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A Study on Customer Perception towards Value-Added Services Provided by Private Sector Banks in Coimbatore City

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Abstract:

Evolution of technology in banks is taking place at an enormous pace and it is only question of time before banks commit themselves on full-scale technology up gradation, aiding their growth and adding their competitive features. Banks have been trying to adopt and to adjust themselves to improve their efficiencies in the changing social and economic environment. The efficiency of a banking sector depends upon how best it can deliver services to its target customers or how far the expectations of customers are met. Any service to be provided to the customers can be differentiated by the service provider from the rest of the service providers if it posses some unique selling proposition. The customers compare the perceived service with the expected service. The customer perceives the service quality to be high if it is perfect on his expectation. This perception leads to customer satisfaction with the related service. Hence, the present research will attempt to study customers' perception of quality of services, both transaction based and IT enabled in terms of its constituent factors in public sector, private sector and foreign banks. It is carried out by the researcher is an empirical study in nature, based on survey method. Descriptive Analysis, Analysis of Variance, Chi-Square Test are the statistical tools used in this study. The data required for carrying out the present study were collected through random sampling technique using questionnaire and the data were processed and suggestions are given.

1. Introduction

Indian banking system plays a vital role in economic development of this country. The globalization and economic liberalization injected new air to Indian banking sector. Several private sector banks were established offering innovative and world class banking services. Evolution of technology in banks is taking place at an enormous pace and it is only question of time before banks commit themselves on full-scale technology up gradation, aiding their growth and adding their competitive features. Banks have been trying to adopt and to adjust themselves to improve their efficiencies in the changing social and economic environment. With this background, the researcher's proposed a study on "Customer perception towards Value-Added Services provided by Private sector Banks in Coimbatore City" may be considered important in the current scenario.

2. Statement of the Problem

The efficiency of a banking sector depends upon how best it can deliver services to its target customers or how far the expectations of customers are met. Any service to be provided to the customers can be differentiated by the service provider from the rest of the service providers if it posses some unique selling proposition. The customers compare the perceived service with the expected service. The customer perceives the service quality to be high if it is perfect on his expectation. This perception leads to customer satisfaction with the related service.

Hence, the present research will attempt to study customers' perception of quality of services, both transaction based and IT enabled in terms of its constituent factors in public sector, private sector and foreign banks. . Also through the present study, we would gauge the extent of IT adoption in public sector, private sector and foreign banks in this e-age.

3. Objectives

The present study has the following objectives:

To study the perception of the customers towards value-added services provided by the banks.

4. Methodology

The present study carried out by the researcher is an empirical study in nature, based on survey method. The data required for carrying out the present study were collected through random sampling technique using questionnaire.

5. Statistical Tools Used

- Descriptive Analysis
- Analysis of Variance
- Chi-Square Test

6. Analysis And Interpretation

S.NO.	GENDER	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No idea	agree	Strongly agree	
1	Male	7	4	150	66	25	252
		2.8%	1.6%	59.5%	26.2%	9.9%	100.0%
2	Female	0	3	51	87	7	148
		.0%	2.0%	34.5%	58.8%	4.7%	100.0%
TOTAL		7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 1: Gender And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table highlights that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (58.8 per cent) among male respondents and the same has been lowest (26.2 per cent) among the male respondents. In order to find out the relationship between gender and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
GENDER	44.907	4	.000**	S	Rejected

Table 1(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been divulged from the chi-square test that the p-value (.000) has been less than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (H₀) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between gender and the level of perception on opinion about value – added services provided by private sector banks.

S.NO.	AGE	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANKS					TOTAL
		Strongly disagree	Disagree	No idea	agree	Strongly agree	
1	Below 25 years	0	2	42	33	15	92
		.0%	2.2%	45.7%	35.9%	16.3%	100.0%
2	25 years – 35 years	7	2	89	91	2	191
		3.7%	1.0%	46.6%	47.6%	1.0%	100.0%
3	35years – 45 years	0	2	43	13	10	68
		.0%	2.9%	63.2%	19.1%	14.7%	100.0%
4	45years -55years	0	1	26	15	5	47
		.0%	2.1%	55.3%	31.9%	10.6%	100.0%
5	Above 55 years	0	0	1	1	0	2
		.0%	.0%	50.0%	50.0%	.0%	100.0%
TOTAL		7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 2: Age And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table says that the percentage of agree level of perception on opinion about value added services provided by private sector banks has been highest (50.0 per cent) among the age group above 55 years respondents and the same has been lowest (19.1 per cent) among the age group 35-45 years respondents. In order to find out the relationship between age and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
AGE	47.814	16	.000**	S	Rejected

Table 2(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been clear from the chi-square test that the p-value (.000) has been less than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (Ho) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between age and the level of perception on opinion about value – added services provided by private sector banks..

S.NO.	EDUCATIONAL QUALIFICATION	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Primary level	0	1	0	3	0	4
		.0%	25.0%	.0%	75.0%	.0%	100.0%
2	Higher Secondary	0	2	24	20	3	49
		.0%	4.1%	49.0%	40.8%	6.1%	100.0%
3	Graduate	0	2	68	65	6	141
		.0%	1.4%	48.2%	46.1%	4.3%	100.0%
4	Post Graduate	0	1	93	63	18	175
		.0%	.6%	53.1%	36.0%	10.3%	100.0%
5	Professional	7	1	9	2	0	19
		36.8%	5.3%	47.4%	10.5%	.0%	100.0%
6	Others	0	0	7	0	5	12
		.0%	.0%	58.3%	.0%	41.7%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 3: Educational Qualification And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table implies that the percentage of strongly agree about level of perception on opinion about value added services provided by private sector banks has been highest (41.7 per cent) among the respondents who are others and the same has been lowest (0.0 per cent) among the respondents education primary level & professional. In order to find out the relationship between educational qualification and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
EDUCATIONAL QUALIFICATION	194.973	20	.000**	S	Rejected

Table 3(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been evident from the chi-square test that the p-value (.000) has been less than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (Ho) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between educational qualification and the level of perception on opinion about value – added services provided by private sector banks.

S.NO.	OCCUPATIONAL STATUS	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Government Employee	-	1	0	3	2	6
		.0%	16.7%	.0%	50.0%	33.3%	100.0%
2	Private Employee	0	1	137	70	16	224
		.0%	.4%	61.2%	31.3%	7.1%	100.0%
3	Business	7	1	36	27	11	82
		8.5%	1.2%	43.9%	32.9%	13.4%	100.0%
4	Professionals	0	0	9	0	0	9
		.0%	.0%	100.0%	.0%	.0%	100.0%
5	N R I	0	0	0	4	0	4
		.0%	.0%	.0%	100.0%	.0%	100.0%
6	House Wife	0	2	1	25	0	28
		.0%	7.1%	3.6%	89.3%	.0%	100.0%
7	Others	0	2	18	24	3	47
		.0%	4.3%	38.3%	51.1%	6.4%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 4: Occupational Status And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table says that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (100.0 per cent) among the respondents whose occupational status is NRI and the same has been lowest (0.0 per cent) among the respondents whose occupational status were professionals. In order to find out the relationship between occupational status and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
OCCUPATIONAL STATUS	116.213	24	.000**	S	Rejected

Table 4(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been evident from the chi-square test that the p-value (.000) has been less than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (H₀) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between occupational status and the level of perception on opinion about value – added services provided by private sector banks..

S.NO.	ANNUAL INCOME	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Less than Rs.1,00,000	7	3	48	34	13	105
		6.7%	2.9%	45.7%	32.4%	12.4%	100.0%
2	Rs.1,00,001 – Rs.3,00,001	0	3	85	76	7	171
		.0%	1.8%	49.7%	44.4%	4.1%	100.0%
3	Rs.3,00,001 to Rs.5,00,000	0	0	65	39	12	116
		.0%	.0%	56.0%	33.6%	10.3%	100.0%
4	Above Rs.5,00,000	0	1	3	4	0	8
		.0%	12.5%	37.5%	50.0%	.0%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 5: Annual Income And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table predicts that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (50.0 per cent) among the respondents who earn above Rs.5,00,000 and the same has been lowest (32.4 per cent) among the respondents who earn less than Rs. 1,00,000. In order to find out the relationship between annual income and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
ANNUAL INCOME	40.004	12	.003**	S	Rejected

Table 5(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been divulged from the chi-square test that the p-value (.003) has been less than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (Ho) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between annual income and the level of perception on opinion about value – added services provided by private sector banks.

S.NO.	MARITAL STATUS	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Married	7	5	94	89	10	205
		3.4%	2.4%	45.9%	43.4%	4.9%	100.0%
2	Unmarried	0	2	107	64	22	195
		.0%	1.0%	54.9%	32.8%	11.3%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 6: Marital Status And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table highlights that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (43.4 per cent) among the respondents who are married and the same has been lowest (32.8 per cent) among the respondents who are unmarried. In order to find out the relationship between marital status and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
MARITAL STATUS	17.472	4	.002**	S	Rejected

Table 6(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been clear from the chi-square table that the p-value (.002) has been less than 0.05 and the result has significant at 1 % level. Hence, the null hypothesis (Ho) has rejected and the alternative hypothesis (H₁) has accepted. From the analysis it have been concluded that there is relationship between marital status and the level of perception on opinion about value – added services provided by private sector banks.

S.NO.	RESIDENTIAL AREA	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Urban	0	5	72	66	16	159
		.0%	3.1%	45.3%	41.5%	10.1%	100.0%
2	Semi-Urban	7	2	129	85	16	239
		2.9%	.8%	54.0%	35.6%	6.7%	100.0%
3	Rural	0	0	0	2	0	2
		.0%	.0%	.0%	100.0%	.0%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 7: Residential Area And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table highlights that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (100.0 per cent) among the respondents whose residential in rural area and the same has been lowest (37.3 per cent) among the respondents whose residential in semi – urban area. In order to find out the relationship between residential area and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below.

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
RESIDENTIAL AREA	14.503	8	.070	S	Rejected

Table 7(A): Chi-Square Test

** - Significant At 1% Level, S-Significant

It has been divulged from the chi-square table that the p-value (.010) has been more than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (Ho) has accepted and the alternative hypothesis (H1) has rejected. From the analysis it have been concluded that there is no relationship between residential area and the level of perception on opinion about value – added services provided by private sector banks..

S.NO.	BANK ACCOUNT	LEVEL OF PERCEPTION ON OPINION ABOUT VALUE-ADDED SERVICES PROVIDED BY PRIVATE SECTOR BANK					TOTAL
		Strongly disagree	Disagree	No agree	agree	Strongly agree	
1	Below 2	0	0	31	39	7	77
		.0%	.0%	40.3%	50.6%	9.1%	100.0%
2	2 – 4	7	7	153	100	23	290
		2.4%	2.4%	52.8%	34.5%	7.9%	100.0%
3	Above 4	0	0	17	14	2	33
		.0%	.0%	51.5%	42.4%	6.1%	100.0%
	TOTAL	7	7	201	153	32	400
		1.8%	1.8%	50.3%	38.3%	8.0%	100.0%

Table 8: Family Members Have Bank Account And Level Of Perception On Opinion About Value-Added Services Provided By Private Sector Bank (Two-Way Table)

The above table says that the percentage of agree about level of perception on opinion about value added services provided by private sector banks has been highest (50.6 per cent) among the respondents who having bank account below 2 and the same has been lowest (34.5 per cent) among the respondents who having bank account 2-4. In order to find out the relationship between bank account and level of perception on opinion about value added services provided by private sector banks, a chi-square test have implied to test the hypothesis given below.

Pearson Chi-Square	Calculated Chi-square Value	Table value	df	S/NS	Remarks
BANK ACCOUNT	11.806	8	.160	NS	Accepted

Table 8(A): Chi-Square Test

*** - Significant At 1% Level, S-Significant*

It has been divulged from the chi-square table that the p-value (.160) has been more than 0.05 and the result have significant at 1 % level. Hence, the null hypothesis (Ho) has accepted and the alternative hypothesis (H1) has rejected. From the analysis it have been concluded that there is no relationship between bank account and the level of perception on opinion about value – added services provided by private sector banks.

7. Conclusion

The technological advancement and intervention in the banking sector facilitates the banks to offer value added financial services to its customers. So that the bank can construct, develop and maintain a complete data base of the customer, it will be used to build up strong customer relationship management and a sustainable growth. Banks must be concerned to the attitudes of customers with regard to acceptance of e-banking. Since all the demographic factors depict that customers perception is positive in this regard, to meet the emerging challenges, banks may undertake further innovations in their value-added services.

8. References

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