks which are regulated under the Banking Regulation Act, 1949.

Generally banking in India is fairly mature in terms of supply, product range and reach- even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development with facilities like microfinance.

SIGNIFICANCE OF THE STUDY

In the modern world the customer is the first and foremost important factor for all type of services as well as profit oriented institutions. Likewise the banker operation is mainly depends on the satisfactory level of the customers.

Now- a- days so many private and international banks are entered in the banking field and they rendering so many tremendous services to the customers. The private banks have motto “banks are nothing but Super markets” which means they are ready to provide any services for attracting the customers. In this critical situation, the nationalized banks have lot of problems to compete with the private sector banks. Therefore an in-depth study of the services provided by the CANARA BANK for their customers is undertaken.

STATEMENT OF THE PROBLEM

The Indian public sector banks are facing a tough competition with the entry of private and multinational banks. All the banks offering novel services to their customers like ATM card facility, Credit Card, Debit Card, Core Banking System, E-Banking, Mobile Banking, etc., at minimum cost to all type of customers.

Although so many services provided by the Canara Bank, it is interested to know

- What are the variables influencing the customers to make deposits in Canara Bank?
- What are the special services offered by the Canara Bank than others?
- What are the problems they faced while having operations with bank?

Even though so many banks are available in the banking sectors, the Canara bank offers some special schemes. In view of the above, the researcher considers the topic as pertinent to have account with Canara bank.

OBJECTIVES OF THE STUDY

- ❖ To study the factors influencing customer satisfaction
- ❖ To recognize the various facilities provided by Canara bank for welfare of customers
- ❖ To analyze the difficulties and problems faced by the customers
- ❖ To recommend remedial measures to overcome the problems faced by the customers
- ❖ To provide suitable suggestions based on the findings of the study

SCOPE OF THE STUDY

Though the main objective of this study is to analyze the problems faced by the customers of Canara bank, the scope of the study extends to the following related aspects viz., the socio- characteristics of the sample respondents, to know the various types of deposits schemes and loans provided by the bank, awareness of the customers regarding the various facilities, the factors influencing the customers.

PROFILE OF THE BANK

Canara Bank is an Indian state-owned bank headquartered in Bangalore, in Karnataka. It was established at Mangalore in 1906, making it one of the oldest banks in the country. The government nationalized the bank in 1969. As of March 2015, the bank had a network of 5705 branches and more than 9039 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, Dubai, and New York.

In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks. With an unbroken record of profits since its inception, Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of 'Good Banking' – Bank's Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As at September 2015, the Bank has further expanded its domestic presence, with 5727 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include 9132 ATMs, covering 4081 Centre's. Several IT initiatives were undertaken during the year. The Bank set up 147 hi-tech E-lounges in select branches with facilities like ATM, Cash Deposit Kiosk with voice guided system, Cheque Deposit Kiosk, Self Printing Passbook Kiosk, Internet Banking Terminal, Online Trading Terminal and Corporate Website Access. 'Canara e-Info book' – an electronic passbook and banking related information facility was introduced on mobile platforms - Android, Windows8 & iOS. The Bank also launched Canara Bank RuPay

Debit Card, Canara Club Card – Debit, Canara Secured Credit Card, Canara Elite Debit Card, Canara Bank Platinum Rupay Cards, Platinum Rupay Card and EMV Chip Cards under debit and credit cards. Online Savings Bank and PPF account opening were introduced during the year. The Bank has released Enquiry portal for social security schemes and implemented Jeevan Praman (digital life certificate) for pensioners. The Bank made several value additions under internet banking and mobile banking services.

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self-employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the Bank's founding principles. "A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people". These insightful words of our founder continue to resonate even today in serving the society with a purpose. The growth story of Canara Bank in its first century was due, among others, to the continued patronage of its valued customers, stakeholders, committed staff and uncanny leadership ability demonstrated by its leaders at the helm of affairs.

We strongly believe that the next century is going to be equally rewarding and eventful not only in service of the nation but also in helping the Bank emerge as a "Preferred Bank" by pursuing global benchmarks in profitability, operational efficiency, asset quality, risk management and expanding the global reach.

REVIEW OF LITERATURE

Dorai Raju.S in his study "A study on services of Canara bank and customer satisfaction, June 1994" he has found that customers are dissatisfied with the cumbersome and procedural formalities towards complaint redressal.

Dilsahath.A in his study "Customer Satisfaction in Canara bank" he reveals that the customers are satisfied with the long time taken for drawing money and lack of services like investment advice and tax advice.

Prof.Reddy C.R & Ramana K.V in their study “ Marketing approach in banking” have stated that banking indirectly can survive only by adopting efficient marketing strategy for adaptive responses of the customers to win the growing competitive market in future.

In a paper entitled “customer service” by **S.Revathi** stated that customers have complaints about, long time taken by the bank in servicing customers and suggested a change in the attitude of bank staff and commitment to service oriented work culture.

Muniraj.R in his article “strategies to improve customer service” analyzed the strategies necessary to meet the changing environment and emerging challenges. He suggested segmentation of customers on the basis of their psychographic nature.

LIMITATIONS OF THE STUDY

- The study is applicable to Coimbatore city only.
- The researcher faced the problems of unwillingness of respondents to react the questions.

SOURCE OF DATA COLLECTION

All the sources of the study were collected by primary data and secondary data.

- Primary data from Questionnaire.
- Secondary data from websites, journals, and books.

METHOD OF ANALYSIS

TOOLS USED

The collected data were classified into suitable tabular forms for analysis and interpretation. Simple statistical tools like simple percentage analysis, two-way classification table and Chi-square test (χ^2) were used for the analysis of data.

Test of Hypothesis

The quantity of χ^2 is described as the magnitude of discrepancy between the theory and observation. In the present study, the following null hypothesis has been set and tested.

There is no significant relationship between the level of satisfaction and the identified factors”.

The factor influenced for the study is: “**age group in years**” and “**Marital status**”

CHI- SQUARE TEST (X²)

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Degrees of freedom = (R-1) (C-1)

Whereas O = Observed Frequency

E = Expected Frequency

R = Number of rows

C = Number of Columns

ANALYSIS AND INTERPRETATION**Introduction**

Now-a-days banking has become an important source for all kind of people for the deposits, savings, etc., so it is need to know their level of satisfaction with the bankers and their banking transaction mode.

This study has been made only on the basis of Demographic factors determining the level of satisfaction on the interest provided by the bank for deposits.

Age group of the sample respondent

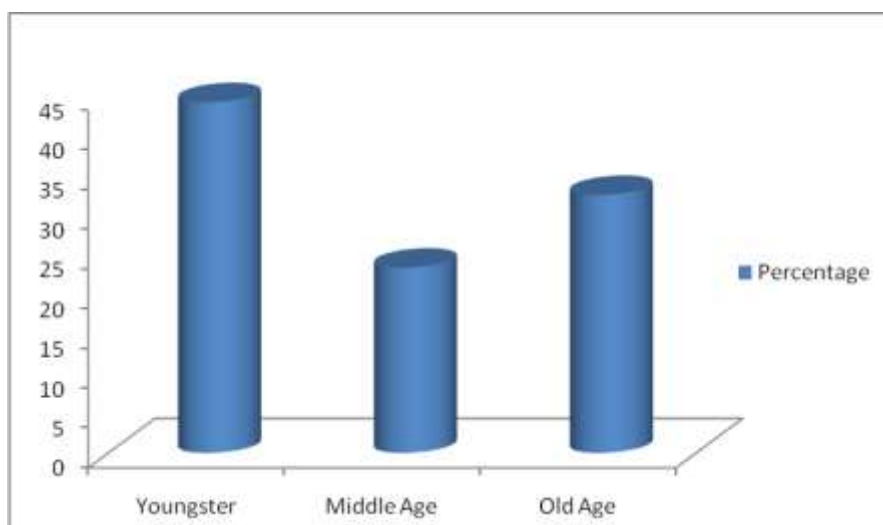
For the purpose of the study the age has been classified into three age groups. Like youngster (upto 30 years), middle age (31 to 45 years) and old age (above 45 years). The distribution of sample according to age is exhibited in the table 1

Table 1**Age group classification of the sample respondents**

Age group	No. of respondents	Percentage
Youngster	53	44.17
Middle age	28	23.33
Old age	39	32.50
Total	120	100

Source: Questionnaire

Table 1 depicts that, 53 respondents belong to the category of youngster group, 28 respondents belong to the category of middle age group and 39 respondents were belong to the category of old age group.

Chart 1**Age Group of Sample Respondents**

Marital status of the sample respondent

On the basis of the marital status, the respondents were classified into four groups as follows

Table 2

Marital status of the sample respondent

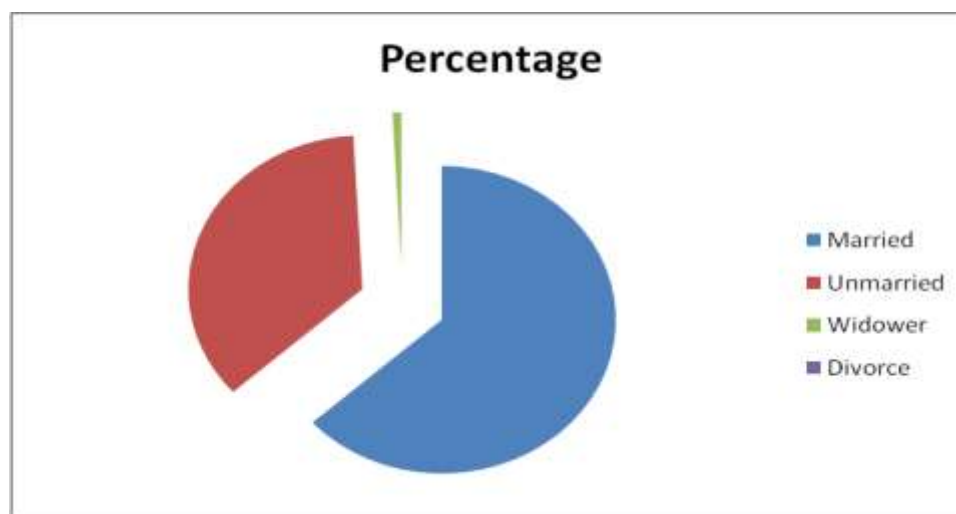
Marital status	No.of respondents	Percentage
Married	76	63.33
Unmarried	43	35.83
Widower	1	0.83
Divorce	0	0.00
Total	120	100

Source: Questionnaire

Table 2 Shows That 76 Respondents Were Belonged To the Married Category, 43 Respondents Were Belonged To Unmarried Category, 1 Respondent Is Belonging To Widower Status and There Is No Respondent Who Belongs To the Divorce Category.

Chart 2

Marital status of the sample respondent



DEMOGRAPHIC FACTORS DETERMINING THE LEVEL OF SATISFACTION ON THE INTEREST PROVIDED BY THE BANK FOR DEPOSITS.

Age and satisfaction of sample customers

Age plays a crucial role in decision making process of the customer with a view to find out the degree of association between age of the respondents and level of satisfaction towards the rate of interest for deposit a Two-way table is prepared and exhibited in the table 2

Table 3

Age and satisfaction of sample customers

Age	No. of customers		
	Yes	No	Total
Youngster	47 (89%)	6(11%)	53(100%)
Middle age	23(82%)	5(18%)	28(100%)
Old age	29(74%)	10(26%)	39(100%)
Total	99	21	120

It can be noticed from the table 3 that 47 respondents (89%) were satisfied and 6 respondents (11%) were not satisfied with the rate of interest who belongs to young age. 23 respondents (82%) were satisfied and 5 respondents (18%) were not satisfied who belongs to the middle age. 29 respondents (74%) were satisfied and 10 respondents (26%) were not satisfied who belongs to the old age group.

CHI-SQUARE TEST

In order to reveal the relationship between the age of the respondents and their level of satisfaction on the rate of interest provided for the deposits, a Chi-Square test has been employed and the result is given in table 4

Table 4**Age and level of satisfaction towards rate of interest**

Factor	Degree of freedom	Calculated value X²	Table value at 5% level	Null Hypothesis
Age	2	0.3468	5.99	Accepted

It can be noticed from the table 3 that the calculated chi-square value is less than the table value and the result is accepted at 5% level. Hence, the null hypothesis is accepted. Therefore, there is no significant relationship between age and satisfaction towards rate of interest provided for deposit.

Marital status and satisfaction of sample customers

Marital status is one of the important factors influencing the satisfaction level of customers. To expose the degree of association between marital status of the respondents and satisfaction of rate of interest for deposit, a two- way table has been prepared and shown in table 5

Table 5**Marital status and satisfaction of sample customers**

Marital status	No. of customers		
	Yes	No	Total
Married	60(78.95%)	16(21.05%)	76(100%)
Unmarried	37(86.05%)	6(13.95%)	43(100%)
Widower	-	1(100%)	1(100%)
Divorce	-	-	-
Total	99	21	120

It has been found from the table 5 that 60 respondents of (78.95%) were satisfied and 16 respondents of (21.05%) were not satisfied with rate of interest who were belonging to the married status. 37 respondents of (86.05%) were satisfied and 6 respondents of (13.95%) were not satisfied with rate of interest provided by the bank who belongs to unmarried status. 1 respondents of (100%) were not satisfied with the banks interest rate who belongs to widow status and there is no respondent in the divorce status.

CHI- SQUARE TEST

To study the relationship between marital status of the respondents and their level of satisfaction on the rate of interest given for deposits, a Chi- square test is used and the result is shown in table 6

Table 6

Marital status and level of satisfaction towards rate of interest

Factor	Degree of freedom	Calculated value X²	Table value at 5% level	Null Hypothesis
Marital status	3	0.1716	7.81	Accepted

It has been found from table 6 the calculated value of Chi-square is less than the table value and result has been accepted at 5% level. Therefore, null hypothesis is accepted. Hence there is no significant relationship between the marital status and rate of interest given for deposits.

CONCLUSION

In this study the researcher has analyzed the customer satisfaction towards the services of Canara bank in Coimbatore City. The majority of the sample respondents were satisfied with the rate of interest.

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