



Factors Influence To Avail Retail Banking Services In Commercial Banks With Special Reference To Sivagangai District

SP. Sigappi

Ph.D. Research Scholar, Department of Banking Management, Alagappa University.

Dr.C.Yogalakshmi

Professor, Department of Banking Management, Alagappa University

Abstract:

Retail banking is also known as consumer banking or personal banking refers to the set of financial services and products that bank offer to individual customers or retail customers. These services are designed to meet the everyday financial needs of individual and households. Retail banking plays a crucial role in providing essential financial services to individuals helping them manage their money achieve their financial goals and navigate various stages of their lives. Both primary and secondary data has been used for the study. The primary data has been collected from 385 respondents in sivagangai district. The findings of the study shows that the major factors influenced the customers were technology support to the customers, Less service charges, Easy physical branch access, convenient branch location of offsite ATMs and convenient working hours.

Keywords:

Retail banking, Products, Financial Services, Customers.

1.1 Introduction:

Today retail banking is being considered as one of the most innovative financial services provided by the various commercial banks, public sector banks, private sector banks and foreign banks. Retail banking is the most visible face of banking for the general public. Retail Banking refers to provision of banking products and services offered to individual customers. The commercial banking is an economic activity in the country and it is also a rapid economic growth; Consumer credit is the heart of retail banking. In retail banking services to individuals and small business concerns are dealings in large volume and low volume. Retail banking has a huge potential considering the growing demand for its products, and innovative services. The financial service provided by such as, deposits, credit and debit cards, ATM, Mortgages loans, Housing loans, Vehicle loans, Auto loans, Personal loans, Internet banking, Mobile banking,

National Electronic Funds Transfer (NEFT), Real Time Gross Settlement(RTGS), Insurance Education loans, Electronic Clearing Service (ECS), Guaranteed Investment Certificates, Core banking system. This paper analyses the growth of retail banking in India and Innovative retail banking services. Retail Banking defined as “Retail Banking is typically mass-market banking where individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit cards, credit cards and so”. The concept of Retail Banking is not new to banks but is now viewed as an important and attractive market segment that offers opportunities for growth and profit”. Retail Banking is also known as the consumer banking. Retail banking is a type of banking which is framed especially for individual consumers.

1.2 Review of Literature:

Manju et.al (2022)¹ in their article examined that customers perception on digital banking services with special reference to Internet banking. The researcher concluded that the Indian bankers can pave the way for the successful implementation and popularizing the new concept of Internet banking on a large scale. Because still people of those areas who are having lack of awareness and lack of knowledge about computer and internet are hesitate to use internet banking services. So that the bank officials should motivate their customers to use their internet banking services without considering their demographic factors such as age, educational qualification and family income. New technology adoption with the defined rules and regulations by considering the technical restrictions will always provides the intended results.

Dhanya (2021)² in their article examined that economic prosperity has changed consumer demographics and technological factor have made consumer demand for better quality and efficient service. The service industry is becoming major contributor to the economy of many countries which were earlier dependent on the manufacturing sector. Service industry particularly the banking sector is not left behind in the competition. Banking industry has been highly commoditized. This empirical study assesses the current status of retail banking in service sector with special references to Banking Sector. The study focuses on service quality parameters and customer satisfaction. On the bases of an empirical study which was conducted in Coimbatore city, the study concluded that all the service quality parameters play a vital role in customer satisfaction.

Hoang Thi Thanh Chung et.al (2021)³ in their article examined that customer satisfaction of retail banking services of commercial banks, the researcher collected data from 750 customers who were using retail banking services, retail banking is always the core activity of commercial banks. Developing retail banking services will diversify service types, meet the increasing demands of social actors, and promote economic growth and sustainable development. In the market economy, the need for banking services, especially retail banking services, is increasing. The target of retail banking services is individual, household, and small and medium sized enterprises. The benefits are usually simple, easy to implement, and regular, focusing on deposit services 49 and accounts, loans to buy cars, houses, opening credit cards,

etc. As a result, many people who are not familiar with retail banking products and services in the future will participate in this field. The article found out factors affecting customer satisfaction of retail banking services of commercial banks in Dong Nai province with one percent significance. Finally, the authors had policy recommendations to enhance customer satisfaction of retail banking services of commercial banks.

1.3 Objective of the study:

The main objective of the study is to analyze the Factors influence to avail retail banking services in commercial banks with special reference to sivagangai District.

1.4 Research Methodology:

Both primary and secondary data has been used for the study. The primary data were collected from sivagangai district. After selected the districts, the researcher chosen the banks such as SBI, Canara Bank, ICICI and HDFC. Those banks were selected based on their large volume of branches and business. The researcher has taken two public and two private sector banks. The sample respondents for the study is 385 by using row software calculator the researcher has chosen the sample size. The sampling technique used for the study is proportionate sampling method.

1.5 Data analysis and Interpretation:

The demographic profile of the respondents is analyzed on the basis of their Gender, Age, Educational Qualification, Occupation, Monthly Income, Monthly Savings,

Table 1.2 Demographic Profile of the respondents

S.No	Variable	Classification of Variable	Frequency	Percentage
			N=385	
1	Gender	Male	242	63
		Female	143	92
		Total	385	100
2	Age	Below 20 years	11	3
		20-30 years	121	31
		30-40 years	86	22
		40-50 years	115	30
		Above 50 years	52	14
		Total	385	100
3	Educational Qualification	Up to SSLC	52	14
		H.S.C	43	11
		Diploma	36	9
		Graduate	202	52
		Post Graduate	12	3
		Others	40	10

		Total	385	100
4	Occupation	Farmers	42	11
		Salaried	56	15
		Business man	156	41
		Professionals	89	23
		Housewife	31	8
		Others	11	3
		Total	385	100
7	Type of Bank	Public Sector	256	66
		Private Sector	129	34
		Total	385	100

Source: Primary data (Software used: SPSS 23.0)

Among 385 respondents considered for the study 242 respondents (63%) of them were male respondents, 143 respondents (92%) of them were female.

Among 385 respondents considered for the study 11 respondents (3%) of them were less than 20 years, 121 respondents (31%) of them were in the age group of 20 to 30 years, 86 respondents (22%) of them were in the age group of 30 to 40 years, 115 respondents (30%) belongs to the age group of 40 to 50 years and remaining 52 respondents (14%) belongs to the age above 50 years. Therefore, majority of the respondents were belongs to the age group of 20 to 30 years.

Among 385 respondents considered for the study 202 respondents (52%) of them were qualified graduate, 12 respondents (3%) of them were qualified post graduate, 36 respondents (9%) of them were qualified diploma, 43 respondents (11%) were qualified higher secondary and 52 respondents (14%) of them were Up to SSLC and remaining 40 respondents (40%) of them were others category. Therefore, majority of the respondents were qualified graduate.

Among 385 respondents considered for the study 42 respondents (11%) of them were farmers, 56 respondents (15%) of them were salaried govt, 156 respondents (41%) of them were business man, 89 respondents (23%) of them were occupied as professionals, 31 respondents (8%) were occupied as house wife and 11 respondents (3%) were occupied as others category. Therefore, majority of the respondents were occupied in businessman.

Among 385 respondents considered for the study 256 respondents (66%) of them were public sector banks and 129 respondents (34%) of them were private sector banks. Therefore, majority of the respondents were operating account in public sector banks.

1.6 Factors influence to avail retail banking services in commercial banks - Rank Analysis

Table 1.2 Factors influence to avail retail banking services in commercial banks - Rank Analysis

S.No	Factors	Mean	Rank
1	Easy physical branch access	4.4562	3
2	Appealing Physical facilities	3.1156	10
3	Convenient branch location of offsite ATMS	4.3582	4
4	Easy Payment services	3.0123	11
5	Range of services	2.8941	12
6	Convenient working hours	4.2589	5
7	Quick updation of passbook	2.7692	13
8	Security of transactions	2.3216	16
9	Maintenance of secret	2.2561	17
10	Immediate sanction and processing of loans	3.8942	6
11	Personalized services	3.2569	9
12	Less customer waiting time	2.1569	18
13	Staff courtesy and Response	2.1456	19
14	High level of staff knowledge and trustworthiness	3.7241	7
15	Innovativeness	3.5431	8
16	Customer education	2.4361	13
17	Technology support to the customer	4.8915	1
18	Less service charges	4.7652	2
19	Higher rate of Interest on deposits	2.5612	15
20	Lower rate of Interest on loan	2.6912	14

Source: Primary Data

From the rank analysis performed using the overall mean score on factors, the following points are found to be the factors influence to avail retail banking services in commercial banks; it is inferred from the above Table that out of 20 Variables the high mean score values are for customers were technology support to the customers (4.8915), Less service charges (4.7652), Easy physical branch access (4.4562), convenient branch location of offsite ATMs (4.3582) and convenient working hours (4.2589).

Conclusion:

Rapid advancements in technology have transformed the way retail banking operates. Online and Mobile banking, digital payment methods and automation have changed how customers interact with banks conduct transactions and manage their accounts. The retail banking industry must continually adapt to these and other factors to stay competitive, relevant and capable of meeting customers evolving needs and preferences. The researcher concluded that

the findings of the study shows that the major factors influenced the customers were technology support to the customers, Less service charges, Easy physical branch access, convenient branch location of offsite ATMs and convenient working hours.

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