



A Study on Service Quality and Performance of Bank Products of KARUR VYSYA Bank (With Special Erode District)

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ABSTRACT: Attract the biggest market of investment. The banking sector today is focusing on how to provide professional services to its customers. The Indian Banking System consisting of various public and private sector financial institutions whose aim is serving the people for their financial and economic needs. This paper entitled A study on promoting and performance of bank products of Karur Vysya Bank (With Special Erode District) “emphasizes on the customer service provided by the banks. It highlights the banks’ marketing strategies.

Key Words: Deposit Schemes, Personal Finance, Car Loan, Debit Card, Prepaid Card, Virtual Card, Internet Banking, Mobile Banking, KVB Mobil cash, Demand Services, Internet Banking

I. INDIAN BANKING SYSTEM

The resources of the financial systems are held by financial institutions in trust and have to be deployed for the maximum benefit of their owners. viz. depositors and investors. The safety of their funds should be the primary concern of banks and regulatory authorities and hence ensuring solvency, health and efficiency of the institutions should therefore be central to effective financial reforms. More than three decades have passed since Mrs. Indira Gandhi nationalized the banks. The last decades witnessed the maturity of India’s Financial Market. Since 1991, Government of India has been taking various steps in reforming the financial sector of the country. Almost 80% of the business is still controlled by Public Sector Banks (PSB). PSBs are still dominating the commercial banking system.

Shares of leading PSBs are listed on the stock exchange with private sector banks. The RBI has given licenses to new private sector banks as a part of the liberalization process. Many banks are successfully running in retail and consumer segment but are yet to deliver services to industrial finance, retail trade, small business and agricultural finance. Today the banking industry, which was tightly protected by regulations is now experiencing a rapid change. Now it is no more confined to nationalized and cooperative banks but has emerged with multinational banks that have spread their branches across the length and breadth of the country. The entry of private players in the industry has altogether altered the banking arena. Now the consumers have a choice of transacting either in traditional way or the new multi channel banking i.e. A.T.M., Net banking, Tele banks etc. Banks today are thus providing large number of quantitative services along with qualitative sizes. Thus due to tough competition in the banking sector and due to the entry of private players, the number of services of the banks are accumulative day by day but as far as quality is concerned, it is continuously declining. Today the customer is involved in how he / she can profit from the banks and their products. That is why it becomes required for a bank to separate its products from the others.

OBJECTIVES OF THE STUDY

The objectives of the study are

1. To know the various services and products offered by Karur Vysya Bank.



2. To find out the latest technologies being implemented in the bank.
3. To find the satisfaction level of the customers with regard to the products and services of the bank.
4. To know the marketing strategies adopted by KVB.
5. To know the reasons of preference of KVB over other banks.
6. To know about the opinion with regard to product, promotion and service personnel components.

STATEMENT OF THE PROBLEMS

In banking, quality of customer service plays essential role in the context of continued business growth. The relationship between a bank and its customers must be a stable and enduring one, which needs to be maintained with good quality of services. Now – a- days banks with their increase antagonism offers a wide variety of products and services. The satisfaction level of the customers can be measured only with the varieties of new services offered by the banks. With the stepping in of Information Technology in the banking sector, the working strategy of the banking sector has seen revolutionary changes. Today without the use of Information Technology, the banking sector may become paralyzed. The various customer service oriented products like internet banking, ATM services, tele -banking, electronic payment system,

cheque processing system etc. have declined the workload of the customer.

SAMPLE SELECTION

The researcher has adopted a Non-probability Sampling Technique in order to select the sample from a relatively large population framework in each organization. Samples were selected by using judgment sampling procedure – that is, using researcher’s judgment in administering the questionnaire and conducting personal interview with only those customers who can spare time for filling the survey. Therefore the researcher selected 300 as her sample size.

TOOLS USED

The Likert type scaling technique was adopted to know the services, products, deposit schemes, personal finance, and car loan, cards, provided by Karur vysya Bank of India. Percentage method has been adopted. Chi square test was adopted to find the relationship age of the respondents and the reasons for maintaining bank account with KVB.

HYPOTHESIS FRAMED

HO: There is no association with the age of the respondents and the reasons for maintaining a bank account with KVB.

H1: There is association with the age of the respondents and the reasons for maintaining a bank account with KVB.

TABLE 1 - KNOWLEDGE ABOUT VARIOUS DEPOSIT SCHEMES

S.No Deposit	Schemes	Aware Partly	aware	Not aware	Score	Rank
1	Current account	77	149	74	603	2
2	Basic banking – no frills account	61	149	90	571	8
3	Premium savings account	77	122	101	576	5
4	Recurring deposit account	62	149	89	573	7
5	Saving Bank account	77	151	72	605	1
6	Term deposits	76	135	89	587	3
7	Special term deposit	93	101	106	587	3
8	Multi option deposit scheme	60	133	107	553	9
9	Premium savings account	46	121	133	513	10
10	SBI tax savings scheme,2006	77	121	102	575	6

Source: Primary data



From the Table 1, one can find that respondents are more aware about the Saving Bank account With 1st Rank, followed by current account with 2nd Rank, term deposits and special term deposit with 3rd Rank respectively and premium savings accounts with 5th Rank and the like.

TABLE 2 – AWARESS ABOUT PERSONAL FINANCE

S.No Deposit	Schemes	Aware Partly	aware	Not aware	Score	Rank
1	Scheme of 1% interest subvention on housing loans	46	151	103	543	13
2	Home loans	89	147	64	625	5
3	Car loans	88	153	59	629	4
4	Education loans(SBI student loan scheme)	78	148	74	604	6
5	Central scheme for interest subsidy on education loan	58	150	92	566	11
6	Term deposits	91	103	106	585	7
7	Special term deposit	60	152	88	572	10
8	Multi option deposit scheme	45	134	121	524	14
9	Premium savings account	56	135	109	547	12
10	SBI tax savings scheme,2006	72	134	94	578	8s

Source: Primary data

From the Table 2, one can find that respondents awareness about personal finance are; loan against Securities with 1st Rank followed by personal loan with 2nd Rank, Gold loan with 3rd Rank and the like

TABLE 3 - AWARENESS ABOUT CAR LOAN

S.No Deposit	Schemes	Aware Partly	aware	Not aware	Score	Rank
1	SBI new car loan scheme	61	120	119	542	2
2	Certified pre-owned car loan	43	137	120	523	4
3	Car loan scheme for used car	61	119	120	541	3
4	2-wheeler loan	73	104	123	550	1
5	SBI Tata low margin car loans scheme	59	104	137	522	5

Source: Primary data

From the Table 3, one can find that respondents are more aware about the two wheeler loan with 1stRank, followed by SBI new car loan scheme with 2nd Rank, Car loan scheme for used car with 3rd Rank, Certified pre-owned car loan with 4th Rank and SBI Tata low margin car loans scheme with 5th Rank.



TABLE 4 - AWARENESS ABOUT CARDS

S.No Deposit	Schemes	Aware Partly	aware	Not aware	Score	Rank
1	Debit card	115	137	48	667	1
2	Business debit card	62	149	89	573	3
3	Prepaid card	89	147	64	625	2
4	Virtual card	59	135	106	553	4

Source: Primary data

From the Table 4, one can find that respondents are more aware about Debit card with 1st Rank, Followed by prepaid card with 2nd Rank, Business debit card with 3rd Rank and Virtual card with 4th Rank.

TABLE 5 - AWARENESS ABOUT GENERAL SERVICES

S.No Deposit	Schemes	Aware Partly	aware	Not aware	Score	Rank
1	Internet banking	76	150	74	602	2
2	Mobile banking	48	164	88	560	3
3	State bank Mobile cash	60	134	106	554	5
4	ATM services	93	117	90	603	1
5	Demat services	60	137	103	557	4

From the Table 5, one can find that respondents are more aware about the ATM services with 1st Rank, followed by Internet banking with 2nd Rank, Mobile Banking with 3rd Rank, Demand services with 4th Rank and State bank Mobile cash with 5th Rank.

II. FINDINGS OF THE STUDY

The following are findings of the study

- The study reveals that, 30.3 % of the respondents are between the age group of above 45 yrs, 29.7% of the respondents are between the age group of between 35-45 yrs, 20.3% of them are between 25-35 yrs and 19.7% of them are below 25 yrs.
- Among the total respondents 55% are Male and 45% are Female.
- Out of 300 respondents, 29.3% of them are at PG level, 25.7% are at professional level, 24.7% are at UG level and rest 20.3% are at school level.
- With regard to the occupation of the respondents, 36% of them are business people, 24.3% of them are service oriented, 21% of them are home makers / retired persons and the rest 18.7% are professionals.
- Income wise classification is revealed as, 30% of their income is between Rs.1,00,001-Rs.1,50,000,

29.3% of their income level is between Rs. 50,001-Rs.1,00,000, 24.7% of their income is above Rs.1,50,001 and 16% of their income is below Rs. 50,000.

□ The reasons preferred for maintain accounts with State Bank are due to satisfactory services (30.3%), image of the bank (26.7), no other alternatives (23.3%) and due to compulsion (19.7%).

□ The satisfaction level of the SBI services are given as, Good (57%), excellent (30%), Average (9.67%) and poor (3.33%)

III. CONCLUSION

Indian banks have now realized that it no longer pays to have transaction based operating. This has shifted their focus from operational services to customer centric services. Today they are looking at fresher ways to make a customer's banking experience more useful and effective. This can be done by using new technology, tools and techniques to identify customer needs and then offering products to match them. In the financial world, product authority does not last long as it is moderately easy to copy products. So the real strength comes from operational excellence and



understanding the customer and developing rapport with them.

The emerging need of the time is that the banks both in the public as well as private sector should identify and cater the needs of the customers thereby practicing customer retention and providing them efficient services. Customer service is concerned with the creation, development and enhancement of individualized customer relationship with carefully targeted customers resulting in maximizing their total customer lifetime value by giving them satisfaction against their expectations.

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