

## **A Study On Attitude Towards Core Banking Services In Public Sector Bank With Special Reference To Indian Bank In Vickramasingapuram**

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### **INRODUCTION**

An attitude can be defined as a positive or negative evaluation of people, objects, event, activities, ideas, or just about anything in your environment, but there is debate about precise definitions. Eagly and Chaykin, for example, define an attitude "a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour." Core banking is the services provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices. Core Banking is normally the business conducted by a banking institution with its retail and small business customers. Many banks treat the retail customers as their core banking customers, and have a separate line of business to manage small businesses. Larger businesses are managed via the Corporate Banking division of the institution. Core banking basically is depositing and lending of money.

### **REVIEW OF LITERATURE**

Sumedha Kalia, Urvashi Kalra and Rajni Kamboj., (2012) in their study entitled "Analysis of SBI Customers' Attitude Towards E-Banking", analysed the various factors influencing customers' perception and satisfaction level towards E-Banking. It further throws light on types of E-Banking services, certain emerging issues and challenges, benefits available to them and the factors influencing the decision of the customers towards the State

bank of India E -Banking services. To make this study more authentic, primary data is collected from the respondents of two cities of Haryana and statistical tools are used for analysis and to reach a valid conclusion.

Boonyarat Samphanwattanachai., (2012) in his article entitled “Thai Customer’s Attitudes towards Internet Banking: Qualitative Method”, analysed the Thai customer’s attitudes towards Internet Banking users by adapting the Theory of Planned Behaviour (TPB) and the Technology Acceptance Model (TAM), and uses qualitative research method which is in-depth interview in order to gain the insight information from Internet Banking users in Thailand. The research objectives are to identify Thai customers’ attitudes towards Internet Banking services, and to investigate Thai customers’ negative and positive responses to Internet Banking services.

### Conceptual framework

**Indian Bank** is an Indian nationalized financial services and banking company under the ownership of the Ministry of Finance of the government of India. Established in 1907 and headquartered in Chennai, India, the bank serves over 100 million customers with 41,620 employees, 6,004 branches with 5,428 ATMs and cash deposit machines and is one of the top performing public sector banks in India. As of 31 March 2021, the total business of the Indian Bank was ₹9.3 lakh crore (US\$120 billion). The bank's information systems and security processes are certified with ISO27001:2013 standard and is among the very few banks with the certification worldwide. It has overseas branches in Colombo and Singapore including a Foreign Currency Banking Unit at Colombo and Jaffna. It has 227 overseas correspondent banks in 75 countries. Since 1978, the government of India is the majority shareholder of the bank. Post-merger with Allahabad Bank in April 2020, Indian Bank became the seventh largest bank in the country.



### Early formation and expansion

In the last quarter of 1906, Madras (now Chennai) was hit by the worst financial crisis the city was ever to suffer.<sup>[2]</sup> Of the three best-known British commercial names in 19th-century Madras, one crashed; a second had to be resurrected by a distress sale; and the third had to be bailed out by a benevolent benefactor. Arbuthnot & Co, which failed, was considered the soundest of the three. Parry's (now EID Parry), may have been the earliest of them and Binny and Co.'s founders may have had the oldest associations with Madras, but it was Arbuthnot, established in 1810s, that was the city's strongest commercial organisation in the 19th Century. A key figure in the bankruptcy case for Arbuthnot's was the Madras lawyer, V. Krishnaswamy Iyer who founded Indian Bank, which was an offshoot of nationalistic fervour and the Swadeshi movement, when the then British Arbuthnot Bank

collapsed and the Indian Bank emerged. Mr V. Krishnaswamy Iyer solicited the support of the Nagarathar Chettiars authored by Mr. Ramasamy Chettiar, who was Annamalai Chettiar's elder brother. Sri V. Krishnaswamy Iyer and Mr. Ramasamy Chettiar were one of the first directors of Indian Bank. Later on in 1915, Mr. Annamalai Chettiar, Mr. Ramasamy Chettiar's younger brother joined the board of the Indian Bank. It commenced operations on 15 August 1907 with its head office in Parry's Building, Parry Corner, Madras. In 1932 IB opened a branch in Colombo. It opened its second branch in Ceylon in 1935 at Jaffna, but closed it in 1939.<sup>[3]</sup> IB next opened a branch in Rangoon, Burma. Then in late 1941 IB opened branches in Singapore, Kuala Lumpur, Ipoh, and Penang. The exigencies of war forced IB to close its Singapore and Malayan branches with months. The closing of the Singapore branch resulted in little loss to IB; the loss of the branches in Malaya was much more costly.

World War II resulted in further financial problems for IB and it was forced in 1942 to close a number of its branches in India, and also its branch in Colombo. It opened its branches in Burma, Malaya, and Singapore, the last in 1962. The Burmese government nationalised all foreign banks, including Indian Bank's branch, in 1963.

The 1960s saw IB expand domestically as it acquired Rayalaseema Bank (est. 1939; head office Anantapur, with a branch in Bellary), in 1961, Mannargudi Bank (est. 1932), Bank of Alagapuri in 1963, Salem Bank (est. 1925), and Trichy United Bank. Trichy United was the result of the 1965 merger of Woraiyur Commercial Bank (est. 1948), the Palakkarai Bank, and the Tennur Bank (est. 3 March 1947). These were all small banks with the result that all the acquisitions added only about 38 branches to IB's network. Trichy United had five branches and its acquisition in 1967 brought the number of IB branches up to 210.<sup>[citation needed]</sup>

Then on 19 July 1969 the Government of India nationalised 14 top banks, including Indian Bank. One consequence of the nationalisation was that the Malaysian branches of nationalised Indian banks were forbidden to continue to operate as branches of the parent. At the time, Indian Bank had three branches, and Indian Overseas Bank, and United Commercial Bank had eight between them. In 1973 the three established United Asian Bank Berhad to amalgamate and take over their Malaysian operations. Post-nationalization, Indian Bank was left with only two foreign branches, one in Colombo and the other in Singapore.

International expansion resumed in 1978 with IB becoming a technical adviser to PT Bank Rama in Indonesia, the result of the merger of PT Bank Masyarakat and PT Bank Ramayana. Two years later, IB, Bank of Baroda, and Union Bank of India established IUB International Finance, a licensed deposit taker in Hong Kong. Each of the three banks took an equal share in the joint venture; IB's Chairman became the first Chairman of IUB International Finance. In May 1980s, IB also opened a foreign currency unit at its branch in Colombo. In 1981 IB set up its first Regional Rural Bank, Sri Venkateshwara Grameen Bank, in Chittoor.

## Indian bank overview

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### **Post nationalisation**

In 1983, ethnic sectarian violence in the form of anti-Tamil riots resulted in the burning of Indian Overseas Bank's branch in Colombo. Indian Bank, which may have had stronger ties to the Sinhalese population, escaped unscathed.

In 1990, Indian Bank rescued Bank of Tanjore (Bank of Thanjavur; est. 1901), with its 157 branches, based in Tamil Nadu. A multi-crore scam was exposed in 1992, when then chairman M. Gopalakrishnan lent ₹13 billion to small corporates and exporters from the south, which the borrowers never repaid. Bank of Baroda bought out its partners in IUB International Finance in Hong Kong in 1998. Apparently, this was a response to regulatory changes following Hong Kong's reversion to Chinese control. IUB became Bank of Baroda (Hong Kong), a restricted licence bank. In June 2015, business of the bank crossed the Milestone Target of ₹3 lakh crore (US\$40 billion).

## Amalgamation

On 30 August 2019, Finance Minister Nirmala Sitharaman announced that Allahabad Bank would be merged with Indian bank. The proposed merger would create the seventh largest public sector bank in the country with assets of ₹8.08 lakh crore (US\$110 billion). The Union Cabinet approved the merger on 4 March 2020. Indian Bank assumed control of Allahabad Bank on 1 April 2020.

## Statement of the problem

The core banking has been evolving the environment with the development of the world wide web. Banks Through internet has emerged as a strategic resource for achieving higher efficiency more recently in India the core banking services is carried out in an effective way to satisfy the customers of the respective banks. The transformation from traditional banking to core banking has been a dramatic change. It allows customers to manage their accounts from any place, at any time at minimum cost. The banking industry renders many services to the customers and general public. But they do not reach the customers in a proper manner because of some practical difficulties. The researcher has made an attempt to analyse the attitude of customers towards core banking services in public sector banks in vickramasingapuram.

## Objectives of the study

1. To study the relationship between the socioeconomic variables of the respondents and their attitude towards the core banking services of public sector bank with special reference to Indian bank.
2. To examine the factors influencing the customers reasons for avail core banking services of public sector banks in the study area.
3. To measure the determinants of the attitude of the customers towards the core banking services opinion.

## Scope of the study

The study aims to analyze the customer attitude towards core banking services in public sector Indian bank in Vickramasingapuram. It covers the demographic profile of customer, measure the attitude factors of customers. The present study focuses on the Customer Attitude towards the Core Banking Services Offered by Banks in Vickramasingapuram.

## Methodology

An empirical research approach has been chosen for the study. The customer attitude influencing factor has been importance in overall customer satisfaction of the customers. There are several research was conducted earlier. However, the researcher has extended some more attitude to the existing model in this study. In order to analyze customers attitude towards core banking services in banks 100 respondents were selected through convenience

sampling method from the study area and the primary data collected by well-structured interview schedule and the secondary data was collected from books, journals, website, etc. After the data collection is over, the researcher has analyzed the data with the help of statistical tools like percentage analysis, mean score weighted average, standard deviation, Garette ranking.

### Analysis and interpretation

**Table 1. Demographic variable of the respondents**

Demographic variable	Categories	No. of respondents	Percentage
Gender	Male	35	35
	Female	62	62
	Transgender	03	03
	<b>Total</b>	<b>100</b>	<b>100</b>
Age	Below 30 years	25	25
	31-40 years	40	40
	41-50 years	20	20
	Above 50 Years	15	15
	<b>Total</b>	<b>100</b>	<b>100</b>
Educational qualification	Up to high school	18	18
	Higher Secondary	21	21
	Graduate	32	32
	Professional	16	16
	Diploma/Technical	13	13
	<b>Total</b>	<b>100</b>	<b>100</b>
Marital status	Unmarried	25	25
	Married	75	75
	<b>Total</b>	<b>100</b>	<b>100</b>
Occupation	Student	08	8
	Private Employee	24	24
	Govt employee	25	25
	Business	26	26
	Professional	08	8
	Daily wages	09	9_
	Others	Nil	
	<b>Total</b>	<b>100</b>	<b>100</b>
Place of residence	Urban	38	38
	Rural	49	49
	Semi Urban	13	13

	<b>Total</b>	<b>100</b>	<b>100</b>
Monthly Income	BelowRs.20,000	36	36
	Rs.20,001-Rs.30,000	40	40
	Above Rs.40,000	15	15
		09	9
	<b>Total</b>	<b>100</b>	<b>100</b>
Type of account	Savings account	58	58
	Current account	42	42
	<b>Total</b>	<b>100</b>	<b>100</b>
Years of customer in this bank	Less than 5year	20	20
	5-10 years	18	18
	10-15 years	32	32
	More than 15 years	30	30
	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

### Reasons for using core banking services

An attempt has been made to find out which Reasons for using core banking services are mostly used by customers, the data have been collected from the customers and analyzed with the help of Garret rank and the results are presented below.

**Table -2**

**Reasons for using core banking services**

Particulars	Mean Score	Rank
Avoid waiting time	60.0	II
Quick service &Tension free	43.64	IX
Preferred technology &Secure (safe)	44.28	VIII
Trust (Belief)&Secure(Safe)	28.67	XIII
Anywhere and anytime banking through ATM	46.20	VI
Cost effectiveness	45.20	VII
Electronic payment system	61.2	I
Electronic fund transfer	58.3	III
Convenient to the customers	56.2	IV
Strengthen customer relationship management	42.32	XI
Standardized Banking operations	41.2	XII
Avoiding theft and frauds	43.2	X



Real time transaction processing	48.3	V
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Source: Primary Data

It is clear that the above table shows the Reasons for using core banking services components. thirteen components have been identified namely Avoid waiting time, Quick service & Tension free, Preferred technology & Secure (safe), Anywhere and anytime banking through ATM, Cost effectiveness, Electronic payment system, Electronic fund transfer Convenient to the customers, Strengthen customer relationship management, Standardized Banking operations, Avoiding theft and frauds and Real time transaction processing The above table shows that Electronic payment system is ranked first with a mean score of 61.2, followed by Avoid waiting time with a mean score of 60.0, Electronic fund transfer is ranked third with a mean score of 58.3, followed by Convenient to the customers with a mean score of 44.28 and Cash Deposit Machine is ranked fifth with a mean score of 56.2 and Strengthen customer relationship management is ranked sixth with mean score of 48.3 followed by Anywhere and anytime banking through ATM with a mean score of 46.20, Cost effectiveness is ranked seventh with a mean score of 45.20, followed by Preferred technology & Secure (safe) with a mean score of 44.28 and Avoiding theft and frauds is ranked tenth with a mean score of 43.2 and Standardized Banking operations is ranked twelfth with mean score of 41.2 and the last rank of Trust (Belief) & Secure (Safe) with a mean score of 28.67

**Table -3 Opinion of the customers**

Sl.No	Opinion	Mean Score	Std. Deviation
1	Telebanking/mobile banking	3.16	1.413
2	Safety & security	3.03	1.318
3	ATM	2.95	1.306
4	E-payment system	2.92	1.282
5	Electronic Fund Transfer	2.91	1.254
6	Quick services	2.80	1.143
7	Electronic clearness system	2.78	1.097
8	Convenience	2.73	.970

9	Debit card	2.65	.880
10	Credit card	2.54	.875
11	MICR	2.46	.867
12	Integrated branch banking	2.36	.852

Source: Primary data

The above table shows that "Telebanking/Mobile banking" is the top ranked opinion of core banking customers usage with a mean score of 3.16, "safety and security" is the second opinion of core banking customer services with a mean score 3.03, "ATM" is the third opinion for core banking services with mean score of 2.95, "E-payment system" is the fourth ranked opinion core banking services with mean score 2.92, "Electronic fund transfer" is the fifth ranked opinion for using customer using core banking services with the mean score 2.91, "Quick services" is the sixth ranked opinion for core banking services with a mean score 2.80, "Electronic clearness system" is the seventh ranked opinion of customers using core banking services with the mean score 2.78, "Convenience" is the eighth ranked opinion for core banking services with a mean score 2.73, "Debit card" is the ninth rank opinion of customers using core banking services with mean score 2.65, "Credit card" is the tenth ranked opinion for core banking services with a mean score 2.54, "MICR" is the eleventh rank opinion of customers core banking services with a mean score 2.46, "Integrated branch banking" is the twelfth ranked opinion for customers using core banking services with a mean score of 2.36.

## FINDINGS

- ❖ Majority 62 percent of the respondents are female.
- ❖ It is found that majority 40 percent of the respondents are 31-40 years age group
- ❖ It is observed that 32 percent of the respondents are graduate.
- ❖ It is witnessed that majority 75 percent of the respondents are married.
- ❖ It is confirmed that 26 percent of the respondents are doing business.
- ❖ Majority 49 percent of the respondents belong to urban area.
- ❖ It is perceived that majority 40 percent of the respondents are earning Rs.20,001-Rs.30,000 per month.
- ❖ It is observed that 64 percent of respondents are savings account holder.
- ❖ It is found that majority 32 percent of the respondents are using core banking services for 10-15 years.
- ❖ It is observed that electronic payment system is ranked first with a mean score of 61.2 ranking of reasons for using core banking services.
- ❖ It is observed that telebanking/Mobile banking is the top ranked opinion of core

banking customers usage with a mean score of 3.16.

## CONCLUSION

The present study forces the bank customers to adopt core banking services all over the world. Hence the cost effectiveness and convenience of using core banking services should be increased for all types of core banking services than the existing level. From the study it is concluded that the core banking services are adopted by the customers of public sector banks in the study area to a greater level. Still the customers of public sector banks expect quality in all type of a banking services. The suggestions offered by the researcher will be useful to the decision makers of the public sector banks to motivate more number of customers to avail core banking services.

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