



## A study on customer perception towards the services offered in retail banking by South Indian Bank Cheroor, Thrissur district

Dr. Linda Mary Simon

Professor, Elijah Institute of Management Studies, Thrissur, Kerala, India

### Abstract

Service with a smile: Today's finicky banking customers will settle for nothing less. The customer has come to realize somewhat belatedly that he is the king. He wants competitive loan rates but at the same time also wants his loan or credit card application processed in double quick time. In short he wants financial house that will more than just clear his cheque and updates his passbook: he wants a bank that cares and provides great services. So here the study conducted on customer perception towards the services offered in retail banking is discussed.

**Keywords:** customer, retail banking

### 1. Introduction

Service with a smile: Today's finicky banking customers will settle for nothing less. The customer has come to realize somewhat belatedly that he is the king. The customer's choice of one entity over another as his principal bank is determined by considerations of service quality rather than any other factor. He wants competitive loan rates but at the same time also wants his loan or credit card application processed in double quick time.

### 2. Retail Banking

Retail banking, also known as consumer banking, is the provision of services by a bank to the general public, rather than to companies, corporations or other banks, which are often described as wholesale banking. Retail banking is also distinguished from investment banking or commercial banking. In the U.S., the term commercial bank is used for a normal bank to distinguish it from an investment bank.

### 3. About South Indian Bank

South Indian Bank Limited (SIB) is a major private sector bank headquartered at Thrissur in Kerala, India. South Indian Bank has 851 branches, 4 service branches, 48 ext. counters and 20 Regional Offices spread across more than 27 states and 3 union territories in India. It has set up 1328<sup>[1]</sup> ATMs and 42 Bulk Note Acceptor/Cash Deposit Machines all over India.

### 4. Objective of the study

- To assess the management perception related to customers' expectations on the bank's service- quality specifications and delivery.
- To examine the gaps between customers and bank management's perceptions and give remedies so as to minimize them and increase the customer base of the bank.

### 5. Review of literature

- **Arturo Molina, Relational benefits and customer satisfaction in retail banking (2013)**, the purpose of this paper is to investigate the impact of relational benefits on customer satisfaction in retail banking. This paper presents a causal model that identifies a connection between the relational benefits achieved through a stable and long-term relationship with a given bank and customer satisfaction with retail banking.
- **Mohammed Hossain, Customer perception on service quality in retail banking in Middle East: the case of Qatar (2013)**, In order to achieving higher levels of quality service in retail banking, banks should deliver higher levels of service quality and in the present context customers' perceptions are highest in the level of infrastructure facilities of the bank, followed by timing of the bank, and return on deposit. Owing to the increasing competition in retail banking, customer service is an important part and bank managers should be rethinking how to improve customer satisfaction with respect to service quality.

### 6. Sample Design

- Research Method : Descriptive Research
- Sampling Tool : Questionnaire
- Sampling Design: Non – probability sampling.
- Sampling Method : Convenience Sampling
- Sample Size : 210, Questionnaire Completed is 150
- Sampling Universe: Customers of South Indian Bank, Cheroor
- Data Collected : Primary and Secondary Data
- Statistical Package : SPSS
- Statistical Tools Used: Percentage Analysis, Garrett Method and Cross Tabulation.

### 7. Analysis and Interpretation

**Table 1:** Preferences of the respondents (ranks provided) towards the various loans from SIB.

Garette ranking method							
							Total
Percent	8.34	25.01	41.68	58.35	75.02	91.69	
Score (x)	77	63	54	46	37	23	
Gold Loan (f)	10	6	8	2	0	4	
fx	770	378	432	92	0	92	1764
Personal Loan (f)	11	12	2	2	2	1	
fx	847	756	108	92	74	23	1900
Vehicle Loan (f)	2	6	11	5	5	1	
fx	154	378	594	230	185	23	1564
Educational Loan (f)	1	4	5	12	5	3	
fx	77	252	270	552	185	69	1405
House Loan (f)	2	0	4	4	7	13	
fx	154	0	216	184	259	299	1112
Agricultural Loan (f)	4	2	0	5	11	8	
fx	308	126	0	230	407	184	1255

Interpretation: The ranks analyzed, using garatte ranking method, shows that the respondents give their first preference to the personal loan offered by the bank, followed by the gold loan and so on as shown in the table above.

**Table 2:** Relationship between awareness of the internet services and the no: of NRI customers.

Internet Services	Awareness (No: of Respondents)	NRI's
Transfer funds	50	29
Bill/ Loan Payment	38	20
DD/ Term Depo Request	34	21
Getting Reminders	44	29
None	99	2

Interpretation: The above data reveals that more than half of the respondents, aware of the internet banking services, are NRIs. So, it can be interpreted that NRIs can be attracted more by providing more innovative and technological user- friendly products.

### 8. Findings

- 50% of the respondents have rated the bank good with regard to the fastness, the personnel show in responding/ attending to the customer.
- 63.3% of the respondents have rated the bank good with regard to the product/ service innovation in the past Four years.
- The next preferred bank for availing loan after SIB is State Bank of India and City Union Bank, the main reasons being lower interest rate and good customer service.

### 9. Suggestion

- Only 28% of the respondents being female, the bank can look forward to design few more schemes to attract the female customers. Only Mahila Delight Account is so far available.
- As the cross tabulation reveal, except one out of the few customers who have been associated with the bank for the past 15-13 years have not been receiving any privilege. It

is therefore suggested to give privilege to its long term customers so as to retain them.

### 10. Conclusion

The gap analyzed can be minimized by better technology, customer service and also by creating awareness about the various services; thereby increasing the customer base. So as to retain the customers they have to personalize service and fine tuning it to meet the unique requirements of each customer. Feedback can be get through customers yearly once, which help to fill the gap and provide best services.

### 11. Reference

- Vasantha Kumari H. Research Scholar and Faculty, Sathyabama University, Chennai.Customer Perception on Service Quality in the Retail Banking Sector. European Journal of Business and Management ISSN 2222-2839 (Online), 3(3).
- Mohammad Abdul Muyeed. Customer Perception on Service Quality in Retail Banking in Developing Countries - A Case Study International Journal of Marketing Studies, 2012, 4(1).
- Zaker-UI-Oman. Faculty in Commerce, Government Degree College, Khairatabad, Hyderabad, Consumer Perception on Retail Banking in India, SSRG International Journal of Economics and Management Studies (SSRG - IJEMS), 2017, 4(5).
- Retail Banking, Keith Pond, Global Professional, 2007.