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**INTERNATIONAL CONFERENCE ON EMERGING TRENDS
IN BANKING, INSURANCE AND INTERNATIONAL TRADE**

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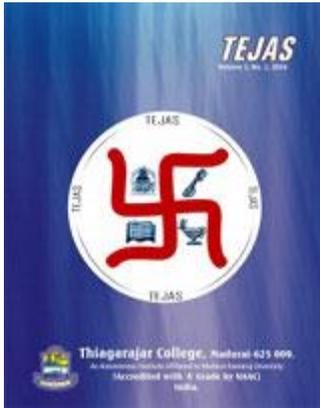


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Emerging Trends in Banking, Insurance and International Trade

A STUDY ON THE ONLINE BANKING SERVICE QUALITY OF COMMERCIAL BANKS WITH SPECIAL REFERENCETO BANGALORE CITY

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Abstract

With the rapid advances in technology and changing demographics and life-style of people, the traditional branch banking is giving way to electronic banking (e-banking) and more recently mobile banking (m-banking). However, numbers suggest that the rate of acceptance of technology is quite low. In India, as quoted by an RBI report (Report of the Technical Committee on Mobile Banking, 2014), 64 banks have commenced mobile banking operations and there are 22 million active mobile banking users, which is roughly 5% of the total bank accounts. Lack of awareness, security concerns and technical issues are considered as the major reasons behind customer resistance to mobile banking services. Hence, it is pertinent for the service providers to understand and address the needs of customers so as to optimize their mobile banking experience. The current study aims at describing the usage patterns of mobile banking customers and identifying the factors which influence their usage of m-banking.

Keywords: *Online Banking, Service Quality. Mobile Banking,*

Introduction

Technology is vividly altering the way in which financial services are delivered to consumers and will continue to do so in future too. Electronic Banking or the use of computers and electronic technology is changed the way of conducting banking and has become as a substitute for a traditional paper-based transactions, and is here to stay. Today, the question being debated by Bankers is not whether to go in for Electronic Banking or not, but how fast, in what manner, where, to whom, etc.

It is not that 'Electronic Banking' is a concept of the new millennium. Fund transfers and transmission of Letters of Credit via computers and telephone lines have been an integral part of interbank and international banking, payment systems and currencies markets for several years. The SWIFT (Society for Worldwide Interbank Financial Telecommunications) network is the secure backbone for these payment systems.

Statement of the Problem

In a competitive market place understanding customer's needs become an important factor. As companies have more from a product-centric to a customer centric position. Satisfaction is also a great interest to practitioners because of its important effect on customer retention. Retention is a major challenge particularly in internet- based services, as customers can easily switch from one service provider to another at low cost. Considering the high costs of acquiring new customers and the apparently high customer turnover of many online services, it is very important to study the determinants of customer satisfaction. Customer satisfaction is the major issue for the businesses that are operating in Electronic Commerce (EC) systems. Good customer service quality is the main factor that will determine, in the future, whether the businesses will service or fail. Maintaining effective customer service helps to build and maintain customer relationships that is the key success in e-commerce. In order to satisfy customer's needs, many companies need to setup websites that provide quality information and services to customers. Better service quality typically can help to get higher market share and better returns. It is desirable for online service providers to uncover what attitudes consumers utilized in their assessment of overall service quality and satisfaction and which attitudes are more important.

Review of Literature

Irfan Bashir et al., (2015) the result of the analysis states that perceived usefulness, perceived ease of use, trust and perceived enjoyment are found to be immediate direct determinants of customers' attitude towards using internet banking. RambalakYadav et al.,(2015) A survey was conducted through a questionnaire to understand the customer's intention towards internet banking using two theories theory of planned behaviour and technology acceptance model and perceived risk and found that perceived usefulness, attitude, subjective norms and perceived behavioural control have higher influences the customers to use internet banking whereas perceived risk failed to show any significant in adopting internet banking. Sukanya Kundu et al.,(2015) A study was conducted with the help of a questionnaire to understand the effect of trust on customer satisfaction keeping e service quality as a independent variable and trust as a mediating variable and it was found that e-service quality was found to be strongly correlated with customer satisfaction. Tommi L (2017) conducted a study were mobile banking users were divided into 3 groups based on their perceptions of various factors influencing mobile banking, these segments were labelled as technology adoption, technology adoption followers and technology adoption laggards and the result showed that both attitude and intentions towards mobile banking significantly differs across the three segments In terms of relative positioning, TA leaders have the most favourable attitudes and intentions followed by TA followers, and TA laggards. Age was found to significantly influence TA and usage. CajetanI. Mbama et al., (2018) the study was conducted to examine customers' perception of digital banking ,customer experience, satisfaction, loyalty and financial performance in banks, and the study concludes that the main factors which determine customer experience in DB are service quality functional , perceived value (PV), employee -customer engagement, perceived usability and perceived risk.

Objectives of the Study

- To evaluate the linkage between the service qualities of online banking; customer satisfaction and customer loyalty towards the online banking.
- To identify the important discriminate aspects in service qualities among the customers in public and private sector banks; and

Research Methodology

A pilot study was conducted among the 30 customers each in private and public sector banks at Bangalore City. Based on their feedback, certain modifications, additions, deletions and simplifications were carried out to prepare a final questionnaire. The final questionnaire is used to collect the primary data from the customers. A Sample respondents has been chosen for the purpose of the study. For this study, the researcher used well structured interview method to collect the data from the respondents. The questionnaire related to dimensions of deficiencies in banking services. The sampling procedure of the present study consists of determinants of sample size and sampling procedure followed to distribute the samples in the population. The sample size of the study is

determined with the help of formula. $n = \left[\frac{Z\sigma}{D} \right]^2$ whereas n-sample size; σ -standard deviation of customer satisfaction on banks at pilot study; D-error of acceptance.

IBM SPSS 21 Version was used for statistical analysis. In this research we used T-test, One-way Analysis of Variance, Reliability Test.

Table 1: Expectation on variables in SSTQUAL in Online Banking

| Sl. No. | Variables in SSTQUAL | Mean score among customers in | | 't' statistics |
|------------|-----------------------------|-------------------------------|--------|----------------|
| | | PUSBs | PRSBs | |
| I | ATM Banking | | | |
| 1 | Sufficient number of ATM | 3.6652 | 3.8456 | -0.6568 |
| 2 | Secured Locations | 3.4089 | 3.7331 | -0.5282 |
| 3 | User-friendly system | 3.5918 | 3.8308 | -0.5064 |
| 4 | Convenience | 3.6879 | 3.9087 | -0.9109 |
| 5 | ATM functions | 3.3889 | 3.9144 | -2.5173* |
| II | Telephone banking | | | |
| 1 | Pleasant musical background | 3.4509 | 3.8808 | -2.1179* |
| 2 | Reasonable Number of voice | 3.0117 | 3.6673 | -2.5242* |
| 3 | Short waiting time | 3.3969 | 3.9845 | -2.6842* |
| 4 | Clear instructions | 3.4541 | 3.7667 | -1.3919* |
| 5. | Promptness | 3.5083 | 3.8149 | -0.9097 |
| 6. | Telephone banking options | 3.2517 | 3.7896 | -2.4899* |
| III | Internet banking | | | |
| 1 | Availability of information | 3.1886 | 3.8082 | -2.7546* |
| 2 | Easy to use | 3.2789 | 3.8643 | -2.6897* |
| 3. | Secured | 3.1782 | 3.7717 | -2.6989* |
| 4. | Error-free transactions | 3.5991 | 3.7804 | -0.4891 |
| 5. | Attractive web site | 3.4541 | 3.8997 | -1.8676 |
| 6. | Website interface accuracy | 3.6546 | 3.8018 | -0.4896 |
| 7. | Upto date information | 3.8084 | 3.9224 | -0.2391 |
| IV | Price | | | |
| 1. | Service charges | 3.6086 | 3.8868 | -0.3517 |
| 2. | Acceptable fees | 3.6541 | 3.9107 | -0.5332 |
| 3. | Competitive fees | 3.8045 | 3.9244 | -0.2018 |
| 4. | Transparency in charging | 3.7182 | 3.8336 | -0.1396 |
| V | Product Range | | | |
| 1. | Range of services | 3.2668 | 3.9087 | -2.7889* |
| 2. | Diverse service features | 3.1789 | 3.8584 | -2.7081* |
| 3 | Service options | 3.0884 | 3.7608 | -2.7918* |
| 4 | Most advanced technology | 3.2545 | 3.9172 | -2.7084* |

* Significant at five per cent level.

The highly expected variable in ATM banking by the customers in private and public sector banks are ATM functions are convenience since their mean scores are 3.9144 and 3.6879 respectively. The significant difference among the customers in private and public sector banks have been noticed in the expectation on ATM function only since its 't' statistics is significant at five per cent level. In the case of expectation on variables in telephone banking, the significant differences are identified in the case of pleasant musical background, reasonable number of voice prompts, short waiting time and telephone banking options. The most expected variables in telephone banking by the customers in private and public sector banks is short waiting time and clear instructions respectively since their mean score are 3.9845 and 3.4541. Among the customers in private and public sector banks, the most expected variable in internet banking is upto date information since their mean scores are 3.9224 and 3.8084 respectively. The significant difference among the two group of customers have been noticed in the case of availability of information, easy to use and secured since their 't' statistics are significant at five per cent level. In the case of price, the highly expected variables among the customers in private and public sector banks is competitive fees since their mean scores are 3.9244 and 3.8045 respectively. In the case of product range, these variables among them are most advanced technology and range of services since their mean scores are 3.9172 and 3.2668 respectively. The significant

difference among the two group of customers is noticed in the level of expectation on all variables included in product range.

Table 2: Discriminant Validity among the SSTQUALFs

| Sl. No. | Mean of AVEs | | | | | |
|---------|------------------------------------|-------------|-------------------|------------------|--------|---------------|
| | Square of correlation co-efficient | ATM banking | Telephone banking | Internet banking | Price | Product range |
| 1. | ATM | | 0.5327 | 0.5504 | 0.5651 | 0.5457 |
| 2. | Telephone banking | 0.4847 | | 0.5413 | 0.5560 | 0.5366 |
| 3. | Internet | 0.4179 | 0.4103 | | 0.5737 | 0.5543 |
| 4. | Price | 0.3997 | 0.3896 | 0.4276 | | 0.5690 |
| 5. | Product Range | 0.4239 | 0.4589 | 0.4917 | 0.4089 | |

The mean of AVEs of all pair of SSTQUALFs are greater than its respective square of correlation co-efficient. For example, the mean of AVEs between ATM an Tele banking (0.5327) is greater than the square of correlation co-efficient between them (0.4847). Similarly, it is identified in all pairs of SSTQUALFs. It shows the mutual exclusiveness among the critical service quality factors.

Findings

The factors leading to choose the present bank is measured with the help of 41 variables. The score of variables included for factor analysis in order to narrate the variables into factors. The identified factors are creditability, customiration, service consistency, access, service components, reliability, tangibility, innovation, employee behaviour, record maintenance and responsiveness. The highly viewed factors by the customers in PUSBs are reliability and crediability whereas among the customers in PRSBs, these are employee behaviour and customization. The significant difference among the customers in PUSBs and PRSBs have been noticed in their view on 6 out of 11 factors. The important discriminate factor among the customers in PUSBs and PRSBs are customization and service consistence which are higher among the customers in PRSBs compared to customers in PUSBs. The significantly associating important, profile variables regarding their view on the factors are occupation, monthly income, family income and banking experience. The dominant types of online banking services availed by the customers in PUSBs are ATM banking and internet banking whereas among the customers in PRSBs, these two are internet banking and service kisoahs. The significant difference among the customers in PUSBs and PRSBs have been noticed in their usage of five out of six usages. The dominant frequency of using online banking services among the customers in PUSBs and PRSBs are daily and once in the days respectively. The highly viewed purposes of using the online banking services by the customers in PUSBs are foods transfer and updating information whereas among the customers in PRSBs, these two are e-ticketing and funds transfer. The significant difference among the two group of customers have been noticed in their view on four out of seven purpose of using the online banking.

Conclusions

The present study reveals that the perception on online banking service qualities are not upto the level of expectation on it among the customers. The higher service quality gap is noticed in the case of PUSBs. The profile of the customers play a significant role in the determination of their perception on all three service qualities in online banking. The customer satisfaction on the online banking service qualities is only at moderate level whereas the customer loyalty on it is lesser. These two consequences of online banking service qualities are lesser in PUSBs compared to PRSBs.

Eventhough, the three service qualities have a significant impact on customer satisfaction, their impact on customer loyalty is not at a appreciable level. But the three service qualities have a

significant indirect effect on customer loyalty i.e. through customer satisfaction. It shows the effective mediator role of customer satisfaction in between the online banking service qualities and customer loyalty towards online banking.

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Emerging Trends in Banking, Insurance and International Trade

CUSTOMERS' ATTITUDE TOWARDS THE HEALTH INSURANCE COMPANIES – FACTOR ANALYSIS

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Abstract

The Indian insurance sector has started showing signs of significant changes after opening of Industry to private players. With a large population base and huge untapped market, Insurance industry is a big opportunity area in India for national as well as for foreign investors. A huge uninsured population and low market penetration are the two main challenges to the Indian Insurance Industry. It is really an attempt on the part of the researcher to examine to analyze customer attitude, satisfaction and perception towards purchase of Health Insurance products from Government sectors, private insurance companies and Stand alone companies . Health Insurance is completely a customer focused business and therefore it is very important to understand the role and future trend towards Government sectors, private insurance companies and Stand alone companies in India. The present study is made an attempt to measure the attitude, perception and satisfaction level of customers related to the various products of companies' Health insurance. What influence the attitude of the customers had on the Health insurance market? The study was undertaken to understand the customers' attitude towards the Health insurance companies.

Keywords: *Health Insurance, Attitude. Government Sectors,*

Introduction

Insurance is the backbone of a country's risk management system. Risk is an inherent part of our lives. The insurance providers offer a variety of products to businesses and individuals in order to provide protection from risk and to ensure financial security. They are also an important component in the financial intermediation chain of a country and are a source of long-term capital for infrastructure and long-term projects. Through their participation in financial markets, they also provide support in stabilizing the markets by evening out any fluctuations. The term health insurance is a type of insurance that covers your medical expenses. A health insurance policy is a contract between an insurer and an individual /group in which the insurer agrees to provide specified health insurance cover at a particular "premium". The commonest form of health insurance policies in India cover the expenses incurred on Hospitalization, though a variety of products are now available which offer a range of health covers, depending on the need and choice of the insured. The health insurer usually provides either direct payment to hospital (cashless facility) or reimburses the expenses associated with illnesses and injuries or disburses a fixed benefit on occurrence of an illness. The type and amount of health care costs that will be covered by the health plan are specified in advance. All of us should buy health insurance and for all members of our family, according to our needs. Buying health insurance protects us from the sudden, unexpected costs of hospitalization (or other covered health events, like critical illnesses) which would otherwise make a major dent into household savings or even lead to indebtedness. Each of us is exposed to various health hazards and a medical emergency can strike anyone of us without any prior warning. Healthcare is increasingly expensive, with technological advances, new procedures and more effective medicines that have also driven up the costs of healthcare. While these high treatment expenses may be beyond the reach of many, taking the security of health insurance is much more affordable.

Objective of the Study

The aim of the study is to understand the customers' attitude towards the Health insurance companies.

Review of Literature

Bishnoi and Sharan (2007)¹ revealed that the private players have shown that they are tough players in the health portfolio. Both the private and public sector players have an almost equal contribution in the health portfolio but it seems that by 2010, the private sector players will overtake the public sector players and will be the market leaders in this sector. Rao Tripti, D. (2000)² stated that Privatization of insurance industry is based on the view that competition would enhance efficiency through increased resource utilization. It would spill over as benefits to the consumers in terms of reduction in premium costs with proper pricing policy and wider choice. Liberalization may also increase the scope of operation of insurance business from limited area to untapped areas like health, crop and unemployment. Raju Satya R. (2004)³, Found that the insurance agents, development officers' employees, executives at different levels should work together to achieve the objectives and mission and also to face the present and future competition as a challenge. The insurance product and services should be designed and offered as per the customer requirements. Palande et al (2007)⁴ found that the Insurance industry is going to witness sea changes in its marketing strategies. The existing and the new insurers will devise different strategies to retain and enhance their market share. It would be done by various methods by bringing in new practices, settings new service standards and creating new benchmarks. Selvakumar & Priyan (2010)⁵ found that insurance companies are increasingly tapping the semi-urban and rural areas to take across the message of protection of life through insurance cover. Higher level of protection implies that customers are more conscious of the need for risk mitigation, grater security, and about the future of their dependents. Insurance sector has been evolving and improving its underwriting and risk management abilities. The research review identifies the links between insurance, financial sector performance and growth in substantial details, helping define the insurance economic growth relationship and supporting the policy conclusions of this report.

Research Methodology

The applied research design of the present study is purely descriptive in nature because of the following reasons namely it has its own confined objectives and also predetermined methodology. It is portraying the profile of respondents, consumers' attitude towards the Health insurance companies. The questionnaire has sent to 650 consumers of Health insurance companies. The response rate on the questionnaire among the consumers of Health insurance companies is only 86 per cent. Hence, these 561 consumers of Health insurance companies had been taken as a sample for the present study. The present study is completely based on the primary data. The secondary data collected from the books, journals and magazines were used to write the conceptual framework of the study and also the review of literature. The primary data are collected with the help of structured questionnaire. The questionnaire had been prepared on the basis of the objectives of the study. The questionnaire includes various factors influencing the customers' attitude towards the Health insurance companies. The Factor Analysis test was used in this study for analyzing the primary data.

¹ Bishnoi V and Sharan R (2007), "Health Insurance in India: Introspects and Prospects", **The Icfai Journal of Risk and Insurance**, Vol. 4, No. 3, pp. 58-68.

² Rao, Tripti D.(2000), "Privatization and foreign participation in (Life) Insurance Sector", **Economic & Political Weekly**, pp 1107-1119, (March 25-31,2000), vol.35(13)

³ Raju Satya R., "Human Side of Insurance Sector" **GITAM – Excel Series New Deal in Insurance**, pg 73-88.

⁴ Palande, P.S & Shah R.S. and Lunawat, M.L.(2007), **Insurance in India changing policies and emerging opportunities, Response Books**, Sage publications Ltd.pp299-447(3)

⁵ Selvkumar M. & Priyan Vimal J. (2010), "Indian Life Insurance Industry: Prospect for Private Sector", **The Journal** ,Vol. XXXIV (1) pg 52-57 **ZENITH International Journal of Multidisciplinary Research Vol.1 Issue 8, December 2011, ISSN 2231 5780** www.zenithresearch.org.in 305

**Factor analysis for customer attitude of Health Insurance Company and policy
KMO and Bartlett's Test**

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .938 | |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 6806.951 |
| | Df | 561 |
| | Sig. | 0.000 |

In the present study, Kaiser-Meyer-Oklin (KMO) Measure of Sampling Adequacy (MSA) and Bartlett's test of Sphericity were applied to verify the adequacy or appropriateness of data for factor analysis. In this study, the value of KMO for overall matrix was found to be excellent (0.938) and Bartlett's test of Sphericity was highly significant ($p < 0.05$). Bartlett's Sphericity test was effective, as the chi-square value draws significance at five per cent level. The results thus indicated that the sample taken was appropriate to proceed with a factor analysis procedure. Besides the Bartlett's Test of Sphericity and the KMO Measure of sampling Adequacy, Communalities values of all variables were also observed.

| Communalities | Initial | Extraction |
|---|----------------|-------------------|
| Willingness to help customers and the readiness to respond to customers request | 1.00 | 0.649 |
| Giving caring and individual attention to customers by having the customers best interests at heart | 1.00 | 0.493 |
| Agents and employees who instill confidence in customers by proper behavior | 1.00 | 0.653 |
| Agents and employees who understand the specific needs of their customers | 1.00 | 0.623 |
| Apprising the customers of the nature and schedule of service available in the organization | 1.00 | 0.513 |
| Proving prompt service to customers | 1.00 | 0.547 |
| Agents and employees who have proper knowledge and competence to answer customers specific queries and requests | 1.00 | 0.525 |
| Effective customers grievance redressal procedures | 1.00 | 0.569 |
| Attractive and informative media and theme layout and language of the advertisement | 1.00 | 0.572 |
| Visually appealing materials and facilities associated with the service | 1.00 | 0.426 |
| Easy to get information about insurance policies through T.V., newspaper, internet etc. Rather than agents | 1.00 | 0.338 |
| Staff appeared neat and professional | 1.00 | 0.561 |
| Modern looking updated equipment, fixtures and facilities | 1.00 | 0.523 |
| Provides proper drinking water and sanitary facilities | 1.00 | 0.458 |
| Branch layouts been designed to give more space to the customers to transact business | 1.00 | 0.551 |
| Providing visually appealing signs, symbols, advertisement boards, pamphlets and other artifacts in the branch offices | 1.00 | 0.433 |
| Comfortable physical layout of premises, furnishings and ambient conditions (e.g. Temperature, ventilation, noise, odor) for the customer to interact with official staff | 1.00 | 0.515 |
| Promotes ethical conduct in everything it does | 1.00 | 0.450 |
| High rate of turn on insurance products as compared to the other saving instruments (fixed deposits in banks, national saving certificates etc.) | 1.00 | 0.450 |
| Adequate and necessary personnel/ agents for good customer service | 1.00 | 0.480 |
| Timely revival of lapsed policies, change of nominations, addressed and mode | 1.00 | 0.546 |

| | | |
|--|------|-------|
| of premium payment etc. | | |
| Speedy documentation and processes from the time of issue of policies up to the settlement of claims (e.g. Premium and default notice etc.) | 1.00 | 0.440 |
| Number of regular meetings with agents, discussion on each and every aspect of the policy, analysis of various tax aspects etc. In order to buy insurance policy | 1.00 | 0.369 |
| Performing service right the first time | 1.00 | 0.491 |
| Ability of agents to give truthful advice on investments/ tax benefits. | 1.00 | 0.542 |
| Convenient to pay premium on due date | 1.00 | 0.562 |
| Flexible products/ new products that meet customers' needs | 1.00 | 0.564 |
| Marking customers feel safe and secure in their transactions | 1.00 | 0.540 |
| Enhancement of technological capability (e.g. Computerization, networking of operations etc) to serve customers more effectively | 1.00 | 0.489 |
| Adequate and necessary facility for good customer services | 1.00 | 0.441 |
| Wide use of modern and alternative mode of premium payment such as electronic clearing system, payment through internet etc. | 1.00 | 0.610 |
| Appropriate behavior of the concerned staff | 1.00 | 0.598 |
| Convenient location of the branch offices | 1.00 | 0.512 |
| Availability of top official on case of need | 1.00 | 0.429 |

In order to provide a more parsimonious interpretation of the results, 34-item scale was then Factor analyzed using the Principal Component method with Varimax rotation. Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. In the current study Rotation Factor analysis is performed to measure the perception about occupation of the study of the respondents. The significance of variables is depicted in the following table.

| Rotated Component Matrix | Component | | | | | | |
|---|-----------|------|------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Appropriate behavior of the concerned staff | .671 | | | | | | |
| Wide use of modern and alternative mode of premium payment such as electronic clearing system, payment through internet etc. | .649 | | | | | | |
| Convenient location of the branch offices | .602 | | | | | | |
| Adequate and necessary facility for good customer services | .513 | | | | | | |
| Branch layouts been designed to give more space to the customers to transact business | | .631 | | | | | |
| Comfortable physical layout of premises, furnishings and ambient conditions (e.g. Temperature, ventilation, noise, odor) for the customer to interact with official staff | | .615 | | | | | |
| Promotes ethical conduct in everything it does | | .547 | | | | | |
| Proving prompt service to customers | | | .687 | | | | |
| Attractive and informative media and theme layout and language of the advertisement | | | .650 | | | | |

| | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|
| Agents and employees who have proper knowledge and competence to answer customers specific queries and requests | | | .604 | | | | |
| Agents and employees who instill confidence in customers by proper behavior | | | | .747 | | | |
| Willingness to help customers and the readiness to respond to customers request | | | | .718 | | | |
| Giving caring and individual attention to customers by having the customers best interests at heart | | | | .578 | | | |
| Marking customers feel safe and secure in their transactions | | | | | .667 | | |
| Effective customers grievance redressal procedures | | | | | .639 | | |
| Availability of top official on case of need | | | | | .544 | | |
| Ability of agents to give truthful advice on investments/ tax benefits. | | | | | | .626 | |
| Convenient to pay premium on due date | | | | | | .536 | |
| Agents and employees who understand the specific needs of their customers | | | | | | | .674 |
| Apprising the customers of the nature and schedule of service available in the organization | | | | | | | .565 |
| Eigen value | 3.047 | 2.941 | 2.648 | 2.550 | 2.242 | 2.212 | 1.823 |
| % of Variance | 8.963 | 8.650 | 7.788 | 7.499 | 6.595 | 6.507 | 5.361 |
| Cumulative | 8.963 | 17.6 | 25.4 | 32.90 | 39.5 | 46.02 | 51.36 |

Note: Factor loadings below 0.50 are not shown in this Table.

Findings

Seven factors were identified as being maximum percentage variance accounted. Appropriate behavior of the concerned staff, wide use of modern and alternative mode of premium payment such as electronic clearing system, payment through internet etc., convenient location of the branch offices and adequate and necessary facility for good customer services is grouped as a factor I ‘Payment facility’ and it accounts for 8.963% of the total variable. Branch layouts been designed to give more space to the customers to transact business, comfortable physical layout of premises, furnishings and ambient conditions (e.g. Temperature, ventilation, noise, odor) for the customer to interact with official staff and promotes ethical conduct in everything it does is grouped as a factor II ‘Office environment’ and it accounts for 8.65% of the total variable. Proving prompt service to customers, attractive and informative media and theme layout and language of the advertisement and agents and employees who have proper knowledge and competence to answer customers specific queries and requests is grouped as a factor III ‘Quality of service’ and it accounts for 7.788% of the total variable. Agents and employees who instill confidence in customers by proper behavior, willingness to help customers and the readiness to respond to customers request and giving caring and individual attention to customers by having the customers best interests at heart is grouped as a factor IV ‘Agents Cooperation’ and it accounts for 7.499% of the total variable. Marking customers feel safe and secure in their transactions, effective customers grievance redressal procedures and availability of top official on case of need heart is grouped as a factor V and it accounts for 6.595% of the total variable.

Ability of agents to give truthful advice on investments/ tax benefits and convenient to pay premium on due date is grouped as a factor VI ‘Agent advice’ and it accounts for 6.507% of the total

variable. Agents and employees who understand the specific needs of their customers and apprising the customers of the nature and schedule of service available in the organization is grouped as a factor VII 'Agent service' and it accounts for 5.361% of the total variable.

Conclusion

The world is undergoing a phase of Health insurance revolution. A decade earlier, only a small fraction of people in the world availed health insurance policy. The present status is that only less than twenty per cent of the world population having health insurance policy. In the past, the users of health insurance were elite and specialized professionals, whereas in recent times, even the relatively poor people who live in the poor nations of the world make up a considerable per cent of users. Health insurance policy is uniquely suited to serve the chronically underserved communities. It can reach expeditiously to the remote and rural parts of India. The health insurance would substantially improve the social and economic conditions of people living in rural areas by improving access to quality of health care services. The government of India must understand that the provision of a world class health care infrastructure will lead to rapid development of the health of the people in the country. There has been a stiff competition among the health insurance companies. This has induced a lot of innovative marketing strategies to make stamp their mark in this competitive market. The dawn of each day brings forth a new scheme/policy that is very unique and impressive. It is concluded that the quality attributes of the health insurance companies have direct influence in the preference of the consumers.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON HEALTH INSURANCE- SATISFACTION OF POLICY
HOLDER WITH SPECIAL REFERENCE TO
KOLLAM DISTRICT, KERALA**

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Abstract

Customer satisfaction plays a pivotal role in insurance business, especially health insurance business segment. It is not only indicative of customer loyalty but also helpful in identifying the needs of the customer. Unlike any other forms of insurance health insurance is most complex. Apart from the insurer and the insured, there are various components involved in health insurance mechanism such as healthcare providers like hospitals, Third Party Administrators, etc. So, customer satisfaction has a huge role in health insurance mechanism. It is important to retain the existing customer rather than attracting a new customer in the health insurance business segment, since the marketing cost and efforts required in retaining the existing customer will be less. Since private sector companies are coming out with innovative products in health insurance sector, public sector companies are facing a stiff competition. The study focuses on the customer satisfaction level of health insurance policyholders in kollam district in Kerala. Since health insurance policies are based on yearly renewal basis, customer satisfaction has a lead role to play in determining the renewal of policies with the existing insurance company.

Keywords: *Health Insurance, Customer Satisfaction, Policies, Insurance Companies*

Introduction

Insurance plays a significant role particularly in view of the large-scale production and distribution of goods in national and international market. It is an aid to both trading and industrial enterprises, which involve huge investments in properties and plants as well as inventories of raw materials, components and finished goods. The members of business community feel secured by means of insurance as they get assurance that by contributing a token amount they will be compensated against a loss that may take place in future. From the national economic point of view, insurance enables savings of individuals to accumulate with the insurance companies by way of premium received. These funds are invested in securities issued by big companies as well as Government. Individuals who insure their lives to cover the risks of old age and death are induced to save a part of their current income, which is by itself of great importance. Insurance is also a source of employment for the people. The people get employed directly in its offices spread over the country and it also provides opportunities to the people to earn their livelihood by working as agent of the insurance companies. The liberalisation policies resulted in a sudden change in insurance industry. IRDA was formed in 1999 and in 2000 IRDA opened up the market and allowed foreign companies to enter into Indian insurance sector.

Health Insurance is more complex than other segments of insurance business because of serious conflicts arising out of adverse selection, moral hazard, unavailability of data and information gap problems. Health sector policy formulation, assessment and implementation are an extremely complex task, especially, in changing epidemiological, institutional, technological and political scenario. In simple terms, health insurance can be defined as a contract where an individual or group purchases in advance health coverage by paying a fee called “premium”. Health insurance refers to a wide variety

of policies. These range from policies that cover the cost of doctors and hospitals to those that meet a specific need, such as paying for long term care. Even disability insurance, which replaces lost income if you cannot work because of illness or accident, is considered health insurance, even though it is not specifically for medical expenses.

The concept of Health Insurance was proposed in the year 1694 by Hugh the elder Chamberlen from Peter Chamberlen family. In 19th Century “Accident Assurance” began to be available which operated much like modern disability insurance. This payment model continued until the start of 20th century. During the middle to late 20th century traditional disability insurance evolved in to modern health insurance programmes. Today, most comprehensive health insurance programmes cover the cost of routine, preventive and emergency health care procedures and also most prescription drugs. But this is not always the case. Healthcare in India is in a state of enormous transition: increased income and health consciousness among the majority of the classes, price liberalization, reduction in bureaucracy, and the introduction of private healthcare financing drive the change. Over the last 50 years, India has achieved a lot in terms of health insurance. Before independence, the health structure was in dismal condition i.e. high morbidity and high mortality and prevalence of infectious diseases. Since independence, emphasis has been put on primary health care and we made considerable progress in improving the health status of the country. But still, India is way behind many fast developing countries such as China, Vietnam and Sri Lanka in health indicators. Health insurance, which remains highly underdeveloped and less significant segment of the product portfolios, is now emerging as a tool to manage financial needs of people to seek health services. The new economic policy and liberalization process followed by Government of India since 1991 paved the way for privatization of insurance sector in the country. The Insurance Regulatory and Development Authority (IRDA) bill, passed in Indian parliament, is the important beginning of changes having significant implications for the health sector.

Health insurance is very well established in many countries, but in India it still remains an untapped market. Less than 15% of India’s 1.1 billion people are covered through health insurance. And most of it covers only government employees. At any given point of time, 40 to 50 million people are on medication for major sickness and share of public financing in total health care is just about 1% of GDP. Over 80% of health financing is private financing, much of which is out of pocket payments and not by any pre-payment schemes. Given the health financing and demand scenario, health insurance has a wider scope in present day situation in India. However, it requires careful and significant efforts to tap Indian health insurance market with proper understanding and training.

Literature Review

Thomas and Koshy (2013), according to them the three identified factors which involved the purchase of health insurance products by the consumer were personal, marketing and social. The study aimed at understanding the pattern of subscription of health insurance in different demographic groups and their awareness of health insurance.

Abaidoo (2015) aimed at identifying the customer satisfaction strategies in insurance industry for a successful implementation of business. The strategic importance of customer satisfaction to a business firm’s growth largely depended on the satisfaction of the customers.

Hussen (2015) investigated the level of satisfaction and loyalty of the policyholder towards insurance companies. The study examined the customer satisfaction level through the application of two different customer satisfaction tools such as SERVQUAL and overall customer satisfaction models. Studies focused on the satisfaction among public and private limited companies and the type of policies in health insurance sector were minimal. To fill this gap the current study has been carried out.

Scope of the Study

Health insurance has become a dire necessity for the common man because of the huge hike in the medical expenses. Results of the study will be helpful for insurance companies operating in health insurance sector for improving their service quality. The study will be helpful for public limited companies to introduce different policy options based on customer demands as the private companies have already done.

Profile of the Area

Kollam is the fourth largest city in Kerala and the fifth largest in terms of corporation area. It is known for cashew processing and coir manufacturing. Ashtamudi Lake is considered the southern gateway to the backwaters of Kerala and is a prominent tourist destination at Kollam. The Kollam urban area includes sub urban towns such as Paravur in the south, Kundara in the east and Karunagapally in the north of the city. Other important towns in the city suburbs are Eravipuram, Kottiyam, Kannanallur and Chavara.

Objectives of the Study

- The study aims to find out the policyholders' satisfaction with regard to private and public limited health insurers.
- The study examines the impact of different policies in achieving customer satisfaction.

Research Methodology

The study is based on descriptive research which involves primary as well as secondary data. Primary data were collected from policyholders who availed themselves of treatment from health insurance empanelled hospitals. Secondary data were collected from various journals and online resources comprising past studies on health insurance and customer satisfaction. The data were collected from 100 health insurance policyholders who belonged to various demographic profiles. The tools used for analysis included frequency percentage tests and chi-square tests.

Data Analysis and Interpretation

Table 1 Demographic Details

| Sl. No. | Particulars | Classification | Number of Respondents | Percentage |
|----------------|-------------------------|-----------------------|------------------------------|-------------------|
| 1 | Age | Up To 30 | 17 | 11.33 |
| | | 30 To 50 | 99 | 66.00 |
| | | Above 50 | 34 | 22.66 |
| 2 | Gender | Male | 79 | 52.66 |
| | | Female | 71 | 47.33 |
| 3 | Area Of Residence | Urban | 42 | 28.00 |
| | | Semi Urban | 78 | 52.00 |
| | | Rural | 30 | 20.00 |
| 4 | Education Qualification | SSLC | 8 | 5.33 |
| | | HSC | 14 | 9.33 |
| | | Diploma | 23 | 15.33 |
| | | Graduate | 58 | 38.66 |
| | | Post Graduate | 25 | 16.66 |
| 5 | Marital Status | Professional | 22 | 14.66 |
| | | Single | 19 | 12.66 |
| | | Married | 131 | 87.33 |

| | | | | |
|---|----------------|---------------|----|-------|
| 6 | Occupation | Employee | 44 | 29.33 |
| | | Business | 23 | 15.33 |
| | | Homemaker | 16 | 10.66 |
| | | Retired | 13 | 8.66 |
| | | Professional | 42 | 28.00 |
| | | Agriculturist | 12 | 8.00 |
| 7 | Monthly Income | Up To 40000 | 46 | 30.66 |
| | | 40001-80000 | 72 | 48.00 |
| | | Above 80000 | 32 | 21.33 |

Inference

Above table shows that of the 150 policyholders, the age of a majority ranged 30 to 50 and it was 66 percent. 52.66 percent of the policyholders were male and 47.33 female. Among the policyholders a majority of them were semi-urban residents, this was 52 percent. 38.66 percent policyholders' educational qualification was graduation. Hence, most of the policyholders were graduates. Among the policyholders, a majority of them were married and it was 87.33 percent. 29.33 percent of the policyholders were employees and 28 percent professionals. The income of most of the policyholders ranged between 40000 and 80000, which was 48 percent.

Table 2 Insurance Details

| S. No. | Particulars | Classification | Number of Respondents | Percentage |
|--------|------------------------|-----------------------------|-----------------------|------------|
| 1 | Sum Assured (in Lakh) | Up to 1 | 6 | 4.00 |
| | | 1-2 | 31 | 20.66 |
| | | 2-3 | 72 | 48.00 |
| | | 3 And Above | 41 | 27.33 |
| 2 | Type of Policy | Individual | 25 | 16.66 |
| | | Family Floater HealthPolicy | 60 | 40.00 |
| | | Group Health Policy | 65 | 43.33 |
| 3 | Insurance Company | Public Sector | 70 | 46.66 |
| | | Private Sector | 80 | 53.33 |

Inference

Above table shows that the sum assured plan of most policyholders ranged between 2 lakh and 3 lakh, which was 48 percent, followed by policyholders whose sum assured plan was above 3 lakh, which was 27.33 percent. 43.33 percent of the policyholders have availed themselves of health insurance policy through group insurance, followed by family floater policies, which was 43.66 percent. 53.33 percent of the policyholders have purchased health insurance policy from private sector companies and 46.33 from public sector companies. Thus a majority of the policyholders were private sector insurance customers.

CHI-Square on Satisfaction

To examine if the type of insurance company was associated with the level of satisfaction, the following hypothesis was framed and tested.

Ho : Type of insurance company is not associated with satisfaction

Table 3

| Insurance Company | Level Of Satisfaction | | | Total |
|-------------------|-----------------------|--------------|--------------|---------------|
| | Low | Moderate | High | |
| Public | 30 (42.9) | 19 (27.1) | 21 (30.0) | 70 (100.0) |
| Private | 18 (22.5) | 30 (37.5) | 32 (40) | 80 (100) |
| Total | 48 | 49 | 53 | 150 |
| Df:2 | Chisquare:7.1008 | | P Value:.287 | Significant |

Private sector health insurance policyholders have high level of satisfaction. Public sector health insurance policyholders have low level of satisfaction. Thus, it is inferred that private sector policyholders have high level of satisfaction on health insurance policies. As the calculated P value is less than 0.05, there exists a highly significant association between type of insurance company and level of satisfaction. Hence, the null hypothesis is rejected. To examine if type of policy was associated with level of satisfaction, the following hypothesis was framed and tested.

Ho : Type of policy is not associated with satisfaction

| Insurance Company | Level of Satisfaction | | | Total |
|-----------------------------------|-----------------------|--------------|---------------|---------------|
| | Low | Moderate | High | |
| Individual Group Health Policy | 8 (32.0) | 13 (52.0) | 4 (16.0) | 25 (100.0) |
| Family Floater HealthPolicy | 28 (46.7) | 22 (36.7) | 10 (16.6) | 60 (100) |
| Group Health Policy | 17 (26.1) | 30 (46.2) | 18 (27.7) | 65 (100) |
| Total | 53 | 65 | 32 | 150 |
| Df:4 | Chisquare:13.73 | | P Value: .008 | Significant |

Group insurance policyholders have high level of satisfaction on health insurance policies. Individual policyholders have low level of satisfaction on health insurance policies. Thus, it is inferred that group insurance policyholders have high level of satisfaction on health insurance policies. As the calculated P value is less than 0.01, there exists highly significant association between type of policy and level of satisfaction, Hence, the null hypothesis is rejected.

Findings

- Majority of the policyholders are aged 30-50
- Male policyholders account for 52.66 percent and female 47.33
- Majority of the policyholders reside in semi-urban areas; it is 52 percent
- 69.98 percent of the policyholders are graduates, post graduates and professionally qualified
- Majority of the policyholders are married; it is 87.33 percent
- Professionals and employees account for majority of the policyholders ie. 57.33 percent
- Most of the policyholders'(48.00 percent) monthly income ranges from 40000 to 80000
- Among the policyholders the satisfaction level is found high among private sector policyholders and low among public sector policyholders.
- The satisfaction level among group insurance policyholders is high, while that among individual policyholders is low.
- Since a majority of the policyholders are employees and professionals, 43.33 percent of the policies are group insurance policies.

- Low percentage of deduction is and better coverage are normally seen with group insurance policies; hence, it may be a reason for better satisfaction level among group policyholders.
- Policyholders show better satisfaction level with private health insurance companies; therefore, this may be a reason for considerable shift in momentum towards the market share of private sector insurance companies.

Suggestions

Health insurance is becoming one of the most dynamic and fast growing sectors in Indian insurance industry. During the last five years from 2012 to 2016 the gross premium collected jumped from 15453 Crores to 30764.50 Crores with a growth of 99.21 percent. For surviving in this highly competitive and potential environment, understanding customer needs is crucial. Various innovations in technology have brought about fundamental changes in health insurance industry. Private sector companies are promoting various innovative health policies and are following a more customer centric approach. Public sector companies are lagging behind in these sectors. For continuing their dominance in health insurance sector, the public sector companies will have to give utmost importance to customer satisfaction.

Conclusion

It is concluded that the type of policy and type of insurance company play a significant role in the satisfaction level of health insurance policyholders. Policyholders who have availed themselves of health insurance policies from private limited companies are more satisfied with the policies than those who are insured with public limited companies. In the case of type of policies also, there is a huge impact on the satisfaction level of policyholders. Group policyholders are more satisfied with health insurance compared with family floater policies and individual policies. Since satisfaction of policyholder is a major factor in renewing the policies and selection of companies, insurance companies will have to lay more emphasis on the satisfaction of policyholders.

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Emerging Trends in Banking, Insurance and International Trade
CUSTOMER RELATIONSHIP MANAGEMENT IN LIC

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Abstract

The Insurance Services sector plays a predominant role in stimulating and the sustaining the economic growth of a nation. Till recently, public sector institution LIC (Life Insurance Corporation of India) were showing dominance into the insurance sector. Due to globalization, liberalization and privatisation LIC achieved a spectacular growth in their business. Foreign investment mad by LIC helps to increase the Gross Domestic products of the nation. In this new competitive environment of globalized trading practices, in order to maintain its position in keeping a good track in customer's services the LIC poses several challenges into the market place which can be overcome by changing the concept of life insurance as 'innovative life insurance from traditional life insurance'. It implies that the life insurance system is more akin to 'customer orientation'. Hence a study has been made with the following objectives.

- *To study the innovative and efficient services offered by LIC to its customers.*
- *To analyse whether policy holders are satisfied or not with the services rendered by LIC.*
- *To determine the level of satisfaction of LIC policy holders.*
- *To offer suggestions on the basis of findings of the study.*

For the present study, Virudhunagar has been selected. In order to conduct the study, the structured interview schedule has been prepared and administered to the Life Insurance Policy holders of LIC in Virudhunagar. The primary data collected have been analyzed by using appropriate statistical tools. The suggestions were given based on the findings of the study.

Introduction

Customer relationship management (CRM) is a corporate level strategy, focusing on creating and maintaining relationships with customers. Customer relationship management covers methods and technologies used by companies to manage their relationships with clients. Information stored on existing customers is analyzed and used to this end[1]. Automated CRM processes are often used to generate personalized marketing based on the customer information stored in the system. Several commercial CRM software packages are available which vary in their approach to CRM. CRM governs an organization's philosophy in all levels, including policies and processes, front-of-house customer service, employee training, marketing, systems and information management. CRM systems are integrated end-to-end across marketing, sales, and customer service.[2]

The concept of CRM is relatively simple and familiar to insurers. The two points of the concept are:

- Understand your customers' unique requirements.
- Offer them the services and products over their lifetime that will maintain or increase their profitability and retain them as your customers.

There are three components that implement this concept to yield significantly greater results and a true competitive advantage. They are: analytical, collaborative, and operational.

The analytical path focuses on the analysis of customer data and behavior using business intelligence. The results of an analysis can be used to design targeted marketing campaigns. Most analytical CRM projects use a data warehouse to manage data. Data collection and analysis is viewed as a continuing and interactive process. Ideally, business decisions are refined over time, based on feedback from earlier analyses and decisions.

Collaborative path focuses on the interaction with customers (Personal interaction, letter, fax, phone, Internet, e-mail etc.)

Collaborative CRM includes

- Providing efficient communication with customers across a variety of communication channels.
- Providing on line access to product information and technical assistance.
- Providing access to customer information while interacting with customers.

The operational path focuses on the automation on basic business processes (marketing, sales, service). It provides automated support to “front office” business processes. Each interaction with a customer is generally added to a customer’s history, and staff can retrieve information on customers from the database as necessary. A solid CRM business strategy first integrates analysis, collaborative and operations to manage their relationships with clients. Keeping this view, a study has been made with the following objectives.

- To study the innovative and efficient services offered by LIC to its customers.
- To analyse whether policy holders are satisfied or not with the services rendered by LIC.
- To determine the level of satisfaction of policyholders about technological advancement in LIC
- To offer suggestions on the basis of findings of the study.

The IT initiatives were started in LIC in big way in 1995 with the introduction of the Front-end operations to provide quicker and qualitatively better service to their customers and building of error-free database[3]. With the successful implementation of Front-end in all the 2048 branches of the Corporation, the focus has shifted to providing various value added services to their customers at no extra cost. Some of these are:

Green Channel

This is a fast track for New Business completion wherein processing time for completion and issue of policy bond is brought down from days to minutes in acceptance, scrutiny and underwriting of proposals which are completed immediately on data-entry. Policy number is allotted on payment of first premium at cash counter.

Table 1.1: Number of persons using Green Channel

| S. No | Usage of Green Channel | No. of respondents | Percentage |
|-------|------------------------|--------------------|------------|
| 1. | Yes | 75 | 75 |
| 2. | No | 25 | 25 |
| | Total | 100 | 100 |

Source: Primary data

From the table 1.1 it is clearly known that out of 100 policy holders 75% , majority of the policy holders using the Green Channel; 25% does not using the Green Channel.

Table 1.2 : Opinion about Green Channel

| S. No. | Opinion | No. of Respondents | Percentage |
|--------|--------------|--------------------|------------|
| 1. | Very good | 50 | 66.67 |
| 2. | Good | 15 | 20 |
| 3. | Satisfactory | 5 | 6.67 |
| 4. | Fair | 5 | 6.66 |
| 5. | Very Fair | - | - |
| | Total | 75 | 100 |

Source: Primary data

Out of 75 respondents, 66.% revealed that the performance of Green Channel is Very Good. 20% said that the performance is Good. The opinion of satisfactory is given by 6.67% . The remaining 6.66% revealed the opinion of Fair.

Single Window System

It ensures that a single person performs all the service related activities and render all types of services, which the customer seeks across the counter without going to different departments of the branch office.

Table 1.3 : Number of persons using Single Window System

| S. No | Usage of Single Window System | No. of respondents | Percentage |
|-------|-------------------------------|--------------------|------------|
| 1. | Yes | 56 | 56 |
| 2. | No | 44 | 44 |
| | Total | 100 | 100 |

Source: Primary data

From the table 1.3, it is clearly exhibited that out of 100 respondents, 56% using Single Window system. The rest 44% does not using the Single Window system.

Table 1.4 : The purpose of using Single Window System

| S. No. | Purpose | No. of Respondents | Percentage |
|--------|----------------------|--------------------|------------|
| 1. | Claim Settlement | 10 | 17.86 |
| 2. | To get Loan | 40 | 71.43 |
| 3. | To get Policy Status | 2 | 3.57 |
| 4. | To pay Premium | 4 | 7.14 |
| | Total | 56 | 100 |

Source: Primary data

Out of 56 respondents using single window system, 71.43% a majority using single window system only to get loan. 10 (17.86%) using for claim settlement. 4 (7.14%) using to pay premium. The rest 2 (3.57%) using to get policy status.

Networking

With a view to make available information about their policies to all locations of LIC, the concept of networking of Branches through Metro Area Network(MAN) and Wide Area Network(WAN) has been adopted. The MAN/WAN infrastructure also helps in various offices taking to each other through hotlines at no extra cost. Apart from premium collection, the network is also used for servicing of policies through the Internet.

Table 1.5 : Number of persons using Network for Premium payment

| S. No | Usage of network | No. of respondents | Percentage |
|-------|------------------|--------------------|------------|
| 1. | Yes | 5 | 5 |
| 2. | No | 95 | 95 |
| | Total | 100 | 100 |

Source: Primary data

From the table 1.5 it is clearly revealed that, 95% majority of the policy holders are not paying premium through the internet. Rest 5% only using the net for payment of premium.

Table 1.6 : Number of persons using Network to get the policy status

| S. No | Usage of network | No. of respondents | Percentage |
|-------|------------------|--------------------|------------|
| 1. | Yes | 12 | 12 |
| 2. | No | 88 | 88 |
| | Total | 100 | 100 |

Source: Primary data

From the table 1.6, it is clearly exhibited that, 88% majority of the policyholders are not getting the policy status through the Internet. The rest 12% only getting the policy status through the Internet.

Interactive Voice Response System

IVRS is an Automated Telephone service whereby the customer can get the information about his policy such as premium due, bonus, loan eligibility etc. A single telephone number is given to policyholders for making queries. The policyholder punches in/dials in the policy number for which he wants the policy particulars. The computerized service provides option to the policyholder to get the required information.

Table 1.7 : Number of persons using Interactive Voice Response System

| S. No | Usage of IVRS | No. of respondents | Percentage |
|-------|---------------|--------------------|------------|
| 1. | Yes | 5 | 5 |
| 2. | No | 95 | 95 |
| | Total | 100 | 100 |

Source: Primary data

From the table 1.7 it is clearly revealed that, 95% majority of the policyholders are not using IVRS. Rest 5% only using IVRS.

Customer Porter

Under this facility through the net, first policyholder has to register his policy particulars and get it validated in nearby branch. Then they can make payment of premium, change of address, aware of loan value, premium calendar easily under this facility.

Measurement of Attitude

The word attitude means settled behavior. LIC of India in the study area renders many relational services to policyholder. But the level of attitude will indicate the efficient services of LIC rendered to policyholders.

Since attitude is an abstract phenomenon, it cannot be measured directly in quantitative terms. There is no fixed value on score, which help to measure the attitude and its level. But the attitude can be measured indirectly with the aid of scaling techniques. The researcher has identified 5 components for measuring the attitude. A five-point scale has been framed for the measurement. For this purpose of analysis, Likert's scaling technique has been used in the present study.

The attitude scale has been framed by awarding scores to the said 5 components. With the help of this scale the attitudes of policy holders towards relational services offered by LIC in the study area have been measured.

The 5 components identified and their respective scores are exhibited in table 1.9

Table 1.9

| S. No. | Components | HS(Score 5) | S4) | NO(3) | DS(2) | HDS(1) | Total scores |
|--------|------------------------------------|-------------|-----|-------|-------|--------|--------------|
| 1. | Green Channel | 375 | 80 | 15 | - | - | 470 |
| 2. | Single Window System | 200 | 64 | 21 | 40 | 17 | 342 |
| 3. | Networking | 115 | 160 | - | 44 | 15 | 334 |
| 4. | IVRS | 35 | 52 | 144 | 40 | 12 | 283 |
| 5. | Pleasant atmosphere at the counter | 350 | 76 | - | 14 | 4 | 444 |

From the data given in table 1.9 it can be seen that the components "Green Channel" has secured a score of 470 and ranks first followed by pleasant atmosphere at the counter (444) and Single Window System (342) and so on.

Level of attitude

If the policyholder gets total scores below 10, then he belongs to low-level category. When an informant has total scores between 10-25 he belongs to Medium level category and if the policyholders get the total scores above 25, they are placed in High-level attitude group.

Table 1.10 Level of attitude of Policyholders

| S. No | Category | No. of respondents | Percentage |
|--------------|-----------------|---------------------------|-------------------|
| 1. | Low | 17 | 17 |
| 2. | Medium | 73 | 73 |
| 3. | High | 10 | 10 |
| | Total | 100 | 100 |

Source: Primary data

The table reveals that 73% of the policyholders belong to the medium level attitude group and 10% of informants belong to the high-level attitude group and 17% belongs to the low-level attitude group. So, it is inferred that the policyholders are satisfied with the relational services offered by the LIC.

Findings

The findings of the study are:

Out of 100 respondents

- 75% a majority of the policy holders using the Green Channel. Out of 75 respondents, 66% revealed that the performance of Green Channel is Very Good.
- 56% using Single Window system. Among them 71.43% a majority using single window system only to get loan.
- 5% only using the net for payment of premium.
- 5% only using IVRS.
- “Green Channel” has secured a score of 470 and ranks first followed by pleasant atmosphere at the counter (444) and Single Window System (342) and so on.
- 73(73%) have medium level attitude towards the relational services of LIC.

Suggestions

On the basis of the findings of the study, the following suggestions have been made.

- LIC should create awareness to the policy holders about the facilities offered by LIC through publicity.
- It should form a separate department having experienced personnel to give proper training to the agents and policy holders to access such facilities..
- LIC has to perform its service with competitive advantage in existing and forth coming years. For achieving such a competence, skill and excellence of the senior managers and agents have to be improved on service quality by proper training methods.
- The employees in LIC need to be more pleasant and courteous towards the customers.

Conclusion

The Life Insurance Corporation of India was previously a monopoly institution in life insurance business. But now, the Corporation is in a position to face lot of competitions from private insurance companies. Even though there is a tough competition, LIC should understand customers’ key touch points in life insurance environment and provide quality service, which ultimately culminates increased customer satisfaction and loyalty, if they were to make profits and enhance their market share.

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A STUDY ON CUSTOMERS PERCEPTION TOWARDS CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN PUBLIC SECTOR BANKS IN MADURAI DISTRICT

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Abstract

Customer relationship management is very important tool for business which satisfies the needs of the customer and business. It protects the business, helps to accelerate growth and prevents competitors in carving the customer base. Hence the present study focuses the perception of customer towards customer relationship management practices in public sector banks. This study was conducted in Madurai district and only four public sector banks namely state bank of India, Indian overseas bank, Indian bank and Canara bank were included. Only core services were taken up for assessing the quality of service rendered by the selected banks. By the application of proportionate random sampling, total sample size of 150 bank customers are distributed to 50 customers each to the rural, semi-urban and urban branches of four important public sector banks. While analyzing the CRM Implementation in public sector banks, it was found that the Public Sector Banks have been able to implement the CRM practices more effectively. This indicates that strategically speaking, the public sector banks have been more innovative in understanding their customers and in building good relations with them.

Keywords: *Customer Relationship Management, Public Sector Banks and Perception*

Introduction

Customer relationship management is very important tool for business which satisfies the needs of the customer and business. Today's competitive world, organization have to make it more important to customer service and attention to his satisfaction, customer relationship management will help organizations to identify exchange, and thereby reduce costs, attract new customers and also increase the income from loyal customers.

Statement of the Problem

In the recent days, banks need to focus on relationship banking rather than traditional transaction banking. In this situation customer relationship management is the key factor because the value of retail banking lies in knowing the client's requirement. It protects the business, helps to accelerate growth and prevents competitors in carving the customer base. Hence the present study focuses the perception of customer towards customer relationship management practices in public sector banks.

Objectives of the Study

- To examine the customers' perception about Customer Relationship Management practices in public sector banks.
- To identify the factors influencing Customer Relationship Management practices in banks.

Scope of the Study

This study was conducted in Madurai district and only four public sector banks namely state bank of India, Indian overseas bank, Indian bank and Canara bank were included. Only core services were taken up for assessing the quality of service rendered by the selected banks.

Methodology

By the application of proportionate random sampling, total sample size of 150 bank customers are distributed to 50 customers each to the rural, semi-urban and urban branches of four important public sector banks.

Analysis and Interpretation

Customer Acquisition and Gender

‘t’ test is attempted with the null hypothesis, “**there is no significant difference in perception about customer acquisition among different gender group of customers of public sector banks in Madurai district**”. The result of ‘t’ test is presented in the Table 1.

Table 1: Customer Acquisition among different gender groups

| Customer Acquisition | Gender (Mean Score) | | T Statistics |
|--------------------------------------|---------------------|--------|--------------|
| | Male | Female | |
| Customer inquiry or response | 3.9096 | 3.6812 | 2.030* |
| Inquiry captured | 3.1205 | 3.1268 | 0.080 |
| Lead graded and prioritized | 2.4307 | 2.5254 | 1.141 |
| Learning motives | 2.4367 | 2.3514 | 0.918 |
| Lead nurturing or retention | 2.6566 | 2.6087 | 0.525 |
| Direct response mail programs | 2.5030 | 2.5906 | 0.781 |
| Utilization of telecommunication | 3.1386 | 3.0833 | 0.635 |
| Focus on customer’s decision process | 3.4307 | 3.4312 | 0.005 |
| Financial position | 3.8855 | 3.9710 | 0.848 |

Source: Primary data*-Significant at five per cent level

From the above table, it is understood that customer inquiry or response is the important perception about customer acquisition among the male customers as their mean score is 3.9096. Table further shows that financial position is the important perception about customer acquisition among the female customers as their mean score is 3.9710. Table shows that the significant difference in perception about customer acquisition among the different gender group of customers are identified in the case of customer inquiry or response, since the respective “T” statistics is significant at 5 per cent level, the null hypothesis is rejected.

Customer Interaction and Age group

‘ANOVA’ test is attempted with the null hypothesis, “**there is no significant difference in perception about customer interaction among different age groups of customers of public sector banks in Madurai district**”. The result of ‘ANOVA’ test is presented in the Table 2.

Table 2 : Customer Interaction among different age groups

| Customer Interaction | Age Group (in years) | | | | F Statistics |
|--|----------------------|--------|--------|----------|--------------|
| | (Mean Score) | | | | |
| | Below 25 | 26-30 | 31-40 | Above 40 | |
| Interactive website | 3.2308 | 3.1967 | 3.1577 | 3.1899 | 0.026 |
| Face to face transaction | 3.4615 | 3.0984 | 3.0766 | 3.1171 | 0.468 |
| Information through different medium of communication E-mail, telephones and Fax | 2.9231 | 2.9508 | 3.0315 | 2.9810 | 0.125 |
| Personnel trained to handle customer | 2.8462 | 2.7869 | 3.0856 | 3.1076 | 1.525 |
| Technical support available | 2.7692 | 2.8361 | 2.9279 | 2.9968 | 0.501 |
| Channel management improvement | 3.3077 | 3.1475 | 3.0631 | 3.1297 | 0.264 |
| Instant messaging | 4.0000 | 4.0164 | 4.0405 | 3.9114 | 0.680 |
| Flexibility | 3.6923 | 3.5902 | 3.7432 | 3.7057 | 0.302 |
| Keep customer up-to-date | 3.3077 | 3.3770 | 3.4550 | 3.5158 | 0.297 |

Source: Primary data *-Significant at five per cent level

From the above table, it is understood that instant messaging is the important perception about customer interaction among the customers who are in the age group of below 25 years, 26 to 30 years, 31 to 40 years and above 40 years as their mean scores are 4.0000, 4.0164, 4.0405 and 3.9114. Table

shows that no significant difference in perception about customer interaction among the different age groups of customers are identified in the case of interactive website, face to face transaction, information through different medium of communication e-mail, telephones and fax, personnel trained to handle customer, technical support available, channel management improvement, instant messaging, flexibility and keep customer up-to-date since the respective “F” statistics are not significant at 5 per cent level, the null hypothesis is accepted.

Intensifying Customer Information Factors

‘ANOVA’ test is used with the null hypothesis as, “There is no significant difference in intensifying customer information factors among customers of public sector banks in rural, semi-urban and urban areas in Madurai district”. The result of ‘ANOVA’ test is presented in Table 3.

Table 3 : Intensifying Customer Information Factors

| Intensifying Customer Information Factors | Region | | | F Statistics |
|---|--------|------------|--------|--------------|
| | Rural | Semi-urban | Urban | |
| May I help you counter | 4.0268 | 3.9509 | 4.0305 | 1.895 |
| Deposit & cash counter | 4.0804 | 4.0404 | 4.1707 | 0.922 |
| Seating arrangement for waiting time | 3.2991 | 3.3839 | 3.1463 | 2.588* |
| Bank uses phone calls and personal visit to communicate with customer | 2.7946 | 2.9196 | 2.9573 | 1.148 |
| All information pamphlet are displayed to customers | 2.8929 | 2.8304 | 3.0549 | 1.243 |
| Addressing customer queries | 3.9152 | 3.8973 | 4.0610 | 2.299* |
| Up-to-date customer information | 3.5670 | 3.5089 | 3.6098 | 0.544 |
| Parking facility | 3.2854 | 3.1384 | 3.2012 | 0.228 |

Source: Primary data*-Significant at 5 per cent level

From the above table, it is understood that deposit & cash counter is the important intensifying customer information factors among the rural, semi-urban and urban customers as their mean scores are 4.0804, 4.0404 and 4.1707 respectively. Regarding the intensifying customer information factors, seating arrangement for waiting time and addressing customer queries are statistically significant at 5 per cent level.

Rising Customer Expectation Factors

‘ANOVA’ test is used with the null hypothesis as, “There is no significant difference in rising customer expectation factors among customers of public sector banks in rural, semi-urban and urban areas in Madurai district”. The result of ‘ANOVA’ test is presented in Table 4.

Table 4 : Rising Customer Expectation Factors

| Rising Customer Expectation Factors | Region | | | F Statistics |
|--|--------|------------|--------|--------------|
| | Rural | Semi-urban | Urban | |
| Appropriate location of ATM centre | 3.5893 | 3.5804 | 3.7073 | 1.821 |
| Hospitality offered | 2.9732 | 2.8973 | 3.2561 | 2.616* |
| Sending of transaction information through SMS | 2.7232 | 2.7679 | 2.7500 | 0.923 |
| Getting loan and advance transaction is very quickly | 2.6786 | 3.0670 | 2.8171 | 5.694* |
| Customer can expect prompt service from employees | 3.1027 | 3.1741 | 3.0488 | 0.589 |
| Customized and timely solution | 2.7009 | 2.8304 | 2.8476 | 0.908 |

| | | | | |
|---|--------|--------|--------|--------|
| ATM deposit counter | 2.0313 | 2.1295 | 2.2500 | 1.324 |
| New product to offer through SMS to customers | 2.9955 | 2.8080 | 2.9939 | 2.230* |
| Inquire about the customers' needs | 3.6205 | 3.3973 | 3.7378 | 6.104* |

Source: Primary data*-Significant at 5 per cent level

From the above table, it is understood that inquire about the customers' needs is the important rising customer expectation factors among the rural and urban customers as their mean scores are 3.6205 and 3.7378 respectively. Appropriate location of ATM centre is the important rising customer expectation factors among the semi-urban customers as their mean score is 3.5804. Regarding the rising customer expectation factors, hospitality offered, getting loan and advance transaction is very quickly, new product to offer through SMS to customers and inquire about the customers' needs are statistically significant at 5 per cent level.

Suggestions

- It is suggested that public sector banks should concentrate on the CRM practices and help customers in the rural and urban areas.
- It is suggested that data gathered from the customers and should be given proper value. Further, it should be properly utilized for further process.
- It is suggested that customers should be educated through advertising campaigns, seminars, audio and video programmes regarding the information about how the banking sector is performing in foreign countries and their effectiveness.
- It is suggested that the customers in the age group 50 and above should be motivated for banking and make a separate arrangement for them at counters.

Conclusion

While analyzing the CRM Implementation in public sector banks, it was found that the Public Sector Banks have been able to implement the CRM practices more effectively. This indicates that strategically speaking, the public sector banks have been more innovative in understanding their customers and in building good relations with them.

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Emerging Trends in Banking, Insurance and International Trade

**A STUDY ON CUSTOMER EXPECTATION AND SATISFACTION OF
HEALTH INSURANCE POLICY HOLDERS WITH SPECIAL REFERENCE
TO VIRUDHUNAGAR DISTRICT**

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Abstract

Insurance is the equitable transfer of the possibility of a loss, from one entity to another in exchange for compensation. It is a form of risk administration primarily used to hedge against the risk of a contingent, uncertain loss. Health insurance is insurance against the hazard of acquiring medical expenses among individuals. Health insurance is defined as "coverage that provides for the payments of benefits as a result of Sickness or injury. Includes insurance for losses from accident, medical expense, Disability, or accidental death and dismemberment"

The customers prefer the insurance company and the insurance plans based on Various factors like cost, premium, tax benefits, approval process, claim Settlement, customer service, grievance handling, critical illness coverage, out-of pocket, Cashless service, reimbursement, pre-existing conditions coverage, risk, Services provided by the agents, correctness of the information provided by Insurance company, individualised attention, goodwill of the company, facilities Available and discount.

The successful reach of health insurance is based on the Service provided by the health insurance companies and the satisfaction level of the Customers. The research problem chosen for the study is to identify the level customer Satisfaction and to explore the amenity gaps between Expected and perception of insured policy holders. The study was conducted among the health Insurance policy holders in Virudhunagar District, Tamilnadu. The rural and semi urban groupings of policyholders are approximately covered. Descriptive research is adopted in the study. Since the population size is larger, the method of non-probability – convenience Sampling is adopted. The sample size is 250. The T-test, Anova used for this study is to identify the level customer Satisfaction and to explore the service gaps between Expected and perception of insured policy holders. The study concludes that the expected and awareness level of customers are very Extraordinary towards the service of health insurance and also socio demographic aspects are knowingly stimuli the motives and satisfaction of customers towards health Insurance.

Keywords: *health insurance, customer satisfaction, deficiency, amenity gap, buying motives*

Introduction

Insurance is one of the major segments of financial market. The insurance Business is characteristic in the sense that it is rewarded for managing the risk of other Parties. In India insurance sector is not only playing a role within the finance al System but also has a significant socio-economic function of providing risk cover to the poor population. Insurance may be termed as a social device to reduce or eliminate risks to Loss of life and property. Health insurance in a narrow sense would be ‘an individual or group Purchasing health care coverage in advance by paying a fee called premium.’ in its Broader sense, it would be any prearrangement that helps to defer, delay, reduce or Altogether avoid payment for health care experienced by individuals and households. While the public sector Insurance companies made enormous contribution in the spread of awareness about Insurance, and extended the market, it was recognized that their reach was still limited, the range of products offered limited and the service to the customer Insufficient. Therefore insurance sector was opened up for private sector sharing with provision for limited foreign equity Exposure, which has at present 15 private players in the market. This private entry has thrown opened a huge array of opportunities, many of which will be in separate Fields and may give a bigger push to the development of the national economy as a whole.

Insurance is one of the major segments of financial market.

The insurance business is distinctive in the sense that it is rewarded for managing the risk of other parties. In India insurance sector is not only playing a role within the financial System but also has a

significant socio-economic function of providing risk cover to the poor population. With the opening up of Indian insurance market, competition has become intense. Every company is trying to woo customers to have large chunk of the market share but barring a few companies most of the new insurance Companies are struggling to survive in the market. In spite of the importance of Insurance it is still in nascent stage in India. Nearly 80percent of Indian population is without life insurance cover and the health insurance, the penetration rates of Health and other non-life insurances in India is also well below the international Level.

Health insurance different from other segment of Insurance

The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the Country's GDP. A well-enveloped and advanced insurance sector is a boon for Economic development as it delivers long- term funds for infrastructure developmental the same time reinforcing the risk taking ability of the country. Health insurance as it is different from other segments of insurance business is more complex because of grave conflicts arising out of adverse selection, moral

Hazard and information gap problems. Health sector policy formulation, assessment and implementation is an extremely difficult task especially in a fluctuating epidemiological, institutional, Technological, and political scenario. Further, given the institutional complexity of our health sector programmes and the pluralistic character of health care providers, Health sector reform strategies in the context of health Insurance that have advanced elsewhere may have very little appropriateness to our country situation.

Health insurance scenario in India

Health is a human right. It's accessibility and affordability has to be safeguarded. Health care has always been a problem area for India, a nation with a population and larger fraction of this population living in urban slums and in rural Area, below the poverty line. The government and people have started discovering Various health financing options to manage problem arising out of swelling cost of Care and changing epidemiological design of diseases. The control of government expenditure to achieve fiscal deficits in early 1990s has let to severe resource constraints in the health sector. Under this situation, one of the ways for the government to diminish under funding and enlarge the Resources in the health sector was to encourage the development of health insurance. In the light of intensifying health care costs, attached with demand for healthcare services, lack of easy access of people from low income group to quality healthcare, health insurance is emerging as an unusual mechanism for financing health Care.

Challenges for health insurance in India, which are

- Increase in health care costs
- Need for long term and nursing care for senior citizens because of increasing nuclear family system
- High financial burden on poor eroding their incomes
- Due to underfunding of government health care, preventive and primary Care and public health functions have been neglected
- Increasing burden of new diseases and health risks

Health insurance plans in India

Health insurance is very well recognized in many countries, but in India it still remains an unexploited market. Less than 15% of India's 1.1 billion people are covered through health insurance. And most of it covers only government Employees. At any given point of time, 40 to 50 million

people are on medication for Major sickness and share of public financing in total health care is just about 1% of GDP. Over 80% of health financing is private financing, much of which is out of

Pocket payments and not by any pre-payment schemes. Given the health financing and demand scenario, health insurance has a wider choice in present day situation in India. However, it requires careful and momentous efforts to tap Indian health Insurance market with proper understanding and training. With each of these health insurance plans having their own unique USP, but they all can be

Differentiated on the basis of 8 broad categories

- Waiting period & duration before pre-existing diseases are covered in
- The policy
- Type of health insurance
- Lifelong coverage
- Presence of maternity coverage's for females
- Co – payment options
- Extra coverage's of critical illnesses
- Product premium
- Day care treatments covered

Various health insurance products available in India

The existing health insurance schemes available in India can be broadly categorized as:

1. Voluntary health insurance schemes or private-for-profit schemes
2. Insurance offered by NGOs/community based health insurance
3. Employer based schemes
4. Mandatory health insurance schemes or government run schemes

Meaning and dimension of customer satisfaction

Customer satisfaction is defined as the degree of satisfaction provided by the Goods or services of a company. This is usually gauged by the number of customers making repeat purchases. Customer satisfaction is critical if a company is to register High sales profits.

Framework for managing customer satisfaction

Measuring customer satisfaction is a critical component of improving customer service and satisfaction. Measuring customer satisfaction is a means to an End service improvement the service improvement process includes the following:

- Definition and reflection about the service and its customers,
- Customer measuring experience,
- Data analysis and developing insights,
- Gathering existing customer-related data,
- Developing an action plan and communicating about that plan, and

Steps involved in customer satisfaction are as follows:-

- Responding promptly to messages and keeping the clients updated
- Encouragement of one-to-one meetings
- Adopting a well-defined customer service policy
- Researching your clientele's requirements and the methods of addressing
- Little niceties and possessing an eye for details
- Adopt a friendly and approachable attitude
- Honoring the commitments made by the product or service provider.
- If these steps are adopted by the insurance sector customer satisfaction can be enhanced considerably.

Review of literature

- Mano and oliver (1993) referred that the satisfaction as an attitude or Evaluation judgment varying along the hedonic continuum focusing on the product, Which is evaluated after consumption.
- Anderson et al (1997) examined the links between customer satisfaction Productivity. The authors present a conceptual framework useful in resolving these Contradictory viewpoints. The findings indicate that the association between changes In customer satisfaction and changes in productivity was found to be positive for Goods and negative for services.
- Reddy (2005), found the customer perception towards life insurance companies' policies. The results are that, majority of respondents feel that policies offered by private companies are up to their expectations but when compared with public companies' policies very few policies are better alternatives.

Research background

As the objective of this study it to assess the customers' satisfaction about Health insurance policy. The insurance industry is highly competitive in nature today. Many players are finding through their customers for their different schemes in health insurance policy. In this scenario, the companies need to know what the Customers ask for health insurance and their needs time to time. For this purpose, the Researches and studies on the A policy holder's expectation and satisfaction of health insurance policy in Virudhunagar district. This research, analyse the satisfaction of customers of National insurance company regarding health insurances. Thus, the nature of the Study required using both a quantitative as well as qualitative data collection Techniques. The quantitative method employed in this study was simple statistics expressed in frequencies and percentages; and they were used to give explanations on the demographic characteristics of the study subjects. In order to seek answers to Research questions, a qualitative research method was also used in this study.

Research gap

A report or study analysing the customer satisfaction of health insurance in Tamilnadu present context by incorporating the recent developments is missing. This study is aimed to address the same and also attempted to find out the Holder's expectation and satisfaction of health insurance policy in virudhunagar district.

Objectives of the study

A study on policy holder's expectation and satisfaction of health insurance policy in virudhunagar district.

Type of research

Descriptive research

Descriptive research design is used in this study. In simple term the Descriptive Research design simply describe something such as demographic Characteristics of particular individual or of a group. Descriptive research design Concerned with specific prediction with narration of facts and characteristics Concerning individual, group or situation. Descriptive research is carried out with Specific objective and hence it results in definite conclusions.

Nature of data

Primary data

Primary data is a raw data which is obtained freshly or directly from the respondents. In this study the questionnaire is used for collecting the primary data. The questionnaire is employed to the customers who have already availing the services of health insurance from different Companies.

Secondary data

Secondary data means data that already available which have been collected previously and analysed. Both primary and secondary data is used in this study. The theoretical Foundation of the study and supportive data is collected from books, journals, Research reports and internet. The primary data is based on survey through pre-tested structured questionnaire.

Sample design

Sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. The Sample design to be used must be decided by the researcher taking into consideration the nature of the inquiry and other related factors (Kothari, 2004).

Sample population

For the purpose of this study, the target population consists of those who are all having health insurance policy in Virudhunagar district from both rural and urban areas.

Sampling technique and size

In this research, the researcher has adopted convenience sampling method to choose the samples. In this study the researcher, selected Virudhunagar district as a study Area. The population is collected from the list of health insurance companies’ in Virudhunagar district. From the selected health insurance companies, details of policy holders of different places were collected. The population size is large in number and being in conclusive in nature; the researcher adopted non probability sampling method. In which the convenience sampling method was chosen for the study. The overall Sample has decided 273 accordingly the questionnaire was given to the respondents. Out of which, 250 filled in questionnaire were completed collected back. Hence the Sample size for the study is 250.

Customer expectation and satisfactory analysis

The level of customer satisfaction of health insurance policy holders in Virudhunagar district was measured using constructed questions. It was interested to analyse the significant difference in the level of customer satisfaction based on gender, age, Educational qualification, income groups and marital status. The findings will help the insurance companies to refine their business and the customers’ opinion and Feelings about their medical insurance service availed. For these independent Samples t-test and anova were performed at 5% level of significance.

Test: t –test

Null hypothesis: H_0 : there is no significant difference among the gender towards the amount of insurance policy.

t -test statistic for insurance policy amount with respect to gender

| | Gender | N | Mean | Std. Deviation | T - value | Sig |
|----------------------|--------|-----|------|----------------|-----------|-------|
| Health Policy Amount | Male | 168 | 3.16 | 1.355 | 2.963 | 0.000 |
| | Female | 82 | 2.86 | 1.171 | | |

Source: primary data * indicates 5% level of significance.

The table shows that, the calculated ‘p’ value is 0.00 which is less than 0.05, we are rejecting the null hypothesis and accepting alternate hypothesis at 5% Level of significance. Hence it can be concluded that there is a significant difference in Insurance policy amount with respect to gender. Males were going with higher Amount of insurance value compared with females. Difference between overall satisfaction on health insurance and expectation.

Employment status of insurance policy holders

In order to examine difference between overall satisfaction on health Insurance and employment status of insurance policy holders, the analysis of Variance (anova) test has been applied and the results are presented in Test : analysis of variance (Anova)

Null hypothesis (h0)

There is no significant difference between Overall satisfaction and expectation on health insurance and employment status of insurance policy Holders.

Table shows Anova statistic of overall satisfaction and employment status

| Source | Sum of Squares | Degrees of Freedom | Mean Square | F | Sig |
|----------------|----------------|--------------------|-------------|--------|--------|
| Between groups | 40.341 | 5 | 8.368 | 26.213 | 0.000* |
| Within groups | 150.316 | 857 | .315 | | |

Source: primary data * indicates 5% level of significance

The table 5.16 shows that, the calculated ‘p’ value is 0.000 which is less than 0.05, we are rejecting the null hypothesis and accepting alternate hypothesis at 5% level of significance. Hence it can be concluded that there is a significant Difference between overall satisfaction and expectation on health insurance and employment status of insurance policy holders. By studying the descriptive statistic output of Anova, Self-employed and government sector employees were showing higher level of Satisfaction than others.

Findings

T-test

Significant difference in Insurance policy amount with respect to gender. Males were going with higher Amount of insurance value compared with females Difference between overall satisfaction on health insurance and expectation.

Anova

There is a significant Difference between overall satisfaction and expectation on health insurance and employment status of insurance policy holders.

Suggestions

- Mostly family decisions are influenced by the male to take a health Insurance policy. Very few health insurance companies have given Exclusive coverage for women by offering low premium insurance policies.
- The differential premium policies offered by the leading insurance Companies based on the assessment that women have a longer life expectancy than men. These should be followed by all the health insurance Companies.
- The study reveals that males were showing with higher level of awareness Compared with females. The insurance companies should create awareness.

Conclusion

Today in the liberalized insurance markets, every new health insurers sells Through one or more alternative distribution channels that ensures accessibility of the Health insurance products’ to the rural and urban people. Since health Insurance in India is misunderstood as life insurance by a majority of the population, there is a need to create awareness and educate the people about the importance of Health insurance and the various benefits that they can avail. In spite of the few Loopholes in the proper management of the health insurance sector, the number of People getting health insurance cover is increasing. Along with this, there is a very Good scope for improvement and

the sector will be fruitful in the near future. The Perception and expectation of Indian consumers towards insurance services are mainly influenced by socio demographic pattern. The success of insurance is validated based on the customer perceived service quality, awareness level, and Satisfaction level of customers towards health insurance industry. Service quality should be impressive by using the six dimensional hierarchal structures consisting of Assurance, competence, personalized financial planning, corporate image, tangibles and technology dimensions. This would help the health insurance companies to efficiently allocate resources and service quality improvement in insurance industry in India. In the competitive insurance sector, these findings can be transformed into Effective strategies and actions for achieving competitive advantage through Customer satisfaction and retention.

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RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE AND SERVICE PERFORMANCE OF EMPLOYEES IN SERVICE INDUSTRY

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Abstract

Banking industry is one of the leading industry in the service sector in respect of its contribution to the development of economy and employment generation over the past three decades. Changing technology, global communication and expectations of the customers lead to create and experience phenomenal changes in the banking industry to cater the needs of the society at large. Undoubtedly, it has become important that Indian banking industry determines various service performance factors which are relevant to the profitability and success of banking industry. Among service performances factors, intelligence skill in terms of understanding and reacting to the situation is much more needed than what employees actually possess and know. The present study explores and discusses the significant relationship between employees' emotional intelligence and employees' service performance using Structural Equation Model (SEM). Employees' emotional intelligence and service performance are measured with the help of Emotional Intelligence Scale, developed by Hyde, Pethe and Dhar and Self Performance Inventory, developed by Anju Puri respectively. The present study concludes that EI should be given higher priority in the case of hiring, training and development of employees for sustainable growth and success of the banking sector.

Keywords: *Emotional Intelligence, Service Performance, Banking Industry, Structural Equation Model (SEM).*

Introduction

For many decades, it is perceived that performance of an individual is directly linked and measured only through intelligent quotient skills which were generally used to select the employees while recruiting them to the industry, but there was a wide gap between their potential skills and productivity of the organization in the long run. Understanding of emotional intelligence skills becomes essential and indispensable for the employees to recognize one's own feelings and those of others, for self motivation and for managing emotions in themselves and in maintaining good relationship with their customers. Organizational success is based on employee's service performance and productivity in terms of quality and commitment in their work, since assessing an employee's competence and measuring his productivity is essential in the overall plan of service organization.

Moreover, EI may be the missing link that unites the conventional 'can do' abilities determinant of job performance with 'well do' dispositional determinants using the EI skills. Service industries like banking industry are now well aware of the significance and impact of EI in their workplace to enhance the service performance of the bank employees. Therefore, the present research highlights the relationship between emotional intelligence and service performance of the bank employees.

Objectives of the Study

- To determine the level of emotional intelligence of the employees in the selected banks of Madurai district.
- To evaluate the service performance of the bank employees in the selected banks of Madurai district.
- To explore the interrelationship and association between emotional intelligence and employee performance in the selected banks of Madurai district using structural equation model (SEM).

Methodology

To conduct the research, two scales were measured for the bank employees:

Emotional Intelligence Scale

To measure the emotional intelligence of the respondents Emotional Intelligence Scale developed by Hyde, Pethe and Dhar was used. The scale consists of 10 factors having 34 items with reliability of 0.88 and validity 0.93, standardized on the Indian population. It is used to measure the level of emotional intelligence. The items of the scale are directly related to the concept of emotional intelligence. It includes self-awareness, empathy, self motivation, emotional stability, managing relations, integrity, self-development, value-orientation, commitment and altruistic behavior. The respondents were required to respond to each item on a 5 point likert scale.

Self-Performance Assessment Inventory

In order to find the impact of emotional intelligence on the performance of the business executives, Self Performance Assessment (SPA) scale developed by Anju Puri was used. The items are Quality of Work, Conflict Resolution, Initiative, Inter Personal Skills, Communication, Ethics, Supervisory Abilities, Customer Service, and Completion of Targets. In Self Performance Assessment scale, the reliability of the odd-even items has been found to be 0.83 and the self-correlation of the whole test as estimated by the Spearman-Brown prophecy formula has been found to be 0.92. The present scale is highly reliable as per the criteria given by Edwards.

Data Collection and Procedure

Data were collected from the employees of the commercial banks of the Madurai district. The total numbers of respondents are 200 employees working in the private and public banks of the Madurai district. The employees were asked to fill the questionnaire by measuring the EI level and their Service Performance using a five-point Likert scale.

3.0 Results and Discussion

Collected data were analyzed with the help of software package Analysis of Moment Structure (AMOS) Version 20. Structural Equation Model (SEM) was used to evaluate the interrelationship and association between the two variables: Emotional Intelligence and Service Performance.

Fig. 1 Structural Equation Model On EI And SP

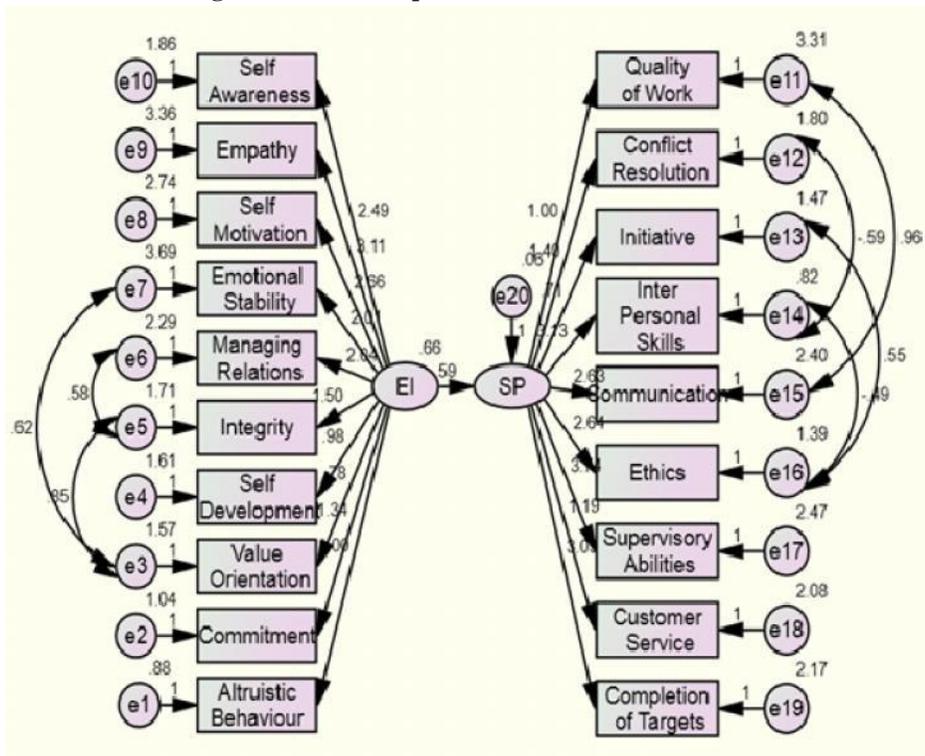


Table 1 Variables in the Structural Equation Model Analysis

| Variables | | | Unstandardised co-efficient | S.E | Standardised co-efficient | t value | P value |
|-----------------------|------|----|-----------------------------|-------|---------------------------|---------|----------|
| self-awareness | <--- | EI | 2.490 | 0.246 | 0.829 | 10.116 | <0.001** |
| Empathy | <--- | EI | 3.112 | 0.313 | 0.810 | 9.930 | <0.001** |
| self motivation | <--- | EI | 2.658 | 0.272 | 0.794 | 9.771 | <0.001** |
| emotional stability | <--- | EI | 2.005 | 0.244 | 0.648 | 8.227 | <0.001** |
| managing relations | <--- | EI | 2.037 | 0.221 | 0.739 | 9.199 | <0.001** |
| Integrity | <--- | EI | 1.497 | 0.174 | 0.682 | 8.596 | <0.001** |
| self-development | <--- | EI | 0.983 | 0.142 | 0.533 | 6.923 | <0.001** |
| value-orientation | <--- | EI | 0.784 | 0.132 | 0.453 | 5.951 | <0.001** |
| Commitment | <--- | EI | 1.344 | 0.147 | 0.732 | 9.132 | <0.001** |
| altruistic behaviour | <--- | EI | 1.000 | - | 0.655 | - | - |
| Quality of Work | <--- | SP | 1.000 | - | 0.284 | - | - |
| Conflict Resolution | <--- | SP | 1.404 | 0.391 | 0.491 | 3.585 | <0.001** |
| Initiative | <--- | SP | .712 | 0.240 | 0.302 | 2.965 | <0.001** |
| Inter Personal Skills | <--- | SP | 3.126 | 0.777 | 0.881 | 4.024 | <0.001** |
| Communication | <--- | SP | 2.627 | 0.604 | 0.674 | 4.351 | <0.001** |
| Ethics | <--- | SP | 2.644 | 0.669 | 0.771 | 3.955 | <0.001** |
| Supervisory Abilities | <--- | SP | 3.740 | 0.939 | 0.788 | 3.983 | <0.001** |
| Customer Service | <--- | SP | 1.191 | 0.350 | 0.407 | 3.403 | <0.001** |
| Completion of Targets | <--- | SP | 3.088 | 0.781 | 0.749 | 3.954 | <0.001** |
| SP | <--- | EI | 0.591 | 0.155 | 0.892 | 3.812 | <0.001** |

Note: ** denotes significant at 1% level **EI** denotes Emotional Intelligence, **SP** denotes Service Performance.

Based on the unstandardised coefficients, the coefficient of self awareness is 2.490 indicates the effect of self awareness on Emotional Intelligence holding the other variables as constant. The estimated positive sign implies that Emotional Intelligence would increase by 2.490 for every unit increase in self awareness and this coefficient value is significant at 1% level. Similarly, the coefficient of empathy is 3.112 represents the empathy on Emotional Intelligence, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Emotional Intelligence would increase by 3.112 for every unit increase in empathy towards Emotional Intelligence and this coefficient value is significant at 1% level. The coefficient of self motivation is 2.658 represents the partial effect of self motivation towards Emotional Intelligence, holding the other variables as constant. The estimated positive sign implies that such effect is positive that self motivation would increase by 2.658 for every unit increase in self motivation towards Emotional Intelligence and this coefficient value is significant at 1% level. Similarly, the coefficient of Quality of work is 1.000 indicates the effect of self awareness on Emotional Intelligence holding the other variables as constant. The estimated positive sign implies that such effect is positive that Service Performance would increase by 1.000 for every unit increase in self awareness and this coefficient value is significant at 1% level. Similarly, the coefficient of conflict resolution is 1.404 represents the effect of conflict resolution on Service Performance, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Service Performance would increase by 0.810 for every unit increase in empathy towards Service Performance and this coefficient value is significant at 1% level. The coefficient of Initiative is 0.794 represents the partial effect of self

motivation towards Service Performance, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Initiative would increase by 0.794 for every unit increase in self motivation towards Service Performance and this coefficient value is significant at 1% level.

Based on the standardized coefficients, the self awareness (0.829) is the most important factor extracting Emotional Intelligence followed by the second factor empathy (0.794) and self motivation (0.794). Similarly based on the standardized coefficients, communication (4.351) is the most important factor extracting Service Performance followed by the second factor inter personal skills (4.024) and ethics (3.955).

Hypothesis

Null hypothesis (H0): The hypothesized model has a good fit.

Alternate hypothesis (H1): The hypothesized model does not have a good fit.

Table 2 Model fit summary

| Indices | Value | Suggested value |
|------------------|---------|------------------------------|
| Chi-square value | 163.217 | - |
| P value | 0.130 | >0.05 (Hair et al., 1998) |
| GFI | 0.972 | >0.90 (Hu and Bentler, 1999) |
| AGFI | 0.953 | >0.90 (Hair et al. 2006) |
| CFI | 0.967 | > 0.90 (Daire et al., 2008) |
| RMR | 0.066 | < 0.08 (Hair et al.1998) |
| RMSEA | 0.038 | < 0.08 (Hair et al.1998) |

From the above table it is found that the calculated P value is 0.130 which is greater than 0.05 which indicates a perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value is greater than 0.9 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value is 1 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals) and RMSEA (Root Mean Square Error of Approximation) value is 0.000 which is less than 0.10 which indicated it is perfectly fit.

Findings and Conclusion

The present study is clearly portrayed in the SEM model, indicating the relationship between the employee’s emotional intelligence and their service performance in the banking industry. The result of the analysis clearly reveals the factors that need to be given more importance so that the employee’s can be given training in their deficit areas to enhance their EI and Service performance. The EI factors value orientation (0.453), self development (0.533), emotional stability (0.648) are the factors that need to be given more training and development. Similarly, the SP factors customer service (0.407), initiative (0.302), quality of work (0.284) should be given adequate importance to enhance their performance.

As the banking industry requires the employees equipped not only with high IQ capabilities, but also with high EQ capabilities, so that they can sustain in the banking industry in the long run to maximize their service performance, which would ultimately contribute to the profit of the nation. Definitely, this study would be useful for the bank employees to ascertain the most important EI factors to develop their emotional competency skills and also their service performance factors to link

their EQ skills with service performance to enhance their performance, which would ultimately result in the profitability in the banking industry.

It could be very well concluded that the hypothesized model fits the sample data. Based on the viability and statistical significance of important parameter estimates; the considerably good fit of the model (CHISQUARE VALUE, P VALUE, CFI, GFI, AGFI, RMR, RMSEA), it can be concluded that the SEM model shown in Figure 1 represents an adequate description of the employee's emotional intelligence and the service performance structure for the banking industry. Goodness of fit indices support the model fit and these emphasized indices indicate the acceptability of this structural model (Table 2). EI should be a major criterion when it comes to promotion, performance and hiring of individuals (Goleman³). Therefore, EI should be given higher priority when it comes to hiring, training and development of employees in the banking industry.

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Emerging Trends in Banking, Insurance and International Trade
A STUDY ON EMPLOYEE MOTIVATION
IN PRIVATE BANKING SECTOR

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Introduction

Banking sector is considered as an important tier of a country's economic system. The demand of today's competitive corporate environment coupled with customers' increasing quality service expectations compel the financial institutions including banks to achieve higher levels of productivity and deliver quality services at the same time. To achieve such outcomes the major need of financial institutions is the availability of highly motivated and committed workforce because well managed and happy human resources are considered as root source of productivity and quality gains. In response to this challenge financial institutions are providing action learning opportunities to the employees by enabling them to work on real issues, focusing on learning and implementing pragmatic solutions which keep the employees motivated and enhance their commitment to the employers. As the financial institutions have shifted the training of human resources from working on simulated situations to real workplace problems, action learning has become an essential tool for human resource development. This present study has made an attempt to analyse the factors of employee motivation in private banking sector.

Review of Literature

Ayub Irfan (2008) examined the impact of organization commitment on turnover intentions of employees of Askari bank of Pakistan. He identified the HR practices used to increase retention among employees and build organization citizenship behavior. He collected data on seven variables using the questionnaire technique from 70 employee of Askari bank of Pakistan. He used the correlation technique to find out the variable (procedural justice, organizational policies, autonomy, feedback, goal clarity, supervisory relationship, organizational citizenship behavior) impact on organization commitment and reduce turnover. He found that human resource practices increase employee retention and build citizenship behavior through organization politics, feedback system, autonomy, goal clarity & supervisory, relationship organizational commitment are significant factor to reduce turnover intentions. **Ming (2008)** investigated the role of career development practices to turnover intention. He collected the data from different industries finance, information technology, engineering and education. He collected the data on five variables using questionnaire technique from 357 (organizational rewards, career development opportunities, supervisory support, and promotion) on employee turnover. He found the most significant factor which effect the turnover intentions depend the nature of organization practices and these practices enhance the personal goals and motivate the work force and reduce turnover. **Luthans (2011)** job satisfaction is employee perceptions result of how good a one give everything that is seen as something important through his work. There are several indicators of job satisfaction, among others are: (a) work itself, refers to how exciting the work, a chance to learn, and opportunity to accept responsibility, (b) payment system, refer to correspondence between payments number (salary / wages) received based on job demand, (c) Promotion, refer to opportunity to get promotion for higher position, (d) Attitude of supervisor, boss, supervisor, refer to supervisor ability to provide technical assistance and support. Their ability to interact with superiors. Supervisor supports who felt by employees in their work, (e) fellow workers attitude, ability interact with co-workers. **Nevid (2013)** motivation involves the emotional, social, biological, and cognitive influences that initiate behavior.

Objectives of the Study

To examine the relationship among employee motivation in private banking sector.

Hypothesis of the study

The following hypothesis has been taken for the study.

1. There is no relationship between rewards and employee motivation in private sector organizations.
2. There is no relationship between monetary rewards and lower level needs.
3. A relationship can be observed between non-monetary rewards and high level needs.
4. Significant difference can be noticed between monetary rewards and non-monetary rewards.

Methodology

The study is basically an empirical one based on data gathered from the private sector bank employees have been chosen for the study in Madurai district. A sample of 584 customers has been chosen for the purpose of the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to relationship among various dimensions of Motivation. The researcher used t test analysis to identify the factors of Motivation. IBM SPSS 21 version was used for statistical purpose.

The factors ranked by the employees in Private sector

| Ranking | Rewarding Factors | Motivational Factors |
|---------|---|---|
| 1. | Retirement benefits | Good Interpersonal relationships |
| 2. | Salary increment and bonus | Freedom of work |
| 3. | Medical facilities | Sufficient salaries and fringe benefits |
| 4. | Appreciation and participation in decision making | Safety in work |
| 5. | Merit pay and sales incentives | Congenial working condition |
| 6. | Recognition awards | Feasible rules and regulations |
| 7. | Appreciation and participation in decision making | Safety in work |
| 8. | Accommodation and child care benefits | Job involvement |
| 9. | Stock options | Less hour of work. |

The private sector employees ranked retirement benefits and salary and bonus as 1 and 2 indicating that these are the most important variables of rewards in the minds of workers. While the good interpersonal relationships and freedom of work as the most significant variables of motivation. Stock options and accommodation and child care benefits are considered as the least important in respect of rewards. Likewise, less hour of work, and job involvement are considered as the least important in motivation. Therefore, an organisation can inspire the employees to achieve the goals by paying attention to these factors.

Results and Discussions

Relationship among various types of Motivation

In this study, Motivation consists of six subscales that measure Intrinsic Motivation, four forms of regulation for Extrinsic Motivation (Integrated, Identified, Introjected and External) and Amotivation.

Table 1: Relationship among various types of Motivation

| Types of Motivation | Intrinsic motivation | Integrated regulation | Identified regulation | Introjected regulation | External regulation | Amotivation |
|------------------------------|----------------------|-----------------------|-----------------------|------------------------|---------------------|-------------|
| Intrinsic motivation | 1.000 | 0.494** | 0.633** | 0.519** | 0.588** | 0.516** |
| Integrated regulation | | 1.000 | 0.533** | 0.354** | 0.519** | 0.387** |

| | | | | | | |
|-------------------------------|--|--|-------|---------|---------|---------|
| Identified regulation | | | 1.000 | 0.515** | 0.753** | 0.553** |
| Introjected regulation | | | | 1.000 | 0.567** | 0.835** |
| External regulation | | | | | 1.000 | 0.632** |
| Amotivation | | | | | | 1.000 |

** - Correlation is significant at the 0.01 level (2-tailed).

From the above table it can conclude that the correlation coefficient for Types of Motivation is strong and positive. Hence it can be concluded that Intrinsic Motivation has positive and strong relation with Integrated regulation (49%), Identified regulation (63%), Introjected regulation (52%), External regulation (59%) and Amotivation (52%). Integrated regulation has positive and strong relation with Identified regulation (53%), Introjected regulation (35%), External regulation (52%) and Amotivation (39%). Identified regulation has positive and strong relation with Introjected regulation (52%), External regulation (75%) and Amotivation (55%). Introjected regulation has positive and strong relation with External regulation (57%) and Amotivation (84%). External regulation has positive and strong relation with Amotivation (63%).

Discussions

The research emphases on the relationship between Motivation and employee's commitment. The attained results show the direct relation exist between Motivation and employees's commitment and motivation have two determinants job involvement and incentives both shows the direct and positive correlation with one another.

Conclusion

Banking system plays a very major role in the economy of our country. It is central to a nation's economy as it caters to the credit needs of all sections of the society. Without a sound and effective banking system, it is not possible for a country to have a healthy economy. India is not only the world's largest independent democracy, but also an emerging economic giant. India's banking system has several achievements to its credit and it is no longer confined to only the metropolitans. It has reached even the remote corners of the country. This is one of the reasons of India's growth process. The importance of employee motivation is now being recognized by all the major organizations including banks as it has a significant impact on the overall performance. For any organization to achieve its goals it is important to keep their employee motivated and satisfied. When employees are motivated the individual quality of performance increases which directly has a positive impact on the organization. Employee motivation leads to job satisfaction which also plays an important role in increasing the overall efficiency of the organization.

Future Research Directions

The duration of our study and data resources are very few if we have proper resources and time, we can do our study much deeply and can analyses each and every aspect that distress the motivation of employees toward better commitment of employees. Finally, this discovery is beginning and as the analysers goes profounder; they may alter and become more aware. The study is still in progress and the research will continue to review the findings. Our research time duration is one months and simple random method is used for data gathering. The researcher can also take other variables like empowerment, leadership styles, job design and managerial standards to improve the employee's performance.

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Emerging Trends in Banking, Insurance and International Trade
**ELECTRONIC PAYMENT SYSTEM: ISSUES AND CHALLENGES IN
EFFECTIVE UTILIZATION**

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Abstract

Electronic payment has revolutionized the business processing by reducing the paperwork, transaction costs, and labour cost. Being user friendly and less time-consuming than manual processing, it helps business organization to expand its market expansion. Electronic Payment Systems enable a customer to pay for the goods and services online by using integrated hardware and software systems. The main objectives of Electronic Payment Systems are to increase efficiency, improve security and enhance customer convenience and ease of use. Although these systems are in their immaturity, some significant development has been made. The study was entitled as "Electronic Payment System: Issues and Challenges in effective utilization".

Keywords: *E-Payment, E- Commerce*

Introduction

Nowadays the term "e-commerce"- which related to the buying and selling of products or service via electronic system such as the internet and other computer networks, become very popular. Many companies see "e-commerce as one of their strategy to develop in the future. The development of e-commerce can be explained on the basic of the extensible use of the internet which has openness, speed, anonymity, and global accessibility characteristics.

In order to develop a completed "e-commerce" system, the payment system also needs to adapt to some forms of electronic payment. An electronic payment system facilitates the acceptance of electronic payment for online transactions. These payment system have become increasingly popular due to the wide spread use of the internet –based shopping and banking. International economy is being increasingly "electronized", with more and more transactions occurring online and electronic payments increasing significantly to the extent that they are surpassing paper based payment instruments. In addition, government worldwide, particularly in India, are targeting electronic delivery of public service and banking activities.

An internet e-commerce payment is a critical infrastructural component to ensure that transactions occur without any hitches and in total security over electronic networks. An e-payment system is a way of making transactions or paying for goods and services through an electronic medium, without the use of cheques or cash. It's also called an electronic payment system or online payment system. As the world advances more with technology development, we can see the rise of electronic payment systems and payment processing devices.

Electronic Payment System an Overview

Payment and settlement system plays an important role in improving overall economic efficiency. India has several payment systems, ranging from paper based system to the most electronic fund transfer system that offers real-time settlement. Payment systems in India like in most part of the world began cash-based systems. The evolution over time of commerce and trade triggered varied payment instrument came into use in India. Even though the cash system dominated, there was some early payment systems not dominated in cash-such as the primitive form of the bill of exchange-the

HUNDI-which continues to be in use in some form, in some parts of the country even today. In early 1900's with the steady rise in volume of trade and commerce and the growing confidence of the public in the usage of cheques, etc., there was also rapid growth in the payment transaction using these instruments. Until just a few years ago, payments systems in India were almost entirely based on paper, with currency and cheques being the dominant form of payment for both retail and wholesale transactions. In the absence of banking technologies and communication systems prior to 1990's the clearing and settlement between banks was a very lengthy and cumbersome process.

Electronic Payment and Settlement System Structure in India

In India, the clearing system is local and confined to a defined jurisdiction covering all the banks and branches situated in the area under a particular zone. The clearing house is a voluntary association of banks under the management of a bank where the settlement accounts are maintained. Where ever RBI has its office the clearing house is managed by it. In the absence of an office of the RBI, the clearing house is managed by the SBI, its associate banks and in a few cases by public sector banks. In India there are about 1050 cheques clearing houses. 840 clearing houses are managed by SBI and its associate and the rest by others. These clearing houses clear and settle transaction relating to various types of paper based instruments like cheques, drafts, payment orders, and interest/dividend warrants etc.

Statement of the Problem

One of the biggest technological innovations is in the area of banking, finance and commerce- the electronic payments. The ease of purchasing and selling products over the internet has helped the growth of e-commerce and e-payments services as a convenient and efficient way to do financial transactions. The Indian bank offer many e-payment facilities like Electronic Fund Transfer (EFT), ATM/ debit card, internet banking, and real time gross settlement system (RTGS), but people prefer to stand in queue to pay their utility bills, taxes, withdraw cash, inquire bank balance, use cash while shopping. People are hesitant to use electronic payment systems due to the risk involved in it.

Objectives of the Study

- To examine the opportunities for electronic payment for transaction relating to various sectors of the industry.
- To identify the present pattern of utilization of electronic payment system by individuals.
- To identify technology related factor and individual related factor that influence the demand for electronic payment system.

Significance of the Study

Electronic payment system allows financial institutions, business and the government to offer variety of payment option to their customers. An e-payment platform would enable the formal financial sector to more easily and efficiently reach disadvantaged households and offer modern products. A huge potential for growth of EPS exists in India, if the major issues of the general public relating to usage of e-payments can be identified and addressed to. Therefore the study is carried out to analyze the present usage pattern of EPS, to identify the major problems in EPS and further examine the opportunities for electronic payment system in India.

Sampling Plan

Convenient sampling is used for the purpose of selecting sample respondents.

Sample Design

The proposed study is descriptive in nature and primary and secondary data are use for collecting procedure

Data Collection Method

Primary Data: The primary data was collected directly from 100 bank account holders those who are familiar with EPS, by means of structured questionnaire.

Secondary Data: The secondary data was used to establish a theoretical frame work for the study. These data has been collected from various book, magazine and from websites.

Data Processing and Analysis

The primary data so collected were appropriately condensed in the form of tables, so as to render comprehension and facilitate easy comparison and were analysed arithmetically and statistically using simple percentage method, ranking method and using mean variance.

Limitations of the Study

- Hesitation of the respondents to answer the questionnaire was a limitation of the study.
- The success of the study depends on the accuracy of information supplied by respondents.

Results and Discussion

Table 1: Demographic Profile of the Respondents

| Particulars | | No of respondents | Percentage (%) |
|---------------------------|--------------------|-------------------|----------------|
| Gender | Male | 64 | 64 |
| | Female | 36 | 36 |
| Age | Upto 30 | 24 | 24 |
| | 31-50 | 58 | 58 |
| | Above 50 | 18 | 18 |
| Occupation | Salaried | 63 | 63 |
| | Professionals | 18 | 18 |
| | Business | 14 | 14 |
| | Home maker | 2 | 2 |
| | Pensioners | 3 | 3 |
| Monthly family income | Below Rs 30,000 | 67 | 67 |
| | Rs 30000- Rs 60000 | 27 | 27 |
| | Above Rs 60000 | 6 | 6 |
| Educational Qualification | School level | 6 | 6 |
| | Graduate | 52 | 52 |
| | Post Graduate | 30 | 30 |
| | Professional | 12 | 12 |

Source: Primary data

Inference

The above table shows that 64% of the respondents are Male and the rest of the 36% respondents are Female. When it comes to age, it is found that 24% belong to the age group upto 30. Respondents in the age group of 31-50 years are 58%. Respondents in the age group of above 50 years are 18%. As regards to occupations 63% of the respondents are salaried employees, 18% of the respondents are professionals, 14% of the respondents are doing business, 2% of the respondents are home maker and 3% of the respondents belongs to pensioners. Among the respondents majority 67% of respondents have monthly income below 30000. 27% of the respondents have monthly income of Rs.30000–Rs.60000, 6% of the respondents have monthly income above Rs.60000. Among the respondents 6% are having school level education, whereas the majority 52% of the respondents are graduates, post graduates constitute 30% of the respondents and the least 12% belongs to professional category.

Bank Wise Classification of Data

Table 2: Bank wise Classification

| Income | Number of Respondents | Percentage |
|-----------------------------|-----------------------|------------|
| SBI and its associate banks | 50 | 50 |
| HDFC | 50 | 50 |
| Total | 100 | 100 |

Source: Primary data

Inference

Above table shows an attempt has been made to show equal selection of respondents from 2 banks, i.e., SBI and its associate banks (50%), and HDFC Bank (50%)

Type of Account

Table 3: Account wise classification

| Account | Number of Respondents | Percentage |
|---------|-----------------------|------------|
| Savings | 70 | 70 |
| Fixed | 22 | 22 |
| Current | 8 | 8 |
| Total | 100 | 100 |

Source: Primary data

Inference

Above table shows that among total responses, majority responses dominate saving Account (70%), followed by fixed Account (22%), and current Account (8%).

Level of Awareness of Technologies

Table 4: Level of Awareness of Technologies

| Awareness of Technologies | 3 | 2 | 1 | Total score | Mean value |
|--|-------------|-----------------|---------|-------------|------------|
| | Fully Aware | Partially Aware | Unaware | | |
| Electronic Payment System | 72 | 26 | 2 | 270 | 2.70 |
| Auto debit | 32 | 38 | 30 | 202 | 2.02 |
| Auto credit | 38 | 26 | 36 | 202 | 2.02 |
| Electronic clearance service (ECS) | 28 | 34 | 38 | 190 | 1.90 |
| Real Time Gross Settlement (RTGS) | 46 | 14 | 40 | 206 | 2.06 |
| National Electronic Fund Transfer (NEFT) | 34 | 50 | 16 | 218 | 2.18 |
| Negotiated Dealing System (NDS) | 14 | 68 | 18 | 196 | 1.96 |

Source: Primary data

Inference

Above table shows the level of Awareness of technology. Mean was used as a tool to analyze the results. A three Point Scale was used where three point were given for fully aware, two point for partially aware, one point for unaware. Among the respondents, highest level of awareness was on Electronic payment System (Mean 2.70).this is followed by NEFT (Mean 2.18),RTGS (Mean 2.06), Auto debit(Mean 2.02), Auto credit(Mean 2.02), NDS (Mean 1.96),ECS shows the least (Mean 1.90).

Mode of Electronic Payment System Used

Table 5: Mode of Electronic Payment System Used

| Mode | Number of Respondents | Percentage |
|------------------|-----------------------|------------|
| Credit card | 22 | 22 |
| Debit Card | 55 | 55 |
| Internet Banking | 23 | 23 |
| Total | 100 | 100 |

Source: Primary data

Inference

Above Table shows that majority 55% preferred debit cards, 23% Internet banking, 22% Credit Cards.

Areas Where Electronic Payment Systems are Used More

Electronic payment Systems are used for many payment purposes. An attempt was made to identify the most important areas where electronic payment system is used more. Ranking Table was used for the purpose of analysis. The most important factor was given 5 points, second important factor was given 4 points, and the third factor was given 3 points, the fourth factor two points and the fifth factor one point.

Table 6: Areas Where Electronic Payment System are Used More

| | Rank 1 | Rank 2 | Rank 3 | Rank 4 | Rank 5 | Weighted Total Score | Rank |
|--|-----------|-----------|-----------|-----------|-----------|----------------------------|------|
| Weights Area | 5 | 4 | 3 | 2 | 1 | | |
| Tours and Travelling | 38 | 29 | 16 | 10 | 7 | 381 | I |
| Payment for personalised Service/Bill Payments | 32 | 22 | 15 | 18 | 13 | 342 | II |
| Insurance | 19 | 25 | 24 | 8 | 24 | 307 | III |
| Investment | 8 | 10 | 36 | 29 | 17 | 263 | IV |
| Wealth Management | 3 | 14 | 9 | 35 | 39 | 207 | V |

Source: Primary data

Inference

Above table shows that Electronic payment system is more used in Tours and Travelling area (381Points) and stood the first position. The second and third position went respectively for Payment for personalised Service/Bill Payments (342 Points) and insurance (307 points).this was followed by Investment (263 Points) and Wealth Management (207 points) stood Fourth and Fifth Position respectively.

Reasons Which Influenced the Preferences of Electronic Payment System

Table 7: Reasons which influenced the preferences of electronic payment system

| | Rank 1 | Rank2 | Rank 3 | Rank 4 | Rank 5 | Rank6 | Weighted Total Score | Rank |
|-----------------------------|-----------|-------|-----------|-----------|-----------|-------|-------------------------|------|
| Weights Area | 6 | 5 | 4 | 3 | 2 | 1 | | |
| Safety | 26 | 10 | 22 | 7 | 9 | 6 | 339 | I |
| Wide acceptance | 22 | 20 | 12 | 12 | 8 | 6 | 338 | II |
| Quick Settlement | 7 | 16 | 18 | 22 | 11 | 6 | 288 | III |
| Easy cash withdrawal | 10 | 16 | 8 | 18 | 19 | 9 | 273 | IV |
| Time saving & simple to use | 9 | 10 | 16 | 15 | 17 | 13 | 260 | V |
| Convenience | 6 | 8 | 4 | 6 | 16 | 40 | 182 | VI |

Source: Primary data

Inference

Above table shows that the most important reason for preferring Electronic payment System was Safety with (3.39 points) and stood as First Position. The second and third Position went respectively for Wide Acceptance (338 points), and Quick and prompt settlement System (288 points). This was followed by easy cash withdrawal facility (273 points), Time saving & simple to use (260) and Convenience stood fourth, fifth and sixth position.

Findings of the Study

- Majority 64% of the respondents are Male
- Majority 58% of the respondents belong to the age group between 30-50 groups.
- Majority 63% of the respondents are salaried employees.
- The monthly family income of the majority 67% of the respondents is below Rs 30000.
- Majority 52% of the respondents have completed their Graduation.
- An attempt has been made to show equal selection of respondents from 2 banks, i.e., SBI and its associate banks (50%), and HDFC Bank (50%).
- Majority 70% of the respondents prefer Saving Account.
- Majority 55% of the respondents prefer debit card as a mode of electronic payment system.
- Majority of the respondents (Mean value: 2.70) are having high level of awareness on Electronic payment System.
- The most important are where electronic payment system is used more was in Tours and travelling (Weighted score 381points).
- The most important reason which influenced the preference of electronic payment system was safety (Weighted score 339 points).

Conclusions

An Electronic payment system facilitates the acceptance of electronic payment for online transaction. These payment system have become increasingly popular due to the wide spread use of the internet-based shopping and banking. International economy is being increasingly “electronized”, with more and more transactions occurring online and electronic payments increasing significantly to the extent that they are surpassing paper-based payment instruments. In addition, governments worldwide, particularly in India, are targeting electronic delivery of public services and banking activities. From the analysis of primary data, it was found that most of the respondents are aware about the technologies and majority users are using Electronic Payment system. Attitude of bankers towards electronic payment system is supportive and it was found that majority users of EPS are satisfied with its usage.

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Emerging Trends in Banking, Insurance and International Trade
**CUSTOMERS' AWARENESS TOWARDS E-BANKING SERVICES
OFFERED BY BANKS IN MADURAI CITY**

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Abstract

Liberalization and de-regulation process, which started in 1991- 92 has made a drastic change in the Indian banking system. Regulated environment gradually moved into a market driven competitive system. In today's era, one cannot think about the success of any service industry including banking industry without information technology. It has increased the contribution of banking industry in the economy. Financial transactions and payments can now be processed quickly and easily in friction of seconds. The commercial banks in India has enabled them to use IT extensively to offer their products and services to customers apart from just back office processes. Banks with latest information technology techniques are more successful in the cut throat competitive market. Speedy changes in technology, complexities, high costs, security and data privacy issues, new rules and regulations and lack of trained manpower are some challenges faced by commercial banks in India. E-banking today, are transaction without being physically present in the bank , to use the services like making queries for account balance, making different type of payments like bills, mobile recharge, money transfer, filing income tax return electronically. E-banking technology is gaining all-round adoption in banking industry across developed and developing countries. Since banking services are informational and can easily be automated and digitized, every bank these days is considering the adoption of information technology equipment as a means to improve the performance, service quality and efficiency in delivering the services. Banks have now been able to provide single window system for quick delivery of services to their customers, where one can deposit cheque, receive payment, deposit cash etc all at one place. The customers of banks in the study area were aware of the e-banking services as ATM, telephone-banking, internet banking and mobile banking and make use of some of the services and satisfied with such services.

Introduction

E-banking has become a necessary survival weapon and is fundamentally changing the banking industry Worldwide. The internet has created plenty of opportunities for players in the banking sector. While the new entrants have the advantage of latest technology Technology is allowing banks to offer new products, operate more efficiently, raise productivity, expand geographically and complete globally. Technology innovation and fierce competition among existing banks have enabled a wide array of banking products and services, being made available to retail and wholesale customer through an electronic distribution channel, collectively referred to as e-banking. The internet has created plenty of opportunities for players in the banking sector. E-banking enables the banks to offer their customers access to their accounts, transact business and obtain information via electronic communication channels; these channels can be Automated Teller Machines (ATM's), tele-banking, home-banking and internet banking.

Review of Literature

The researcher has viewed the various studies and presented here.

Dr. Nishi Sharma (2012) in her Study "A Empirical study of Rural Customer's Satisfaction from E-banking in India" revealed that, the study found that rural customers are quite satisfied with the provision of updating, accuracy of transaction and convenience. However, they were not found to be much satisfied with the regulatory mechanism and compensation given in case of fraudulent attack by unauthorized person or error by bank. Further they expect better services should be provided for differently able persons.

Bhavesh J. Parmar, Darshan B. Ranpura, Chirag R. Patel, Naineshkumar P. Patel (2013) in his study "A study on use of internet banking among rural consumers" revealed that the rural banking system is clearly more inclusive of low income families than those provided by the commercial banks.

This paper discusses development of internet banking in rural areas. The applications of internet banking of several rural consumers in rural areas are investigated and examined. The research objective is to investigate the opportunity of using internet banking in the new generation of rural area. Focusing on some emerging trends in rural banking.

D.Bourna Devi, H. Tulasi (2013) in her study “A study on Customers’ satisfaction of mobile banking in State Bank of India” revealed that, this study makes to understand the different perception of the respondents towards the mobile banking service in State Bank of India as it is time consuming process.

Santosh. B. Potadar Assistant Professor ASM’s ICS (2013) in his study “Emergence of e-banking in Rural Area” revealed that Internet banking has evolved rapidly over the years with technological advances and increasing number of internet users across various regions. It has developed as an effective distribution channel for banking product and services. The Efficiency of e-banking is fully dependent on how it is used by area bank customer. It optimizes the time and money of rural area bank customer as well as banking organization. In short, the paper mainly focuses on emergent model which enable efficiency and productivity of rural area society people.

Varun (2014) in his study “Rural banking in India” says that RRBs should really be strengthened and provided with more resources with which they can undertake more of these important activities and most certainly they should be kept apart from a profit-oriented corporate motivation that would reduce their capacity to provide much needed financial services to the rural areas, including to agriculture. The number of rural branches should be increased rather than reduced; they should be encouraged to develop more sophisticated methods of credit delivery to meet the changing needs of farming.

Statement of the problem

Today all the banking sectors are providing lot of services to their customers. Although the e-banking services are offered by all the banks, it is a necessity to study whether all the banking customers are aware of their e-banking services. To get the highest satisfaction on the e-banking channels, a customer should have complete knowledge and awareness on various products and services needed by a customer and render the same to his satisfaction. The researcher has attempted to analyze the customer’s awareness towards the e-banking services offered by the banking sector in Madurai District with reference to Vadipatti Taluk. Vadipatti is a emerging taluk to develop of agriculture and small scale industries.

Objectives of the study

The present study has the following objectives.

- To study an overview of E-banking services offered by Banks.
- To analysis the perception of customers’ awareness towards E-banking services in the study area.
- To offer findings, suggestions and conclusion of the study

Methodology of the study

The present study is undertaken to customer’ awareness on e-banking services provided by the banks Madurai City. The descriptive method about e-banking services provided by the bank to their customer and determining their awareness level. The study has been conducted in Madurai City. Madurai City one of the important district of the Tamil Nadu State, is situated in the South of Tamil Nadu. Number of industries are functioning . The uses of banking services are inevitable. The researcher has selected 1000 respondents by using Non random sampling techniques(Judgement sampling techniques).The data relating to socio economic conditions, profile of occupational activities, usage of banking services and its pros & cons was collected by using interview schedule. Secondary data are also collected and compiled from Books, Journals, Magazines, Puablications and

Websites. To analysis the data collected, statistical tools like Percentage analysis, Weighted average ranking, Chi-square test were employed.

Hypothesis

To carry out the research work, the researcher has set the following hypothesis:
There is no significant difference between Gender and utilization of E-banking services.

Analysis and Interpretation

Demographic profile

The demographic profile of the respondents is analyzed which reveals that a vast majority of 76percent of the respondents are male, the majority of 62per cent of respondents belonged to the age group 21-30 years. Most of the respondents (50percent)are educated at graduate level and 48percent of them are businessmen, The table 1 shows the demographic profile.

Table - 1: Demographic Profile of the Respondents

| Demographic Factors | | No. of Respondents | Percentage (%) |
|----------------------------------|------------------|--------------------|----------------|
| Gender | Male | 76 | 76.00 |
| | Female | 2 | 24.00 |
| Age (in year) | Below 20 | 6 | 6.00 |
| | 21-30 | 62 | 62.00 |
| | 31-40 | 22 | 22.00 |
| | 41-50 | 8 | 8.00 |
| | Above 50 | 2 | 2.00 |
| Educational Qualification | Secondary | 10 | 10.00 |
| | Higher Secondary | 40 | 40.00 |
| | Graduate | 50 | 50.00 |
| Occupation | Business | 48 | 48.00 |
| | Professional | 20 | 20.00 |
| | Agriculturist | 10 | 10.00 |
| | Coolie workers | 22 | 22.00 |

Source: Primary Data

Profile of Bank Account of the Respondents

The nature of account hold by the respondents is reveals that 48 Percent of the respondents are having an account with State Bank of India, ICICI Bank, Indian Overseas Bank, Most of the respondents (80percent)are having savings bank account for deposits and withdrawals of money from banks, Transfer of Fund and Getting Loan from banks. The table 2 shows the profile of bank account of the respondents.

Table - 2 : Profile of Bank Account

| Details of Bank Account | | No. of Respondents | Percentage (%) |
|-------------------------|-----------------------|--------------------|----------------|
| Name of a Banks | State Bank of India | 48 | 48.00 |
| | ICICI | 14 | 14.00 |
| | Indian Overseas Bank | 0 | 10.00 |
| | Co-operation Bank | 4 | 4.00 |
| | Indian Bank | 6 | 6.00 |
| | Canara Bank | 12 | 12.00 |
| | Karur Vysya Bank | 2 | 2.00 |
| | Central Bank of India | 2 | 2.00 |

| | | | |
|---|------------------------------|----|-------|
| | Bank of India | 2 | 2.00 |
| Type of Account | Saving Bank Account | 80 | 80.00 |
| | Current Account | 20 | 20.00 |
| Period | Less than 1 year | 27 | 27.00 |
| | 1-3 years | 34 | 34.00 |
| | 3-5 years | 26 | 26.00 |
| | More than 5 years | 13 | 13.00 |
| No. of Times Visited to Banks During A Month | 1-3 times | 62 | 62.00 |
| | 3-8 times | 24 | 24.00 |
| | Over 12 times | 14 | 14.00 |
| Purpose of Visiting | For Deposit | 64 | 64.00 |
| | For Withdrawal | 18 | 18.00 |
| | For Transfer of Fund | 14 | 1.00 |
| | For Getting Loan | 4 | 4.00 |
| | For taking Demand draft | 0 | 0.00 |
| | For Use of Locker facilities | 0 | 0.00 |

Source: Primary Data

Awareness of E-Banking Services offered by the Banks

It is observed that 86 Percent of the respondents' aware about E-banking services offered by the bank, 46 Percent of the respondents are aware towards e-banking services through Friends and Relatives, banking officials, advertisement. Majority of (62 Percent) of the respondents are used the e-banking services offered by their banks for Fund transfer, Payment to online shopping, Tax payments and Utility payments and Checking statement of account. 42.10 Percent of the respondents opined that due to lack of information, fear of security, Technical Problems they have not used all services. The table 3 shows the awareness of e-banking services.

Table - 3: Awareness of E-Banking Services

| Awareness of E-Banking services | | No. of Respondents | Percentage (%) |
|---|---------------------------------------|---------------------------|-----------------------|
| Variables | Yes | 86 | 86.00 |
| | No | 14 | 14.00 |
| Sources of Awareness | From Bank officials | 32 | 32.00 |
| | Advertisement in print media | 12 | 12.00 |
| | Television and Radio | 10 | 10.00 |
| | Friends and Relatives | 46 | 64.00 |
| Usage of E-Banking Services | Yes | 62 | 62.00 |
| | No | 38 | 38.00 |
| Nature of transactions | Fund transfer | 20 | 32.26 |
| | Payment to online shopping | 16 | 25.1 |
| | Tax payments and Utility payments | 12 | 19.35 |
| | Checking statement of account | 10 | 16.13 |
| | POS | 4 | 6.45 |
| | Requesting Cheque book through online | 0 | 0.00 |
| | Giving instructions to stop payments | 0 | 0.00 |
| Reasons for not using E-Banking services | Lack of Information | 16 | 42.10 |
| | Fear of Security | 10 | 26.32 |
| | Technical Problems | 8 | 21.05 |

Source: Primary Data

Benefits of E-Banking Services

The benefits of e-banking services the banks are analyzed which reveals that, majority (41.94 Percent) of the respondents felt that E-banking services saves time, money and energy of the respondents towards Banking transactions and ATM services is the most popularly used services.41.94 Percent of the respondents strongly agree that they facing the problems of Machine out of cash followed by Non printing of statement etc., The table 4 shows the benefits of e-banking services.

Table - 4 : Benefitsof E-Banking Services

| Benefits of E-banking services | | No. of Respondents | | Percentage (%) | |
|--|-------------------------------------|-----------------------|--------------|------------------|--------------|
| Benefits | Convenience | 18 | | 29.03 | |
| | Speed | 2 | | 3.23 | |
| | Transparency | 2 | | 3.22 | |
| | Saving of Time/money/energy | 26 | | 41.94 | |
| | From anywhere to anywhere banking | 14 | | 22.58 | |
| Convenient way of e-banking | Internet Banking | 18 | | 29.03 | |
| | Phone Banking | 2 | | 3.23 | |
| | Mobile Banking | 16 | | 25.81 | |
| | ATM Services | 26 | | 41.93 | |
| Frequency of using ATM services per month | 1-3 times | 40 | | 64.52 | |
| | 3-6 times | 22 | | 35.48 | |
| | Above 6 times | 0 | | 0.00 | |
| Problems in using ATM services | Problems | Strongly Agree | Agree | Dis-Agree | Total |
| | Cards get blocked | 8(12.90) | 16 (25.81) | 38 (61.29) | 62 |
| | Machine out of cash | 26(41.94) | 22 (35.48) | 14 (22.58) | 62 |
| | Non printing of statement | 18(29.03) | 24 (38.71) | 20 (32.26) | 62 |
| | Machine out of order | 14(22.58) | 23 (37.10) | 25 (40.32) | 62 |
| | Server Problems | 0(0.00) | 10 (16.13) | 52 (83.87) | 62 |
| | Limited withdrawal from other banks | 18(29.03) | 26 (41.94) | 18 (29.03) | 62 |
| | Inappropriate location | 2(3.23) | 18 (29.03) | 42 (67.74) | 62 |

Source: Primary Data

Problems in E-Banking Services

To identify the problems faced by the respondents while using e-banking services in Madurai city, the researcher has applied weighted average ranking method, ranking points are assigned to each variable as 8,7,6,5,4,3,2,1 and calculated the total score& mean score based which the ranks are allotted. Among several variables the highest rank is assigned to Fear of Security, Lack of Information followed by Technical Problem and Waiting for long time for conducting of transaction, High Service charges. These are the major problems faced by respondents. The table 5 represents the problems in e-banking services offered by banks.

Table - 5 : Problems in E-Banking Services

| S. No | Particulars | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Opinion score | Mean Score | Rank |
|-------|--|----|----|----|----|----|----|----|----|---------------|------------|------|
| 1. | Fear of Security | 16 | 20 | 18 | 10 | 16 | 8 | 6 | 6 | 532 | 5.32 | I |
| 2. | Lack of Information | 12 | 26 | 14 | 10 | 18 | 10 | 4 | 6 | 528 | 5.28 | II |
| 3. | Technical Problems | 18 | 6 | 10 | 16 | 20 | 10 | 14 | 6 | 470 | 4.70 | III |
| 4. | Waiting for long time for conducting transaction | 16 | 10 | 12 | 10 | 18 | 8 | 12 | 14 | 454 | 4.54 | IV |
| 5. | Too many steps in processing transactions | 8 | 10 | 12 | 22 | 10 | 12 | 22 | 4 | 440 | 4.40 | V |
| 6. | High Service charges | 14 | 6 | 12 | 22 | 4 | 12 | 8 | 22 | 426 | 4.26 | VI |
| 7. | Internet Banking can be tampered with by others | 8 | 12 | 14 | 6 | 8 | 24 | 20 | 8 | 414 | 4.14 | VII |
| 8. | Mismatching of OTP | 6 | 8 | 8 | 6 | 10 | 16 | 14 | 32 | 330 | 3.30 | VIII |

Source: Primary Data

Level of Satisfaction of the Respondents towards E-Banking Services

The Level of satisfaction of the respondents towards e-banking services offered by banks are analyzed which reveals that,40 Percent of the respondents have satisfied with E-banking services as good, 38 Percent of the respondents have ranked very good. The table 6 represents. The Level of satisfaction of the respondents.

Table - 6 : Level of Satisfaction of E-Banking Services

| Level of Satisfaction of E-Banking Services | | No. of Respondents | Percentage (%) |
|---|-----------|--------------------|----------------|
| Rating | Excellent | 10 | 10.00 |
| | Very Good | 38 | 38.00 |
| | Good | 40 | 40.00 |
| | Average | 12 | 12.00 |

Source: Primary Data

In order to measure the significant difference between Gender and utilization of E-banking services of the banks, the following hypotheses have been framed and tested with the help of Chi-Square test at 5% level.

H₁. There is no significant difference between Gender and utilization of E-banking services.

For the above hypothesis, Table value of Chi-square for degree of freedom 1 at 5 % level of significance is 3.84 and the calculated value is 5.54. The calculated value is greater than table value. Hence, null hypothesis is rejected and it is concluded that there is a significance difference between Gender and utilization of E-banking services, it is inferred that male respondents are using E-banking services more than female respondents. Table 7 discloses the fact.

Table 7 : Results of Chi-Square Test

| Result | Value |
|-----------------------|--------------------------------|
| Degree of Freedom | 1 |
| Level of significance | 0.05 |
| Table Value | 3.84 |
| Calculated Value | 5.54 |
| Inference | H _A >H ₀ |

Findings

- Majority (62 percent) of the respondents were from the age group of 21 to 30 and Majority of 50 percent of the respondents are educated at Graduate level.
- Majority of 48 percent of the respondents were doing Business followed by Coolie, Professional and Agriculturist.
- 48 percent of the respondents have a bank account with State Bank of India, ICICI Bank (14 Percent); Canara Bank (12 Percent). And Majority (80 percent) of the respondents were having Saving Bank Account.
- Majority (34 percent) of the respondents have maintained their account between 1 to 3 years.
- Majority (64 percent) of the respondents visited their Bank branch for making deposits
- 86 percent of the respondents aware about e-banking services offered by the Banks. And 46 percent of the them came to know about e-banking services from their Friends and Relatives.
- Majority (62 percent) of the respondents are used the e-banking services offered by their banks and Among all 32.26 percent of the respondents used e-banking service mainly for fund transfer.
- 41.94 percent of the respondents felt that, e-banking service saves Time/Money/Energy of the respondents towards Banking transactions and 41.93 percent of them felt Convenient in using ATM Services.
- Most of the (77.42 percent) of the respondents have faced problems while using ATM Services.
- The most important problems faced by the customers using e-banking services in Fear of Security followed by Lack of Information; Technical problems; High service charges.
- Among all respondents, 40 percent of the respondents have satisfied with e-banking services as Good followed by Very Good; Average.

Suggestions

- The banks may take up the responsibility of educating the customers regarding e-banking services and operation of internet banking.
- The banks to promote the online banking services because proper promotional activities are not taking place.
- The banks may insist to make some services compulsory for motivating the customers to utilizing e-banking services.
- Though e-banking is convenient and easy to use, customers are afraid of adopting the service because they think that using this service is difficult and complicated. So, onsite training can be provided to the customers who intend to use the e-banking services.
- Banks may take steps to give assurance to protection from security problems in e-banking

Conclusion

E-banking has become a necessary survival weapon and is fundamentally changing the banking industry Worldwide. The internet has created plenty of opportunities for players in the banking sector. While the new entrants have the advantage of latest technology Technology is allowing banks to offer new products, operate more efficiently, raise productivity, expand geographically and complete globally. Technology innovation and fierce competition among existing banks have enabled a wide array of banking products and services, being made available to retail and wholesale customer through an electronic distribution channel, collectively referred to as e-banking. The internet has created plenty of opportunities for players in the banking sector. The good-will of the established banks gives them a special opportunity to lead the online world. By merely putting existing service online won't help the banks in holding their customer close. Instead, banks must learn to capitalize their customer's different online financial-service relationships. The customers of banks in the study area were aware

of the e-banking services as ATM, telephone-banking, internet banking and mobile banking and make use of some of the services and satisfied with such services

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Emerging Trends in Banking, Insurance and International Trade
**CUSTOMER SATISFACTION OF PRIVATE SECTOR BANK
IN MADURAI CITY**

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Abstract

Banks are basically service rendering institutions. India has an extensive banking network in both urban and rural areas. The Indian banking sector through dominated by the public sector banks is also the home of numerous private and foreign banks. The city Madurai popularly known as 'Temple City' and 'Business Centre' of south India has the presence of wider network of banks. Apart from the functioning of a large number of branches of the various nationalized banks the private sector banks are also equally contributing towards satisfying the banking needs of the people in Madurai City. Hence, the present study is done to find out the level of satisfaction derived by the customers on the service rendered by the various private sector banks in Madurai City. The study is based on primary data. Data are collected through a well-structured questionnaire. The respondents were drawn by means of convenient sampling method. Finally the study has a number of suggestions to the banks in order to raise the satisfaction level of the customers.

Introduction

Banks are basically service rendering institutions. The existence and success of banks depend on their ability to meet the varied needs and wants of their customers. Banks employ more and more technological aspects in the modern days not only with a view to increase their operational efficiency but also to offer higher customer satisfaction. Banks have become more and more customer oriented through the customized services and engineering products as to respond to the needs and expectations of their customers. In order to ensure the survival, in the modern competitive environment, banks regularly evaluate their products and services with a view to provide better services to their customers. Banks regularly undertake the activities relating to the launch of new products and understanding their existing products with the view to meet the ever increasing needs and expectations of their customers.

Private Sector Banks

India has an extensive banking network, in both urban and rural areas. The Indian banking sector though dominated by the public sector banks, is also the home of numerous private and foreign banks. The process of economic liberalization and the reform measures implemented in the banking sector have encouraged the entry of many private players in the Indian banking industry. The private sector banks are setting new standards in the Indian banking scenario. They have made optimum use of technology and offer internet banking, phone banking, personal banking and the like. The Indian private sector banks include the UTI bank, the ICICI bank, the IDBI bank, Lakshmi Vilas bank and Karur Vysya bank. Currently, India has the presence of 88 scheduled commercial banks, 28 private banks with the Government of India holding a stake, 29 private banks with no Government stake, but may be publicly listed and traded on stock exchanges and 31 foreign banks. They have a combined network of over 53,000 branches and 18,000 ATMs. According to a report by the ICRA limited, a rating agency, the public sector banks hold over 75 per cent of the total assets of the banking industry, with the private and the foreign banks holding 18.20 per cent and 6.5 per cent respectively.

Objectives of the study

To find out the level of satisfaction derived by the customers on the services rendered by the various private sector banks in Madurai city.

Methodology and tools used

The study is based on primary data and the required data for the study were collected through structured questionnaire from thirty customers of various private sector banks in Madurai city. The respondents for the study were drawn by means of convenient sampling method.

Level of customer satisfaction

The level of satisfaction derived by the respondents on the various services rendered by the private sector banks in Madurai city is presented in the following paragraphs.

Respondents’ opinion on account opening formalities and level of satisfaction

The distribution of the respondents on the basis of their opinion on the account opening formalities and the level of customer satisfaction are presented in Table 1. It indicates that the account opening formalities are found to be complicated by eight respondents, simple by eight respondents and is very simple by the remaining fourteen respondents. In order to find out the association between the opinion of the respondents on the account opening formalities and their level of satisfaction, Chisquare test is applied.

Table 1: Opinion on account opening formalities

| Account opening formalities | Level of satisfaction | | | Total |
|-----------------------------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| Complicated | 2 | 4 | 2 | 8 |
| Simple | 1 | 3 | 4 | 8 |
| Very simple | 1 | 1 | 12 | 14 |
| | 4 | 8 | 18 | 30 |

Null hypothesis: The association between the opinion of the respondents on the account opening formalities and their level of satisfaction is not significant. As the calculated Chi-square value (8.492) is lesser than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null hypothesis is accepted and it could be concluded that the association between the opinion of the respondents on the account opening formalities and their level of satisfaction is significant.

Respondents’ opinion on products offered by the banks and level of satisfaction

The distribution of the respondents on the basis of their opinion on the products offered by the banks and the level of customer satisfaction are presented in Table 4. It indicates that the products offered by the banks are a few for eight respondents, moderate for ten respondents and many for the remaining twelve respondents. In order to find out the association between the opinion of the respondents on products offered by the banks and their level of satisfaction, Chi-square test is applied.

Table 2: Opinion on products offered by the banks

| Product offered by the bank | Level of satisfaction | | | Total |
|-----------------------------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| Few | 1 | 4 | 2 | 8 |
| Moderate | 2 | 4 | 4 | 10 |
| Many | 1 | 3 | 8 | 12 |
| | 4 | 11 | 15 | 30 |

Null hypothesis: The association between the opinion of the respondents on the products offered by the banks and their level of satisfaction is not significant. As the calculated Chi-square value (6.44) is lesser than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null

hypothesis is accepted and it could be concluded that the association between the opinion of the respondents on the products offered by the banks and their level of satisfaction is significant.

Respondents’ opinion on the efficiency of staff and level of satisfaction

The distribution of the respondents on the basis of their opinion on the efficiency of staff and the level of customer satisfaction is presented in Table 3. It indicates that for fifteen respondents the staff are very efficient, for eight respondents they are efficient and for seven respondents they are inefficient. In order to find out the association between the opinion of the respondents on the efficiency of the staff and their level of satisfaction, Chi-square test is applied.

Table 3: Opinion on the efficiency of staff

| Efficiency of staff | Level of satisfaction | | | Total |
|---------------------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| Less efficiency | 2 | 2 | 3 | 7 |
| Efficient | 3 | 2 | 3 | 8 |
| Very efficient | 3 | 4 | 8 | 15 |
| | 8 | 8 | 14 | 30 |

Null hypothesis: The association between the opinion of the respondents on the efficiency of the staff in the banks and their level of satisfaction is not significant. As the calculated Chi-square value (21.786) is greater than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null hypothesis is rejected and it could be concluded that the association between the opinion of the respondents on the efficiency of the staff in the banks and their level of satisfaction is significant.

Opinion of respondents on value added services offered by the banks and level of satisfaction

The distribution of the respondents on the basis of their opinion on the value added services offered by the banks and the level of customer satisfaction is presented in Table 4. It indicates that the value added services offered by the banks are less for seven respondents, adequate for eleven respondents and plenty for twelve respondents. In order to find out the association between the opinion of the respondents on the value added services offered by the banks and their level of satisfaction, Chi-square test is applied.

Table 4: Opinion on valued added services offered by the banks

| Value added service | Level of satisfaction | | | Total |
|---------------------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| Less | 2 | 2 | 3 | 7 |
| Adequate | 2 | 4 | 8 | 11 |
| plenty | 1 | 3 | 5 | 12 |
| | 5 | 9 | 16 | 30 |

Null hypothesis: The association between the opinion of the respondents on the value added services offered by the banks and their level of satisfaction is not significant. As the calculated Chi-square value (2.629) is greater than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null hypothesis is accepted and it could be concluded that the association between the opinion of the respondents on the value added services offered by the banks and their level of satisfaction is significant.

Opinion of respondents on the customer relationship maintained by the banks and level of satisfaction

The distribution of the respondents on the basis of their opinion on the relationship maintained by the bankers with their customers and the level of customer satisfaction is presented in Table 5. It indicates that the customer relationship maintained by the banker is poor for twenty seven respondents, fair for fifty nine respondents and the same is good for two hundred and fourteen

respondents. In order to find out the association between the opinion of the respondents on customer relationship maintained by the banks and their level of satisfaction, Chi-square test is applied.

Table 5: Opinion on Customer Relationship Maintained by the Banks

| CRM | Level of satisfaction | | | Total |
|--------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| More | 2 | 1 | 1 | 4 |
| Normal | 1 | 3 | 4 | 8 |
| Less | 4 | 7 | 7 | 18 |
| | 7 | 11 | 12 | 30 |

Null hypothesis: The association between the opinion of the respondents on the personal touch maintained by the banks and their level of satisfaction is not significant. As the calculated Chi-square value (33.18) is greater than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null hypothesis is rejected and it could be concluded that the association between the opinion of the respondents on the customer relationship maintained by the banks and their level of satisfaction is significant.

Opinion of respondents on the e-banking facilities offered by the banks and level of satisfaction

The distribution of the respondents on the basis of their opinion on the e-banking facilities offered by the banks and the level of satisfaction of the customers is presented in Table 6. It indicates that seven respondents are less satisfied, twelve respondents are satisfied and the remaining eleven respondents are highly satisfied with the e – banking facilities offered by the banks. In order to find out the association between the opinion of the respondents on the e-banking facilities offered by the banks and their level of satisfaction, Chi-square test is applied.

Table 6: Opinion on E-Banking Facilities offered by the Banks

| E-Banking | Level of satisfaction | | | Total |
|------------------|-----------------------|--------|------|-------|
| | Low | Medium | High | |
| Less Satisfied | 2 | 3 | 2 | 7 |
| Satisfied | 3 | 6 | 3 | 12 |
| Highly Satisfied | 3 | 5 | 3 | 11 |
| | 8 | 14 | 8 | 30 |

Null hypothesis: The association between the opinion of the respondents on the e – banking facilities offered by the banks and their level of satisfaction is not significant. As the calculated Chi-square value (0.078) is greater than the table value (9.488) at 5% level of significance for 4 degrees of freedom, the null hypothesis is accepted and it could be concluded that the association between the opinion of the respondents on the e-banking facilities offered by the banks and their level of satisfaction is significant.

Findings of the study

The findings of the study revealed that the opinion of the customers of the private sector banks in Madurai city on the following factors influencing significantly the satisfaction derived by them on the services of the banks. They are account opening formalities, working hours of the banks, interest rate on deposits, products offered by the banks, loan sanctioning procedure, quantum of loans sanctioned by the banks, efficiency of staff, value added services offered by the banks, time taken to serve the customers, ambiance facilities in the banks, customer dispute settling mechanism, relationship maintained by the bank with their customers and overall quality of services of the banker.

Suggestions

- The norms fixed by the banks for the maintenance of the minimum balance in the accounts of the customers must suit the requirements of different categories of the customers.
- The banks have to organize regular customer meets and this will help the banker to assess the expectations and demands of the customers.
- The banks have to focus more on customer relationship management. It will enhance the customer satisfaction and maintain a sustained relationship with the customers in the long run.

Conclusion

The advent of liberalization, Globalization and Privatization has paved the way for the entry of more number of private and global players in almost all the economic activities of the country and the banking sector is not an exception to this. The banking sector plays a pivotal role in accelerating the phase of the economic growth of the nation by means of encouraging the saving habits among the people, satisfying the financial requirements of the industries and increasing the rate of capital formation in the country. By offering adequate facilities and attractive schemes, the banks can satisfy the needs of the variety of their customers. As there is a wider scope for the private sector banks in the future, the suggestions offered in this study will be very much helpful to the private sector banks to expand their operations and maximize the customer satisfaction.

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Emerging Trends in Banking, Insurance and International Trade
**CUSTOMER ATTITUDE TOWARDS RECENT E-BANKING SERVICES
OF STATE BANK OF INDIA**

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Abstract

Today's world is one with increasing online access to services. One part of this which is growing rapidly is Internet Banking. Internet banking refers to systems that enable bank customers to access accounts and general information on bank products and services through a personal computer (PC) or other intelligent devices. Though a large volume of literature is accessible on E-banking, this area is still a work in progress and offers a wide array of opportunities for further research and applications. This paper explores in detail about the e-banking services being offered by State Bank of India and the penetration level of it in the market. Since the topic is at the stage of development, a detailed literature review is being provided with special attention to benefits and risks associated with e-banking services. Hope that the conclusion drawn by this research will provide deep insight into the constitution of e-banking services and be a relevant source of information to those who are interested in e-banking.

Keywords: *E-banking services, Customer attitude, Core banking, Security & Privacy.*

Introduction

The Indian banking industry in the post independence era has become an important tool to facilitate the development of the economy. India's independence marked the end of the regime of the laissez-faire for the Indian banking industry. The industry Policy resolution adopted by the Government in 1948 envisaged a mixed economy. This resulted in greater involvement of the State in different segments of the economy including banking and finance.

In order to regulate the banking industry, the Reserve Bank of India (RBI) was nationalized in 1949 and the Banking Regulations Act, 1949 was also enacted in the same year. In 1955, the Government nationalized the Imperial Bank of India and renamed the Bank as State Bank of India. The SBI has become the principal agent of RBI to handle banking transactions of the Union and State Governments all over the country. In 1960 eight state owned banks viz., Bank of Bikaner and Jaipur, (SBBJ), Bank of Hyderabad, (SBH), Bank of Indore, (SBIR), Bank of Mysore, (SBM), Bank of Patiala, (SBP), Bank of Saurashtra, (SBS) and Bank of Travancore, (SBT) became the subsidiaries of the State Bank.

Nationalization of 14 major Commercial Banks in 1969 and seven more banks in 1980 were the major steps taken by the Government to reform the Indian banking sector. Banking in the sunshine of the Government ownership, gave the public an implicit faith and immense confidence about the sustainability of these institutions. After nationalization of banks, the branches of the public sector bank in India rose to 800 per cent and the deposits and advances from 1000 to a huge jump by 11000 per cent.

The SBI is the oldest bank in existence in India, which originated from the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. The SBI was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, which were established under charters from the British East India Company. For many years the Presidency Banks acted as quasi-central banks. The three banks merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India.

State Bank of India is the leading commercial bank in India in terms of network, deposits, advances and investment. It has 26,500 branches all over India. It also has 137 branches overseas. It commands a total deposits of 804,116 crores and has outstanding advances amounting to 207.98 and a staff strength of 2,33,000 in 2010.

State Bank of India is the first Public Sector Commercial Bank to go for technology upgradation by 'January 1st 2004'. The bank has computerized the branch operations in almost all urban and rural branches. Bank also has LAN and core-banking facilities. The Bank has also launched e - banking services such as ATM Services, Bill Payment Services, Fund Transfer Services, Credit Card Services, Online Services and the like.

The information technology has revolutionized various aspects of our life. Internet or simply 'Net' is an interconnection of computer communication network covering the whole world. The growth and expansion of internet and information technology have facilitated the emergence of e-commerce. E-commerce essentially is the paperless exchange of information spread through computer devices like electronic data interchange, E-mail, Electronic Bulletin Boards. Thus, in today's context e-commerce is a commercial transaction conducted through internet.

Modern banking has become information based, speedy and boundary less due to the impact of E-revolution. E-banking is one of the fields in E-commerce. Internet covers banking by performing basic banking transactions to the customers round the clock globally through electronic media.

E-banking or virtual banking denotes the provision of banking and other related services through the extensive usages of internet. The virtual banking services include Automated Teller Machine (ATMs), Electronic Fund Transfer, Smart Cards, Stored Value Cards, Phone Banking, Home Banking, Internet and Intra net banking among others.

Formation of State Bank of India

State Bank of India emerged at the first decade of nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later, the Bank received its charter and was redesigned as 'Bank of Bengal' on 2 Jan 1809. A Unique institution, it was the first joint stock Bank of British India, sponsored by the government of Bengal. The Bank of Bombay on 15 April 1840 and the Bank of Madras on 1 July 1843 followed Bank of Bengal. These three Banks remained as the apex of modern Banking in India till their amalgamation as the Imperial Bank of India on 27th January 1921.

In 1951, when the first five year plan was launched, the development of rural India was given the highest priority. The Commercial Banks of the country including the Imperial Bank of India had till then confined their operations to the urban sector and were not equipped to respond to the emergent needs of economic regeneration of rural areas. In order to take care of rural sector in particular, the All India Rural Credit Survey Committee recommended the creation of a State-partnered and State-sponsored Bank by taking over the Imperial Bank of India and integrating with it, the former State-owned (or) State-associated Banks. An Act was accordingly passed in Parliament in May 1955 and the State Bank of India was constituted on July 1955. More than a quarter of the resources of the Indian Banking System thus passed under the direct control of the state.

State Bank of India was thus born with a new sense of social purpose. It had a network of 480 offices comprising of branches, sub offices and three local head offices inherited from the Imperial Bank. The State Bank of India was destined to act as the trend setter in rural development and lead the Indian Banking system towards national development. ¹SBI is the largest Bank in India. It is also the second largest bank in the world in terms of the number of branch offices and employees.

Features of E-Banking

E-banking offers customers with many services including 24/7 access to accounts and services. The financial institutions continue to develop on online banking and customers use more services offered by the Bank. The reason behind the growth in the usage of online banking is that the customers find it more convenient and profitable and willingly refer their Bank to family and friends who are traditional banking customers. Online customers also maintain higher balances, and customers who use online bill payment are happier with their Bank which translates into depended relationships.

Internet has grown tremendously in all fields over the past several years. The numbers of internet users are rapidly increasing day by day. Work which was previously done manually is replaced by electronic device. Computers are a boon as it executes the work perfectly. It acts as a store house of memory and yields accurate results. The office, to a major extent and the homes, to a certain extent are devoid of papers these days. The advent of computers in banking sector is a gift to both the bank employees and to the customers. The banker operates the account, sanctions loan, determines the interest and finds out the over dues at a press of a button. The customers on the other hand, can operate the account, know the balance and the loan status by the operation of computer at home. Thus, the customers can operate their bank account from their homes.

The electronic banking offers the utmost convenience to bank and the customers to complete their tasks in a simpler way. An average person does not have time to stand in queue at the bank. The electronic banking eliminates the need for giving time to the banks and thus saves time. The internet banking has been growing at an exponential phase over the last few years.

E-Banking Services of SBI

State Bank of India offers a number of e-banking services to its customers. Being the number one commercial bank in India, SBI employs these value added services to attract and retain customers. Some of the important e-banking services offered by the Bank are presented in this section.

ATM Services

The Automatic Teller Machine (ATM) is generally housed in an air conditioned room and guarded by a security. The user has to insert the ATM card in the slot provided in the machine. Then after registering the personal identification number, the customer can opt for any of the services displayed on the screen of the machine. The customer can withdraw, deposit, get a mini statement, know the ledger balance, changing pin number, mobile recharge and the like. The advantage of operating a Bank account through ATM is that it works for 24 hours on all seven days a week. Restriction of banking hour is eliminated. ATM offers perfect mobility by permitting the customers to operate the ATM at any place. As such the customer need not carry huge cash. In case of emergency the customer of a particular Bank can operate his account through the ATM of any other Bank.

The introduction of Automatic Teller Machine (ATM) service has come to change the entire gamut of the way in which the banking and financial services are operated in the world. ATMs are known for their speed and convenience in providing 24 hours access to Bank. The use of ATMs has greatly changed the lives of people by eliminating the risk of carrying cash where ever they go. ATM provides the advantage of providing funds anywhere, any time.

Fund Transfer Services

An efficient and quick payment system plays an important role in the development of the financial sector. The electronic clearing service (debit and credit) and electronic fund transfer system (EFT) are the two new payment systems which has been introduced by Banks to the expedite payments electronically.

EFT was launched by the RBI in the year 1995. This system allows for the instantaneous transfer of funds between branches and among banks through the electronic mode. RBI acts as an intermediary between the sending bank and the receiving bank and effect interbank fund transfer. Customers can send money anywhere in India to another person's account of any bank. The transfer will take place within a few minutes, where as in traditional method it takes minimum three working days.

Electronic fund transfer system offers two fund transfer services, they are, National Electronic Fund Transfer (NEFT) and Real Time Gross settlement (RTGS). Under NEFT system, funds are transferred to the credit of the other participating bank through RBI. In RTGs, the funds of minimum one lakh will be transferred very quickly to the other bank.

Bill Payment Services

Customers can make payment of bills such as, electricity, telephone, mobile phone, credit card and insurance premium through the online bill payment service offered by SBI. The Bank has tie ups with various utility companies, service providers and insurance companies across the country to pay the bills.

The customers can issue a standing instruction for online payment of recurring bills, automatically, which ensures that the customers do not miss out their bill payment due to lack of time. Interestingly the bank is performing the service to its customers at free of cost.

Credit and Debit Cards

Credit and debit cards are issued to customers to facilitate banking activities. These cards are made of sturdy plastic material of about 8.5 centimeters by 5.5 centimeters in size. The name of the holder and his/her account number is embossed on the card. The expiry date is also displayed.

Credit cards allow the customers to enjoy unlimited shopping, whenever and wherever he/she wants. But the amount of shopping is limited to the funds fixed by the Bank. A credit card is a post paid card in which the amount purchased is sent to the card holder who is required to pay a minimum amount at the end of every month. If the card holder could not pay the entire amount, he/she is then charged interest on the unpaid balance amount. The major credit card issuers are master card and visa card for the Banks.

Debit cum ATM cards also permit good shopping but with a difference. As soon as the purchase is made, the customer's account is debited with the amount of purchase. The transaction will be rejected if the customer does not have the sufficient amount of balance in his account. The debit card has a unique pin (Personal Identification Number). The Bank customer uses this card to withdraw money from ATMs by punching in their Personnel Identification Number, or to pay for the goods and services.

Smart Card

A smart card is like any other credit card. It however has an integrated circuit (IC) chip installed in it. The chip contains memory, a processor and communicates through contacts on the surface of the card. The smart cards ensures security and offers new services like, holding a large amount of personal information, medical, health history and personal banking.

Mobile Banking

The mobile banking enables 'any where banking'. It addresses the fundamental limitation of internet banking where a computer is necessary in mobile banking. Customers do not need a computer terminal to access their Bank account. They could do banking ever when they are waiting for their bus through the operation of their mobile. In mobile banking the services are classified into two main heads one is enquiry based another is transaction based. The customers can avail a number of services such as, account balance enquiry, account statement enquiry, cheques status enquiry, cheques book request, fund transfer between accounts, credit/debit alerts, minimum balance alerts, bill payment alerts, bill payment through their mobile phones.

Statement of the Problem

E-Banking allows customers to use computer to access account-specific information and conduct banking transactions from a remote location such as home or at the work place. e-banking has enabled the Banks to introduce a variety of value added services and facilities such as Electronic fund transfer, ATM Cards, Credit Cards, Debit Cards, Smart Cards, and the like. The commercial banks are very keen to reach out to the consumers breaking all age old barriers and hesitations. It is in this context that the present study on, Consumers Preference for E-banking services of SBI, Madurai has been undertaken by the researcher. The findings of the study will throw light on the perception of the

customers towards the E-banking services rendered by the SBI on one hand and helpful to the bank on the other hand to retain its position as the number one commercial bank in India.

Objectives of the Study

- To study E-Banking services rendered by State Bank of India.
- To assess the consumer's attitude towards E Banking services of State Bank of India.
- To offer findings and suggestions of the study.

Hypothesis of the Study

1. Ho: Occupation does not influence the perception of the respondents toward SBI ATM Services.
2. Ho: Monthly household income does not influence the perception of the respondents toward SBI Bill Payment Services.
3. Ho: Occupation does not influence the perception of the respondents toward SBI Fund Transfer Services.
4. Ho: Education does not influence the perception of the respondents toward SBI Online Services.

Methodology

The present study is based on primary data and secondary data. The secondary data has been collected from the annual reports of the SBI, Reputed journals and magazines such as, Journal of Money, Credit and Banking, edited by: Robert De young Paul Evans Pole-Sang Lam Kenneth D. west impact factor: 1:194 December 2010-volume 42, Issue7, Journal of Money. Investment and Banking-JMIB-ISSn: 1450-288X: Christos Floros, University of Ports mouth Issue 3-June 2008 and related websites.

Sampling Design

The primary data for the study has been collected from a sample of 30 respondents. The respondents of the study has been selected by adopting the convenient sampling procedure. The sample unit consists of the customers of the Bank and not their representatives.

Customer Attitude Towards SBI E-Banking Services

Customer attitude towards e-banking services of the State Bank of India has been assessed by applying a specially designed questionnaire. The questionnaire employs Likert-type three point scale. The response to the questions have been quantified and classified into 'high', moderate and 'low' perceptions. Customer attitude has also been analysed with reference to their socio-demographic background such as age, gender, education, occupation and monthly house-hold income.

Perception on SBI ATM Services

ATMs are generally used by all, irrespective of the age, gender, educational qualification, occupation and income. Even those who do not possess a bank account have an access to ATM. The ATM renders the programmed services to all provided the card is rightly inserted and the pin is correctly punched.

Occupation Versus Opinion on SBI ATM Services

The respondents engaged in different occupation have been classified into three segments based on their opinion on SBI ATM Services and the results are shown in Table 1.

Table 1: Occupation Versus Opinion on SBI ATM Services

| Occupation | SBI ATM Services | | | | | | Total | % |
|--------------------|------------------|----|-------------|----|-------------|----|--------------|-----|
| | Low | % | Medium | % | High | % | | |
| Privately employed | 12 (28) | 31 | 4 (18) | 10 | 23 (27) | 59 | 39 (26) | 100 |
| Business | 3 (7) | 13 | 7 (32) | 30 | 13 (15) | 57 | 23 (15) | 100 |
| Government | 17 (39) | 40 | 4 (18) | 10 | 21 (25) | 50 | 42 (28) | 100 |
| Professional | 4 (10) | 17 | 6 (27) | 26 | 30 (15) | 56 | 23 (15) | 100 |
| Student | 7 (16) | 31 | 1 (5) | 4 | 15 (18) | 65 | 23 (16) | 100 |
| Total | 43 (100) | 29 | 22 (100) | 14 | 85 (100) | 57 | 150 (100) | |

Ho: Occupation does not influence the perception of the respondents toward SBI ATM Services.

Calculated value $\chi^2=35.8$

For $v = 8 \times 0.5 = 15.5$

Null hypothesis is accepted @ 5% level of significance.

It is seen in Table 1 that 65 per cent of the respondents who are 'students' have expressed the most favourable opinion about the SBI ATM Services. 57 per cent of the respondents from 'Business' background has also observed the same perception.

Of the respondents who have expressed least favorable opinion about the service, 39 per cent of them are 'government employees' and 28 per cent of the private employees. Informal interaction with respondents who are salaried employees revealed that waiting time to utilize the SBI ATM Services is relatively high during the first week of each month because of heavy rush during that period.

The result of the chi-square test shows that the occupation of the respondents significantly influences their perception about the SBI ATM Services.

Monthly Household Income Versus Opinion on SBI Bill Payment Services

The respondents having different monthly household income have been classified into three segments based on their opinion on SBI Bill Payment Services and the results are shown in the Table 2.

Table 2 : Monthly Household Income Versus Opinion on SBI Bill Payment Services

| Monthly household income | SBI Bill Payment Services | | | | | | Total | % |
|--------------------------|---------------------------|----|-------------|----|-------------|----|--------------|-----|
| | Low | % | Medium | % | High | % | | |
| Below 15000 | 3 (9) | 12 | 20 (20) | 80 | 3 (10) | 8 | 25 (17) | 100 |
| 15001 - 30000 | 13 (39) | 24 | 32 (33) | 61 | 8 (42) | 15 | 53 (35) | 100 |
| 30001 - 40000 | 5 (15) | 14 | 23 (23) | 68 | 6 (32) | 18 | 34 (23) | 100 |
| Above 40000 | 12 (37) | 32 | 23 (24) | 60 | 3 (16) | 8 | 38 (25) | 100 |
| Total | 33 (100) | 22 | 98 (100) | 65 | 19 (100) | 13 | 150 (100) | |

Ho: Monthly household income does not influence the perception of the respondents toward SBI Bill Payment Services.

Calculated value $\chi^2 = 7.32$

For $v = 6 \times 0.5 = 12.6$

Null hypothesis is rejected @ 5% level of significance.

It is seen in Table 2 that a high proportion of the respondents (80 per cent) having monthly household income 'Below 15000' have expressed a moderate opinion on the SBI Bill Payment Services. 68 per cent of the respondents having the monthly house hold income '30001-40000' had a similar perception.

Of the respondents who have expressed a highly favourable opinion about the service, 42 per cent belong to the monthly house hold income '15001-30000' and 32 per cent to the group '31000-40000'.

The result of the chi-square test shows that the monthly household income of the respondents does not influence their perception about the SBI Bill Payment Services significantly.

Occupation Versus Opinion on SBI Fund Transfer Services

The respondents engage in different Occupation have been classified into three segments based on their opinion on SBI Fund Transfer Services and the results are shown in the Table 3.

Table 3 : Occupation Versus Opinion on SBI Fund Transfer Services

| Occupation | SBI Fund Transfer Services | | | | | | Total | % |
|--------------------|----------------------------|----|-------------|----|-------------|----|--------------|-----|
| | Low | % | Medium | % | High | % | | |
| Privately employed | 0 (0) | 0 | 8 (16) | 21 | 31 (33) | 79 | 39 (26) | 100 |
| Business | 3 (38) | 14 | 10 (20) | 43 | 10 (11) | 43 | 23 (15) | 100 |
| Government | 2 (25) | 5 | 13 (28) | 31 | 27 (29) | 64 | 42 (28) | 100 |
| Professional | 2 (25) | 9 | 9 (18) | 39 | 12 (13) | 52 | 23 (15) | 100 |
| Student | 1 (12) | 4 | 9 (18) | 39 | 13 (14) | 57 | 23 (16) | 100 |
| Total | 8 (100) | 5 | 49 (100) | 33 | 93 (100) | 62 | 150 (100) | |

Ho: Occupation does not influence the perception of the respondents toward SBI Fund Transfer Services.

Calculated value $\chi^2 = 10.62$

For $v = 8 \times 0.5 = 15.5$

Null hypothesis is rejected @ 5% level of significance.

It is seen in Table 3 that 79 per cent of the private employees have recorded the most favourable opinion on the SBI Fund Transfer Services. This is followed by 64 per cent of the 'government employees'.

Of the respondents who have expressed a least opinion about the service, 38 per cent of them are 'business men', 25 per cent of them are professionals.

The result of the chi-square test shows that the occupation of the respondents does not influence their perception about the SBI Fund Transfer Services significantly

Educational Qualification Versus Opinion on SBI Online Services

The respondents with different Educational Qualification have been classified into two segments based on their opinion on SBI Online Services and the results are shown in the Table 4.

Table 4 : Educational Qualification Versus Opinion on SBI Online Services

| Educational qualification | SBI Online services | | | | | | Total | % |
|---------------------------|---------------------|----|-------------|----|-------------|----|--------------|-----|
| | Low | % | Medium | % | High | % | | |
| SSLC | 12 (24) | 75 | 3 (6) | 18 | 1 (2) | 7 | 16 (10) | 100 |
| HSC | 14 (28) | 64 | 6 (13) | 27 | 2 (4) | 9 | 22 (15) | 100 |
| UG | 14 (28) | 30 | 20 (42) | 44 | 12 (23) | 26 | 46 (31) | 100 |
| PG | 6 (12) | 13 | 14 (29) | 29 | 28 (54) | 59 | 48 (32) | 100 |
| Professionals | 4 (8) | 22 | 5 (10) | 28 | 9 (17) | 50 | 18 (12) | 100 |
| Total | 50 (100) | 33 | 48 (100) | 32 | 52 (100) | 35 | 150 (100) | |

Ho: Education does not influence the perception of the respondents toward SBI Online Services.

Calculated value $\chi^2=45.7$

For $v = 8 \times 0.5 = 15.5$

Null hypothesis is accepted @ 5% level of significance.

It is seen in Table 4 that, 59 per cent of the 'post graduates' have expressed a highly favourable opinion about the SBI Online Services. 50 per cent of the 'professionals' too had observed a similar perception.

Of the respondents who have expressed a 'moderate' opinion about the service, 42 per cent are 'under graduates'.

The result of the chi-square test shows that the educational qualification of the respondents significantly influences their perception about the SBI Online Services.

Findings of the Study

1. The study shows that the respondents are highly satisfied with the Bank's ATM services irrespective of their age, gender, education or income. However, the government employees are not so happy with the ATM Services of the Bank. They have observed that they are forced to wait for a long time to utilize the ATM Service during the first week of the month because of heavy rush during that period.
2. The respondents of the study have expressed a moderately favourable perception about the SBI Bill Payment Services irrespective of their age, gender, qualification, occupation or income.
3. The study reveals that the respondents are highly satisfied with the SBI Fund Transfer Services irrespective of their age, gender, qualification or income. However, the respondents from a business background have recorded a moderately favourable perception about the services.
4. The study reveals that the respondents belonging to the age group '20-40' maintain a high opinion about the SBI online services. Those customers, whose age group is 'below 20' and those who belong to the age group 'above 40' have a low regard for SBI online services.
5. All sections of the society namely the students, privately employed, businessmen, government employees, professionals have a moderate opinion on the online services of the Bank.

Suggestions

The researcher has analysed the customer's preference on the E-banking services offered by State Bank of India. The analysis has been carried out by applying certain statistical tools such as fixed bases indices and chi-square test. The findings of the study has enabled the researcher to offer the following suggestions:

- The government employees and women respondents have recorded a poor opinion about the SBI ATM services. The innovation of ATM is a boon to the banking customers. Deposits and withdrawals are carried out on all 24 hours of a day through a ATM. Once when the customers are exposed to operations through ATM, entry in to the Bank will be greatly reduced. Rush in the ATM counters and machine hang-ups are the reason advocated against SBI ATMs. It is suggested that additional ATMs may be installed in residential areas and at strategic places to avoid rush and to improve customer satisfaction.
- One of the important E Banking services of State Bank of India is the Bill Payment Services. The Bank undertakes to pay off the bills of the customers within the dead line and saves the customers from a lot of preliminary works. It is found that the high income group customers have only a moderate opinion on the bill payment services and the low income group customers are averse towards the SBI bill payment services. The low income group customers are unaware of such services. They also have apprehension about the charges levied by the Bank for performing such services. In order to remove such a notion it is suggested that the bill payment services be made popular among the customers and the customers are encouraged to use this valuable service. The charges for the services may be prominently displayed in all branches of the Bank.
- It is found from the study that, the fund transfer service is frequently availed by the respondents who are privately employed. This shows that the other groups of customers such as Government employees, Businessmen, Professionals are not utilizing the fund transfer services offered by the Bank. Ignorance among the customers is the reason behind this trend. Fund transfer facility offer quick transfer of funds. Transfer of funds through a DD/cheque involves collection charges, exchange rate and above all is time consuming. It is suggested that the Bank come forward to encourage the customers to avail the fund transfer services through the frequent advertisements to such services.
- It is found that the Online services of State Bank of India are predominantly used by the professionals. This only indicates that the other types of customers like employees and students are not the frequent users of online services. It is suggested that State Bank of India may come forward to train their customers for using the online services. This can be done on a phased manner inviting a section of the customers to its premises on the weekends.
- Education plays a vital role in the operation of online services. Those customers whose educational qualification is up to the higher secondary level are hesitant or shy to operate the computer. Here-again, the researcher suggests that the bank may come forward to offer training. This can be done by exposing the customers to operate the online services under the guidance of a bank official. The process may be slow but at one point of time almost all the customers will be employing online services. Further, the researcher advocates the setting up of a mini computer lab in the major branches of the bank.

Conclusion

The E-banking services have no end in itself and sky is the limit. The commercial banks are to be dynamic to accommodate and introduce new services as and when the necessity arises. Tailor-made services cannot satisfy all the customers. The banks need to understand the requirements of the customers and pronounce schemes to satisfy the individual demand. Customers are not considered the 'king' alone. He is "Be all and end all" of everything.

State Bank of India has developed a host of E Banking services. The researcher strongly believes that any institution, in order to remain in the hearts of the people, should be dynamic, flexible and innovative. Let the Bank open many new E-Banking services. Let the Bank compete with each other on introducing E-banking services. Such a competition will make banking operation an enjoying experience.

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Emerging Trends in Banking, Insurance and International Trade
PERCEPTION OF DIGITAL PAYMENT IN PROFESSIONALS

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Abstract

The digital world that we live in today is that where every civilian has a bright prospect to transform the lives in many ways that were hard to envision just a couple of years ago. It is the outcome of several innovations and technology advances. Digital India will provide all services electronically and promote digital literacy. Digital Technologies which includes the concept of cloud computing and mobile applications have emerged as the catalysts for express economic growth and citizen empowerment. Its vision involves three elements: creating digital Infrastructure as a utility to every citizen, governance & services on demand and digital empowerment of citizens.

Keywords: *Concept of digital payment, factors motivating of professionals in digital payment, problems faced by the professionals in digital payments, etc.,*

Introduction

Digital Payments are growing at a higher rate. Having card has become the need of every person. Almost all the products are offered through online. This paved the way for the use of digital payment by the users of online services. Nowadays everybody wants to use the online services. The technological development in the field of information technology and the use of IT in the marketing increased the use of online services. The point of investigation that is explored in this research is digital payment system in general and electronic banking in India in particular. Digital payment as it has demonstrated the velocity of its growth is incredibly fast and efficient. It has allowed individuals including companies to perform their banking businesses from their homes or offices in a very cost-effective way. Studies have shown that with this new technology, it has become possible for both the banks and professionals to have an immediate insight about the status and operations of their accounts.

Creating of digital infrastructure involves high speed internet as a core utility; cradle to grave digital identity - unique, lifelong, online and authenticable, mobile phone & Bank account enabling participation in digital & financial space, easy access to a Common Service Centre, shareable private space on a public cloud and safe and secure Cyberspace.

Review of literature

SiewPeng Lee, Mansor Isa, (2017) the results suggest that there are significant similarities with minor differences in terms of factors determining bank margins between conventional and Islamic banks in Malaysia. The margins for conventional banks are influenced by operating costs, efficiency, and credit risk, degree of risk aversion, market share, and size of operation, implicit interest payments and funding costs. For Islamic banks, the margin determinants are found to be operating costs, efficiency, credit risk, market share and implicit interest payments. This means that more factors influence the margins in conventional banks compared to Islamic banks. Although bank diversification activities have increased in recent years, their impact on bank margins is minimal.

Payam Hanafizadeh, Ahad Zare Ravasan, (2018), a multitude of factors influence the information technology outsourcing (ITO) decision. Organizations must systematically evaluate

these factors prior to making the ITO decision. The purpose of this paper is to provide an in-depth analysis toward understanding the critical factors in affecting ITO decision in the context of e-banking services. The results of the data analysis illustrated that nine out of 11 assumed factors (i.e. perceived complexity, perceived cost, service observability to the client, cultural fit between client and supplier, perceived loss of organizational knowledge, prior outsourcing experience, external pressure, market volatility, and suppliers' power) influence the outsourcing decision of e-banking services. The findings also confirmed that the nature of the service and client IT capabilities did not exert any influence on the outsourcing decision.

Objectives of the study

- To study the concept of digital payment system.
- To identify the factors motivating the professionals to use E-Payment system.
- To analysis the attitude of professionals towards digital payment system.

Research methodology

The data used in the paper is mainly from the primary and secondary sources. The data has been collected from primary sources at 80 respondents of professionals and secondary sources like research papers, books, articles, and banking sector report, economic survey reports.

Concept of Digital Payment

In 1918, electric money was born when Federal Reserve Banks first moved currency via telegraph. However it wasn't until the Automated Clearing House (ACH) was setup by the US Federal Reserve in 1972 that electronic currency became widespread. This provided the US Treasury and commercial banks with an electronic alternative to processing cheques. In 1939, a serial inventor by the name Luther George Simjian created the Bankmatic automatic teller machine. He filed 20 patents and asked the company now known as Citicorp to test the device. After six months the bank had reported that there was no demand for such a product. However in 1968, Don Wetzel, Tom Barnes (mechanical engineer) and George Chastin (electrical engineer) conceptualized what is now known as the modern ATM. In 1969, the first prototype of the modern ATM was made and patents were then issued in 1973. The first working ATM was installed into the Chemical Bank based in New York City. The first ATM's were offline machines, meaning that the money was not automatically withdrawn from users' accounts. Therefore only exclusive customers with good credit history were able to use ATMs. Today, almost everyone has access to these devices and there were over 4, 03,000 ATMs²⁸ in the US alone. These ATMs now perform over 1.1 billion transactions per month or 26,000 transactions a minute. Charge cards date back to as early as 1914 when Western Union provided metal cards, allowing deferred payment privileges to preferred customers. These cards were colloquially known as "metal money". By 1924, General Petroleum Corporation was allowing customers to use metal money to buy petrol/diesel.

In the late 1930s, American Telephone and Telegraph (AT&T) introduced the "Bell System Card" and before long, railroads and airlines had introduced similar cards. In 1950, Diners Club issued the first "plastic money" charge card and in 1951 it issued the first credit card to 200 customers who could use it at 27 different restaurants in New York. Bank of America issued the BankAmerica (now Visa) the first bank credit card - later in 1958. This was first promoted to travelling salesmen. By the early 1960s, more companies offered credit cards, advertising them as a time-saving device rather than a form of credit. But it wasn't until the establishment of standards for the magnetic strip in 1970 that the credit card become part of the information age. This saw companies such as American Express and MasterCard became huge successes overnight, which prompted moves by US government. To begin regulation of the credit card industry by banning practices such as the mass mailing of active cards to those who had not requested them. In 1983, RSA encryption algorithm was

invented by Ronald Rivets, Adi Shamir and Len Adelman, (hence the name RSA) at Massachusetts Institute of Technology's (MIT) Laboratory for Computer Science. The breakthrough was that it allowed for encryption in a multi-user environment, that is, no active participation was necessary between the sender and the receiver of data at the other end.

Factors Motivating the Digital Payment System

Electronic banking, also known electronic fund transfer (EFT), uses computer and electronic technology as a substitute for checks and other paper transactions. EFTs is initiated through devices like cards or codes that let customer, or those customer authorize, access your account. Many financial institutions use ATM or debit cards and Personal Identification Numbers (PINs) for this purpose. Some use other forms of debit cards and personal Identification Numbers (PINs) for this purpose.

Some use other forms of debit cards such as those that require, at the most, your signature or a scan. The federal Electronic Fund Transfer Act (EFT Act) covers some electronic consumer transactions.

Factors Influences of Professionals

- The complex encryption software is used to protect the account information , There are no perfect systems , So , The accounts are prone to the hacking attacks , the phishing , the malware and the illegal activities .
- The online banking is generally secure but it isn't always secure , The identity theft is running rampant , and the banks are by no means immune . And when your information is compromised , It can take months or even years to correct the damage , And it can cost you thousands of dollars .
- The customer service can be below the quality that you're used to , Some people take comfort in being able to talk to another human being face-to-face if they experience a problem , Although most major banks employ a dedicated customer service department specifically for online users , going through the dreaded telephone menu can still be quite irritating to many .
- Not all the online transactions are immediate , The online banking is subject to the same business day parameters as the traditional banking , So , printing out and keeping the receipts is still very important , even when banking online .
- Identity theft is a significant concern but some online banks take this risk more seriously than others , Before opening an online account , thoroughly investigate the bank's security policies and protections to ensure they meet your expectations .
- The security is the biggest concern surrounding internet banks , with the consumers worrying that the hackers will get into their account and spend their money.

Factors Motivating the Professionals using Digital Payment

| S. No | Factors | Mean Score | Rank |
|-------|-----------------------------|------------|------|
| 1. | Privacy | 47.76 | 6 |
| 2. | Security | 43.08 | 8 |
| 3. | Easy to use | 60.03 | 2 |
| 4. | Time saving | 67.76 | 3 |
| 5. | Immediate confirmation | 73.29 | 1 |
| 6. | Pride & image | 44.04 | 7 |
| 7. | Availability(24*7) | 55.39 | 4 |
| 8. | Accepting the small payment | 53.14 | 5 |

- 8th rank is given to the security and the mean score is 43.08.
- 7th rank is given to the pride & image and the mean score is 44.04.
- 6th rank is given to the privacy and the mean score is 47.76.
- 5th rank is given to the accepting the small payment and the mean score is 53.14.
- 4th rank is given to the availability (24*7) and the mean score is 55.39.
- 3rd rank is given to the time saving and the mean score is 67.76.
- 2nd rank is given to the easy to use and the mean score is 60.03.
- 1st rank is given to the immediate confirmation and the mean score is 73.29.

The Table reveals that Garratt mean is high (**The first rank is**) in immediate confirmation with a total mean of **73.29**. The **second highest ranking** is given to the easy to use with a total mean of **60.03** and the **third rank** is given to the time saving with a total mean of **67.76**.

Problems faced while using digital payment system

| S. No. | Statement | Total | Mean Score | Rank |
|--------|---------------------|-------|------------|------|
| 1 | Lack of security | 320 | 4.00 | 1 |
| 2 | Lack of awareness | 301 | 3.76 | 2 |
| 3 | Lack of trust | 298 | 3.73 | 3 |
| 4 | Registration | 280 | 3.50 | 4 |
| 5 | Refund of money | 260 | 3.25 | 6 |
| 6 | System hangover | 273 | 3.41 | 5 |
| 7 | Slow internet speed | 257 | 3.21 | 7 |

Weighted Average

Inference: The table reveals that weighted average is high (**The first rank is**) lack of security with a total mean of **4.00**, The **second highest ranking** is given to the lack of security with a total mean of **3.76** and the **third rank** is given to the lack of trust with a total mean of **3.73**, the **fourth rank** is given to the registration with a total mean of **3.50**, the **fifth rank** is given to the system hangover with a total mean of **3.41**, the **sixth rank** is given to the refund of money with a total mean of **3.25** and the **last rank** is given to the slow internet speed with a total mean of **3.21** with the help of weighted average tool.

Conclusion

Digital payment system in India is partially emerging in India among the consumers. Professionals are selected in this study as they are very familiar with modern banking and innovative practice of buying through online mode and digital mode of payments in this study an attempts it's made to fine attitude of professionals towards digital payment system and this study observes and the professionals towards digital payment system and this study observes and the professionals in urban area (or) very familiar with digital payment system. However, their very careful their make purchase with lesser amount than on higher value.

The digital payment system must be floated among all segments of the society as it is going to be the future of India. The security features of digital payment system should be in perfect condition to enable confidence among the users.

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Emerging Trends in Banking, Insurance and International Trade
**AUTHORITIES' OPINION TOWARDS KISAN CREDIT CARD SCHEME
IN MADURAI DISTRICT**

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Abstract

The present is made to assess the opinion of the authorities of Primary Agriculture Cooperative societies in Madurai District about the KCC scheme. It is mainly based on primary data collected from 105 authorities selected by employing proportionate random sampling method. The level of opinion of the sample authorities regarding KCC in the study area has been assessed by the score values calculated from 19 statements by using the Likert scaling technique. The derived factors are in the order of degree of significance from the rotated component matrix that was used to study the opinion of authorities regarding the KCC Scheme are 'simple procedure' 'cost effective credit facility' 'benefits to the bank', 'technical facility' 'awareness and proper usage' 'fund management and 'recovery of KCC loan'. They opined that the farmers are not put to follow tedious procedures and formalities in obtaining KCC loan. The charges like processing fee, service and penal charges are reasonable and affordable. Unlike other financial institutions, a cooperative society has the promising feature of interest free-loan. It ensures minimum paper work, optimal transaction cost and avoidance of repeat appraisal. Hence, it not only relieves the farmers from hectic documentation process but also the implementing agencies. They claimed that adequate computer systems, internet facility, connectivity with other online banking networks etc. They complained that farmers are not submitting the bills after purchasing agriculture inputs in time. This leads to delay in the reimbursement of the bill amount. Regarding crop insurance, they stated that any delay in the payment of premium for crop insurance deprives the farmers from receiving compensation on account of crop failure. The authorities opined that the government instead waiving the loan should ensure a fair price for the farm produce.

Key words: *Kisan Credit Card (KCC), Financial Inclusion, Inclusive Growth, Financial Exclusion*

Introduction

The Cooperative banking system in India has a far and wide organisational structure. It is based on three tier system, i.e., the Apex Cooperative Bank at the State level, the Central Cooperative Banks (CCBs) at the District level, the Primary Agricultural Cooperative Societies at the Village level. All Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) are affiliated to the State Co-operative Agriculture and Rural Development Banks (SCARDBs). The District Central Co-operative The cooperative form of organization plays an immense role in financial inclusion and agricultural development and has contributed significantly in providing credit facilities to needy people residing in the rural areas. Primary Agriculture Cooperative society is one of the implementing agency and traditional credit institution in disbursing KCC loan to farmers. The successful implementation of the KCC scheme depends upon satisfaction of the farmers as well as the virtuous opinion of implementing authorities. The identification and analysis of opinion of implementing authorities towards KCC scheme is essential for its effective execution and for rectification of error, if any.

Review of Relevant Literature

Jyothi Gahawalt(2016)revealed that Commercial banks are far ahead then Cooperative and Regional rural banks and the performance of Co-operative banks has not been satisfactory in issuing cards and amount sanctioning. **Dharmendra Mehta(2015)**found that there are certain operational challenges such as eligibility criteria, issue, remittance of crop insurance premium. It found it difficult to maintain data on crop-wise loan and crop insurance continues to pose problems on account of limitations in the crop cutting experiments and non-coverage of certain crops.

A.M.Sajne(2011)concluded that KCC should be extended to cover all the farmers which will help in reducing the cost of credit. It was also evident that the credit given by the banks for food crops (jowar and paddy) was less as compared for cash crops. **S. Subasheela(2010)**revealed that among the problems in using KCC are service charge, re-issue charges and stringent formalities in obtaining KCC loan from commercial banks. The bankers opined that it was hard to explain the KCC Scheme to illiterate farmers.

Objectives

To identify and categorize the factors which influence the opinion of the sample authorities of cooperative societies on the implementation of the KCC Scheme.

Research Methodology

The sample authorities are selected on the proportionate random sampling method. In Madurai District, there are 181 Primary Agriculture Cooperative Societies. Out of 181 Primary Agriculture Cooperative Societies in 13 Blocks, 6 blocks were selected purposively for this study because maximum numbers of Kisan Credit Cards have been issued in these blocks. Among the selected 6 blocks in PACSs at Madurai District, 210 staff members are working including the society’s secretary, supervisor, appraiser, senior clerk, in-charge staff of distributing fertilisers and pesticides and staff members. Since the authorities are not distributed evenly in the cooperative society. Hence 50 per cent of the authorities were selected for the study accounted for 105.The factor analysis has been used to identify and categorize the factors which influence the opinion of the sample authorities of cooperative societies on the implementation of the KCC Scheme.

Results and Discussion

In the present study, the Principal Component analysis was used as the extraction method on the correlation matrix of 19 dimensions or statements and the result was rotated using Kaiser’s Varimax criteria. Seven factor solutions emerged out of the 19 statements. First and foremost, the Kaiser Meyer Olkin (KMO) measure for sample adequacy and Bartlett's Test of Sphericity were assessed.

Table 1KMO and Bartlett’s Test for Opinion of Authorities about KCC

| | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | 0.710 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 586.522 |
| | Df | 171 |
| | Sig. | 0.000 |

Source: Computed Data

Table 1 reveals that the score for KMO test was high at 0.710, indicating ‘Good’ reliability among the items in the scale. Therefore, all 19 items in the scale which were used to measure the opinion of authorities about KCC Scheme are considered to be valid and reliable. As the data is highly reliable and internally consistent, it was further subjected to principal component method of factor analysis with ‘varimax rotation’. The result of the factor analysis is presented and the following table shows Eigen value of ‘varimax rotation’ for all the statements.

Table 2: Total variances Explained for Opinion of Authorities about KCC

| Component | Initial Eigen values | | |
|---|----------------------|----------------|--------------|
| | Total | % of variances | Cumulative % |
| KCC is farmer- friendly in nature in comparison with previous schemes | 3.832 | 23.169 | 23.169 |
| Satisfactory recovery position | 2.510 | 13.209 | 36.379 |
| KCC is utilized for the purposes for which it | 1.695 | 8.921 | 45.300 |

| | | | |
|---|-------|-------|---------|
| was availed. | | | |
| Disbursement of loan in time | 1.321 | 6.954 | 52.253 |
| Farmers are well aware about KCC | 1.286 | 6.771 | 59.024 |
| Reasonable processing charges, service and penal charges made on KCC. | 1.139 | 5.995 | 65.019 |
| Simple procedures are followed in granting and recovering KCC loan | 1.080 | 5.686 | 70.705 |
| Online and networking facility | 0.957 | 4.038 | 74.743 |
| Interest charged on KCC loan is reasonable. | 0.807 | 3.248 | 77.991 |
| Reduction of transaction cost to the Societies | 0.778 | 3.097 | 81.089 |
| Transaction through ATM /Debit card | 0.660 | 3.474 | 84.563 |
| Improvement in recycling of funds. | 0.572 | 3.013 | 87.575 |
| Minimum paper works | 0.542 | 2.852 | 90.427 |
| Proper submission of bills by the farmers. | 0.462 | 2.433 | 92.859 |
| Avoidance of repeat appraisal | 0.400 | 2.104 | 94.963 |
| Revolving credit facility | 0.351 | 1.846 | 96.809 |
| Prevention of moneylenders | 0.310 | 1.633 | 98.442 |
| Waiving of loan may change the attitude of the farmers | 0.192 | 1.012 | 99.454 |
| Refinance facility from apex institution in time | 0.104 | .546 | 100.000 |

Source: Computed Data

It is understood that Eigen value is more than one for first seven factors and the variance explained by these seven factors are 23.169, 13.209, 8.921, 6.954, 6.771, 5.995 and 5.686 per cent respectively and cumulative variance explained by all these seven factors is 70.705 per cent. From the percentage of total variance, it is understood that all seven factors together possess 70.705 per cent of the characteristics of the actual data and it is within the acceptable limit. Rotated Component Matrix was used to interpret the factors by putting each variable primarily under one of the factors.

Table 3: Rotated Component Matrix for Opinion of Authorities about KCC Scheme

| Factor | Component | | | | | | | Communalities |
|--|-----------|-------|-------|------|-------|-------|-------|---------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| KCC is farmer- friendly in nature in comparison with previous schemes. | 0.873 | -.201 | -.107 | .168 | -.044 | .042 | .051 | .784 |
| Reasonable processing charges, service and penal charges made on KCC. | 0.831 | -.305 | .108 | .134 | .093 | .061 | .011 | .608 |
| Simple procedures are followed in granting and recovering KCC loan | 0.806 | -.025 | .162 | .026 | .065 | .031 | .029 | .564 |
| Prevention of money lenders. | -.013 | .832 | .121 | .047 | -.150 | -.050 | -.095 | .527 |
| Revolving credit facility | -.011 | .811 | .214 | .111 | -.168 | .023 | .024 | .599 |
| Interest charged on KCC loan is reasonable. | 0.231 | .546 | -.278 | .024 | -.283 | .167 | .017 | 0.827 |
| Disbursement of loan in time | 0.268 | .506 | .317 | .045 | -.388 | .047 | .158 | .648 |
| Minimum paper works. | -.085 | .109 | .812 | .016 | .039 | .180 | -.032 | .567 |
| Reduction of transaction cost to the Societies | -.105 | .233 | .716 | .294 | -.070 | .195 | .171 | .599 |

| | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------|
| Avoidance of repeat appraisal | 0.061 | -.337 | .572 | .254 | -.004 | .328 | -.059 | .551 |
| Transaction through ATM /Debit card | 0.093 | .069 | .003 | .805 | -.169 | -.010 | .111 | .647 |
| Online and networking facility | 0.145 | .061 | .137 | .789 | -.083 | .087 | .014 | .625 |
| KCC is utilized for the purposes for which it was availed. | -.0094 | -.033 | .161 | -.148 | .725 | .104 | .189 | .597 |
| Proper submission of bills by the farmers. | 0.150 | -.148 | -.067 | -.082 | .723 | .011 | -.261 | .519 |
| Farmers are well aware about KCC | -.0057 | .079 | -.226 | -.036 | .536 | -.354 | .235 | .571 |
| Refinance facility from apex institution in time | -.0064 | .042 | -.086 | .138 | .155 | .795 | -.010 | .511 |
| Improvement in recycling of funds. | -.0171 | -.082 | -.107 | .418 | .186 | .540 | -.050 | .554 |
| Satisfactory recovery position. | 0.132 | .259 | .019 | -.218 | .105 | -.036 | .749 | .527 |
| Waiving of loan may alter the attitude of the farmers | 0.373 | .120 | -.124 | -.091 | .144 | -.074 | .675 | .519 |
| Extracted Factors | F1 | F2 | F3 | F4 | F5 | F6 | F7 | |

Source: Computed Data

Table 3 shows that Eigen value is more than one for first seven factors. Higher the factor loading, stronger is the correlation between the factors and the statements. In the rotated component matrix, only those variables that had a factor loading which is greater than 0.5 for all nineteen statements were grouped under their respective derived factors for further analysis.

Table 4 : Factor Loadings for the Authorities’ Opinion on KCC Scheme

| Factor | Eigen Value | Percentage of Variance | Cumulative Percentage of Variance | Naming of Extracted Factors |
|--------|-------------|------------------------|-----------------------------------|--------------------------------|
| F1 | 3.832 | 23.169 | 23.169 | Simple Procedure |
| F2 | 2.510 | 13.209 | 36.379 | Cost effective Credit Facility |
| F3 | 1.695 | 8.921 | 45.300 | Benefits to the Banks |
| F4 | 1.321 | 6.954 | 52.253 | Technical Facility |
| F5 | 1.286 | 6.771 | 59.024 | Awareness and Proper Usage |
| F6 | 1.139 | 5.995 | 65.019 | Fund Management |
| F7 | 1.080 | 5.686 | 70.705 | Recovery of KCC loan |

Source: Computed Data

Table 4 shows that the derived factors are in the order of degree of significance from the rotated component matrix that was used to study the opinion of authorities regarding the KCC Scheme. The factors were named based on the nature of the statements. 23.169 percentage of variance is the highest variance named as ‘simple procedure’ with an Eigen value of 3.832. Thesecond Factor is ‘cost effective credit facility’ with an Eigen value of 2.510 followed by Factor three, which was named as ‘benefits to the bank’, and Factor 4 named as ‘technical facility’ whose percentage of variances were 8.921 and 6.954 respectively. The fifth Factor named as ‘awareness and proper usage’ had a variance

of 6.771 per cent. The sixth factor 'fund management' had the variance of 5.995 per cent and the last factor named as 'recovery of KCC loan' with a variance of 5.686 per cent.

It is found that the farmers are not put to follow tedious procedures and formalities in obtaining KCC loan. The charges like processing fee, service and penal charges are reasonable and affordable making the KCC Scheme cost effective and hence farmers' friendly. Secondly, unlike other financial institutions, cooperative societies provide interest free-loan if the repayment is made within the due date. But, due to lack of internet facilities and insufficient staff, some societies are not able to disburse the KCC loan in time. KCC Scheme ensures minimum paper work, optimal transaction cost and avoidance of repeat appraisal. Hence, it not only relieves the farmers from hectic documentation process but also the implementing agencies. Due to illiteracy and ignorance about 40 per cent of farmers are not utilising such electronic gadgets. Regarding awareness, the officials opined that the farmers who availed KCC loan do not have sufficient knowledge about the KCC Scheme. Regarding the proper usage, they remarked that still one third of the sample farmers do not utilise the KCC for which it was availed due to their manifold financial requirements. They also complained that farmers are not submitting the bills after purchasing agriculture inputs in time. This leads to delay in the reimbursement of the bill amount. Finally, any delay in the payment of premium for crop insurance deprives the farmers from receiving compensation on account of crop failure. So, from the officials' viewpoint, this leads to loss of reputation of the cooperative society. Majority of the sample farmers (around 72 per cent) repaid the loan regularly, but the Government's order to waive the loan tempts the farmers to default. The authorities opined that the government instead waiving the loan should ensure a fair price for the farm produce.

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Conclusion

The success of the KCC scheme depends upon effective utilization of farmers as well as effective implementation of Authorities of KCC loan. Hence, it is concluded that the simple procedure, cost effective credit facility, benefits to the banks, credit worthiness, awareness and proper usage, technical facility and recovery of KCC loan are the main factors which influence the opinion of the authorities regarding KCC loan.

Emerging Trends in Banking, Insurance and International Trade
CUSTOMER PERCEPTION TOWARDS DIGITAL PAYMENT

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Abstract

*Online payment is when the customer or buyer makes his payment transactions for the goods or services purchased with the use of the Internet to be online. "This type of payment lowers the costs for businesses as the more payments made electronically (online or offline) the less they spend for paper and postage. Also, it helps on improving customer retention as he is more likely to return to the same e-commerce site where his or her information has already been entered and stored". With online payment, it is not necessary for the payer to be in a long queue as payment is made in just a click of mouse. Additionally for example, almost all the banks have an online bill payment service where it is offered free of charge and is available all days of the week or 24*7. Digital payments save you from long queues of ATMs and banks. In this paper, challenges in online payment and how to overcome them and current scenario of E-payment are considered. The objective of the study is to know the type of transactions made through the digital payment service and to assess the purpose of using digital payment service. For this study, primary data is used. The data is collected through questionnaire.*

Keywords: *Online payments, customer retention, lower costs, available 24*7.*

Introduction

Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in the digital payments. All the transactions in digital payments are completed online. It is an instant and convenient way to make payments. It also refer to all payments that are completed using some form of electronic communication technology with a range of payments instruments such as debit or credit cards, internet payments, direct debiting of accounts and the use of mobile phones etc. Stored value, prepaid cards and accounts, electronic money and click through transactions are also included.

Various Methods of Digital Payment

1. Credit Card

A form of digital payment system which requires the use of card issued by a financial institute to the card holder for making online payment through an electronic device without use of cash. Credit card interest and are primarily used for short term financing. Interest usually begins one month after a purchase is made and borrowing limits are pre set according to the individual's credit rating.

2. Debit Card

Debit card is a prepaid card with some store value. It is also called ATM card. An individual has to open an account with a personal identification number (PIN) when he makes a purchase; he enters his PIN on shops PIN pad. The card may be either master card or VISA card. In a debit card transaction, the amount of purchase is withdrawn from the available balance in the card holder's account. If the available funds are insufficient the transaction is not completed.

3. E-Wallet

E-Wallet is a type of electronic card which is used for transactions made online through a computer or a smart phone. It has mainly two components. They are software component and information component. The software component stores personal information and provides security and encryption of the data. The information component is a data base of details provided by the user which includes their payment method, passwords, credit and debit card details, PIN and much more.

4. Smart Card

Smart card is also called stored value card. A smart card is about the size of a credit card, made up of a plastic with an embedded microprocessor chip that holds important financial and personal information. The microprocessor chip is loaded with the relevant information and periodically recharged. In addition to these pieces of information, systems have been developed to store cash into the chip. The money on the card is saved in an encrypted form and protected by a password to ensure the security of the smart card.

5. Paytm

Paytm is an Indian electronic payment system in India. It was launched in August 2010. The acronym of paytm is Payment Through Mobile. Paytm is India's largest mobile commerce platform. Paytm started by offering mobile recharge and utility bill payment and today it offers a full market place to consumers on its mobile apps.

6. E- Banking

E – Banking is also called virtual banking. It is an e-payment system that enables the customers of a bank or other financial institution to conduct a range of financial transactions through the financial transaction websites. It also enables the bank customers to handle account management and perform account transactions directly with the bank through internet.

7. E – Cheque

An electronic payment process that resembles the function of paper cheques, but offers greater security and more features. Electronic cheques are typically used in order processed online, and are governed by same laws that apply to paper cheques. Electronic cheques offer protective measures such as authentication and digital signatures to safeguard digital transactions.

8. E-Cash

E-cash is a form of an electronic payment system, where a certain amount of money is stored on a client's device and made accessible for online transactions. E-cash is an internet based system that facilitates the transfer of funds anonymously. Similar to credit cards, e-cash historically has been free to users, while sellers have paid a fee. Due to certain security concerns, however, e-cash remains more of an idea and less of a fully realized, widespread payment system.

9. Aadhaar Enabled Payment System

AEPS can be used for all banking transactions such as balance enquiry, cash withdrawal, cash deposit, payment transactions, Aadhaar to Aadhaar fund transfers, etc. All transactions are carried out through a banking correspondent based on Aadhaar verification. There is no need to physically visit a branch, provide a credit or debit cards, or even make a signature on a document. This service can only be availed if your Aadhaar number is registered with the bank where you hold an account. This is another initiative taken by the NPCI to promote digital payments in the country.

10. Unified Payment Interface

UPI is a type of interoperable payment system through which any customer holding any bank account can send and receive money through as UPI-based app. The service allows a user to link more than one bank account on a UPI app on their smart phone to seamlessly initiate fund transfers and make collect requests on a 24/7 basis and on all 365 days a year. The main advantage of UPI is that it enables users to transfer money without bank account or IFSC code. All you need is a Virtual Payment Address (VPA). There are many UPI apps in the market and it is available on both Android and IOS platforms. To use the service one should have a valid bank account and a registered mobile number, which is linked to the same bank account. There are no transaction charges for using UPI.

11. Unstructured Supplementary Service Data

USSD referred to as “Quick codes” or “Feature codes”, is a communications protocol used by GSM cellular phone to communicate with the mobile operator's computers. USSD can be used for WAP browsing, prepaid callback service, mobile money services, menu-based information services, and as part of configuring the phone on the network. This service allows mobile banking transactions using basic feature mobile phone, there is no need to have mobile internet data facility for using

USSD based mobile banking. It is envisioned to provide financial deepening and inclusion of under banked society in the mainstream society banking services.

Bharat Interface for Money (BHIM)

BHIM app allows users to make payments using the UPI application. This also works in collaboration with UPI and transactions can be carried out using a VPA. One can link his or her bank account with the BHIM interface easily. It is also possible to link multiple bank accounts. The BHIM app can be used by anyone who has a mobile number, debit card and valid bank account. Money can be sent to different bank accounts, virtual addresses or to an Aadhaar number. There are also many banks that have collaborated with the NPCI and BHIM to allow customers to use this interface.

Review of Literature

NIRMALA R. SONU (2015) highlighted the advantage of instant transaction as one of the major factors favoring the use of plastic money over real money by the population today. It has already been highlighted by the study that convenience of not carrying cash and ease of transaction is one of the major psychologically influencing factors that encourage the use of plastic money instead of real money. Additionally, the results of the study have also stressed upon the convenience and ease of use while paying or shopping by plastic money. The saving of time and the fact that the plastic money seems to be more portable also seems to further the cause of a possible change in the scenario of money usage in the economy. On the other hand, security comes forward as a major cause for concern for the population using plastic money. Therefore, it is easy to conclude that the population is ready as ever to use plastic money at a greater level due to its high levels of ease and convenience.

MIDHA (2016) discussed the issue of digitalization process and effectiveness of digital India campaign. The programme is a good initiative but it has certain barriers which need to be overcome. Digital India campaign aims to create a cashless society which has its own advantages. Implementation phase is surely problematic as the concept is new but over the time period this has to be seen from the perspective of customers. It is high time to discuss the relevant issues with the customers so that the existing barriers may be removed.

NEWASE (2016) focuses on the increasing importance of ICT among rural village communities. It has a dual role to play. On the one hand it helps to bring new innovative products or services which may improve the standard of living of rural poor and on the other hand it is also able to create better income generating opportunities. The combined effect also helps the government to increase the revenue. It's a matter of fact that it may help the individuals to grow in all aspects. So, it is important to generate ICT infrastructure so that the process of serving consumers with the help of various financial products.

Objectives of the Study

- To know the type of transactions made through digital payment service.
- To assess the purpose of using digital payment service.

Methodology

The study is based on primary data which is collected through questionnaire with the help of 100 respondents. The tools used for the study are Weighted average method and Garrett ranking method.

Challenges in Online Payments and how to Overcome them

Online merchants and consumers alike expect online buying and selling to be easy, efficient, and safe. E Commerce transactions trigger complex automated processes that involve downstream players: banks and payment processors to name just two. In addition, technological advances in small

phones and e-wallets, shifting purchase patterns, and demand for cross-border, multi-currency payments have fueled PSP competition to maintain and increase market share.

New technologies have already simplified and smoothed business to business and business to customer experiences with mobile payments, e-wallets and contactless cards. As the online payment processing market grows, user demands for additional payment features and options lead growth in multiple directions. Providers are under pressure to provide peer to peer payments beyond traditional banking models, and to facilitate a cashless society that can enable any purchase, even mechanical transactions such as parking meters or vending machines. These demands create technical challenges for merchants, processors, and users up and down the transaction path.

Current Scenario of E-Payment System

The payment system initiatives taken by Reserve Bank of India have resulted in deeper acceptance and penetration of non cash payments modes. An analysis of payment system in India reveals that growth of electronic payments has been impressive.

- India has several payment systems, ranging from paper based systems to the electronic fund transfer systems that offer real time settlement. These payments are managed by multiple entities and are regulated by the Reserve Bank of India.
- Based upon the application they could be classified into Systematically Important Payment Systems (SIPS) and Retail Payment System (RPS).
- RBI's thrust on technology in payment systems have resulted in visible improvements in the settlements processes in the SIPS, where over 70% transactions are handled electronically.
- Retail payment systems include cheques clearing systems, electronic clearing systems and the card based systems.
- Increased acceptance of electronic payment systems resulted in the growth of retail electronic clearing.
- Board for regulation and supervision of payment and settlement systems.

Type of Transactions made through Digital Payment Service

| S. No. | Types | Total Value | Weighted Average Score | Rank |
|---------------|---------------------------|--------------------|-------------------------------|-------------|
| 1. | Recharge | 266 | 2.66 | IX |
| 2. | Fund transfer | 393 | 3.93 | I |
| 3. | Balance inquiry | 285 | 2.85 | VI |
| 4. | Bill payment | 341 | 3.41 | III |
| 5. | International remittances | 181 | 1.81 | XI |
| 6. | Savings | 334 | 3.34 | IV |
| 7. | Cash withdrawal | 36 | 3.76 | II |
| 8. | Purchasing | 331 | 3.31 | V |
| 9. | Commodity dealings | 274 | 2.74 | VIII |
| 10. | Pension fund management | 279 | 2.79 | VII |
| 11. | Other periodical payments | 238 | 2.38 | X |

Source: primary data

Majority of the respondents are used digital payment service for fund transfer type of transaction, thus the researcher gives first rank to the mean score 3.93.

Purpose of Using Digital Payment Service

| S. No. | Purpose | Total Score | Average Score | Rank |
|--------|----------------------|-------------|---------------|------|
| 1. | E-Ticket | 4804 | 48.04 | V |
| 2. | E-Recharge | 4614 | 46.14 | VIII |
| 3. | Electricity bill | 5111 | 51.11 | III |
| 4. | Telephone bill | 4725 | 47.25 | VI |
| 5. | E-Shopping | 6167 | 61.67 | I |
| 6. | Banking transaction | 5973 | 59.73 | II |
| 7. | Government exam fees | 5030 | 50.30 | IV |
| 8. | Petrol/Fuel | 4363 | 43.63 | IX |
| 9. | Fund transfer | 3949 | 39.49 | X |
| 10. | Tax paying | 4718 | 47.18 | VII |

Source: primary data

Majority of the respondents are used digital payment system for the purpose of E-shopping, thus the researcher gives first rank to the average score 61.67.

Conclusion

Digital payment provides the greater freedom to individuals in paying their taxes, license fees, fines and purchases at any locations and at any time of 365 days. Success of digital payment system also depends on the customer preferences, ease of use, cost, authorization, security, accessibility and reliability etc. Based on our review of these findings, it is clear that the internet is playing a more and more important role in the field of digital payment. By this study we came to know various strengths of digital payment system such as quality, customer service, greater reach, time saving, customer loyalty and easy access to information, 24 hours availability, reduce paper work, no need to carry any cash etc.

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DIMENSIONS OF DEFICIENCIES IN BANKING SERVICES – AN EMPIRICAL STUDY IN KANYAKUMARI DISTRICT

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Introduction

Banking is a traditional practice that is followed throughout the world. It is one of the inevitable activities which have become part and parcel of each one's life. The word 'bank' is derived from the French word "Bankus" which means to trade on bench. In the ancient days, only barter system was followed and coins were not minted because steel was not considered to be safe. Most of the rich people had their accounts in the temples which were considered to be great vaults of security. This can be seen from the history of Greece, Rome, Egypt and Ancient Babylon. Before Europeans started to realize the importance and the strength of banking, it was already well established in the British Empire and they were well regulated. The major participants in the banking industry were the money lenders and the bankers. They played a positive role in economic development of a country as repositories of communities' savings and as purveyors of credit. Banking system which constitutes the core of the financial sector plays a vital role in transmitting monetary policy impulses to the entire economic development. The greater challenges before the banks are to increase their efficiency, productivity and efforts. They have to check their commercial viability, cost effectiveness, marketing strategy and technical advancement quite often. The Commercial viability of banks is under strain due to low productivity, lack of technology, huge portfolio of non-performing assets, non-remunerative branch expansion and so on. This study made an attempt to study the level of satisfaction of services in the public and private sector banks.

Review of Literature

G.S. Popli, D.N. Rao (2010) studied the service quality in Public sector banks and the major findings of the study is Modernization and Communication affect the services to a large extent and there is a need of training to the staff for improvement of services to the SMEs customers; The service quality of private banks is superior to that of Public sector banks; to credit flow to SME sector is not sufficient and the Government will have to initiate necessary steps for making required funds available easily on convenient terms; the policies for SME sectors of other countries are far better from the policies of India, Delay in loan application processing due to unhelpful nature of the staff members. The banks usually provide finance against security and as high as 86% of the respondents are the view that the bank ask for collateral security/ guarantee from a third party even there the project has been assessed as variable and primary security is adequate. **Uma Shankar Mishra (2010)** and other analysed serviced quality, customer satisfaction, customer loyalty and delight which are the major challenges in the banking sector. According to them services quality plays major role in getting customer satisfaction and creating brand loyalty in banking sector. Human element acts an important role in perceived service quality as well as satisfaction. Public sectors banks need to redefine the customer service parameter in order to compete with the nationalized private sector banks both in profitability and corporate image. Their study examined few dimensions of services quality as perceived by bank customers and compared it with five major dimensions already extracted in past literature. **A.Ananth and A. Arulraj (2011)** revealed that Customer has become more and more aware of their requirements and demand higher standard of service. Their perception and expectation are continually evolving, making it difficult for the service providers to measure and manage service effectively. The key lies in improving the service attributes/ dimensions as a part of customer services

management. The study identified ten dimensions for measuring service quality and found that the credit scheme and interest rate is the mediating factor to service quality. **Balaji (2011)** is of the view that “Information and information technology are the key drivers of the information age”. The information age has ushered in a knowledge-based industrial revolution. The business in this era is networked and uses information technology to survive in a highly competitive environment. **Mohammad Mixenur Rahaman, Md. Abdullah and Dr. Ataur Rahman (2011)** found that service firms in the developing country like other organizations now realizing the significant of customer oriented philosophies and turning to quality management approaches to facilitate managing their business. SERVQUAL as an effective approach to measure the quality of provided services provided and also analyses the gaps between customer expectations and perception of the service organization. It has also highlighted important service quality gaps associated with external customer services in the banking services of Bangladesh especially in PCBs. Another aim of this paper is to point out how management of service improvement can become more logical and integrated with respect to the prioritized service quality dimension and their affections on increasing or decreasing service quality gaps.

Objectives of the study

To analyze the relationship among various dimensions of deficiencies in banking services.

Research Methodology

The study is basically an empirical one based on data gathered from the respondents have been chosen for the study in Kanyakumari District. A sample of 534 respondents has been chosen for the purpose of the study. For this study, the researcher used a well-designed interview schedule to collect the data from the respondents. The questionnaire related to dimensions of deficiencies in banking services. IBM SPSS 21 version was used for statistical purpose.

Results and Discussion

Relationship among Dimensions of Deficiencies in Banking Services

In this study, Deficiencies in Banking Services consists of five factors that measure Responsiveness, Assurance, Charges, Facilities and Space.

H₀: There is no relationship among various dimensions of Deficiencies in Banking Services.

Table 4 : Relationship among dimensions of Deficiencies in Banking Services

| Deficiencies in Banking Services | Responsiveness | Assurance | Charges | Facilities | Space |
|---|----------------|-----------|---------|------------|---------|
| Responsiveness | 1.000 | 0.416** | 0.469** | 0.470** | 0.397** |
| Assurance | | 1.000 | 0.224** | 0.342** | 0.002 |
| Charges | | | 1.000 | 0.044 | 0.134** |
| Facilities | | | | 1.000 | 0.303** |
| Space | | | | | 1.000 |

**Correlation is significant at the 0.01 level (2-tailed).

From the above table it can infer that the correlation coefficient for Deficiencies in Banking Services is positive. It can be concluded that Responsiveness has positive and strong relation with Assurance (41.6%), Charges (46.9%), Facilities (47.0%) and Space (39.7%). Assurance has positive and strong relation with Charges (22.4%), Facilities (34.2%) and Space (0.2%). Charges has positive and strong relation with Facilities (4.4%) and Space (13.4%). Facilities has positive and strong relation with Space (30.3%).

Conclusion

The present study has focused on the various dimensions of deficiencies in banking services. The services industry has always been a vital component of all economics banking is a services industry.

Banks cannot sell services to the customers but they provide services in buy in buyers market rather than sellers market. Customer services are very important to retain its existing customers as well to attract new customer. In this respect the growth and profitability of banks to large extent depends on the customer services rendered by them. This study will help the commercial banks in the district in improving the customer services in accordance with the expectation of its customer. The success of a bank depends on its ability to meet customers requirement if the customers are fully satisfied the bank can walk towards the path of success. As this arena is proving to be very competitive for the existing, every bank should keenly focus on every aspect of the services provided to the customer if they want to survive in this competitive world.

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Emerging Trends in Banking, Insurance and International Trade
IMPACT OF AGRICULTURAL CREDIT

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Abstract

The period of the 2000s witnessed a sharp revival in agricultural credit in India that was largely policy induced. There were emerging shifts in institutional, functional and regional distributions of agricultural credit during the decade. This study attempts to explore the relationship between agricultural credit and agricultural production/ productivity. The state-level panel model attempted in this article suggests a positive impact of the intensity of agricultural credit on total factor productivity in agriculture. The impact was relatively stronger with respect to direct agricultural credit.

Keywords: *Agricultural credit, Positive impact, Productivity.*

Introduction

Agriculture is the back-bone of Indian economy, it offers direct employment to 2/3rd of our population and it is a provider of food, clothing, fodder and other basic necessities of life for the entire population. The role of agricultural credit in the agricultural development of a country cannot be overemphasized. One of the reasons for the decline in the contributions of agriculture to the economy is lack of a formal National Credit Policy and paucity of credit institutions, which can assist farmers. Financing to agriculture (capital) is viewed as more than just another resource such as labour, land, equipment and raw materials. The performances of loan contracts determine the profitability and stability of financial institutions, and screening the loan applications is a key process in minimizing credit risk.

Before making any financial decisions, credit analysis (the assessment of the financial history and financial backgrounds of the borrowers) should be completed as part of the screening process. The trust worthy borrowers with low credit risk would be granted a loan, while a high risk borrower would be denied. A good credit risk assessment assists financial institutions on loan pricing, determining amount of credit, credit risk management, reduction of default risk and increase in debt repayment. Credit analysis is the primary method in reducing the credit risk on a request for loan. This includes determining the financial strength of the borrowers, estimating the probability of default and reducing the risk of nonpayment to an acceptable level.

The noteworthiness of agricultural finance varies widely from country to country. In the less developed countries, agricultural credit is closely related to providing necessary resources which farmers cannot source from their own available capital. In this case, promotion of agricultural development through the provision of agricultural credit has become one of the most important government activities. However, in the developed countries, it is a basic tool of production which provides the farmer with capital to acquire resources in time, with advantageous amount in an efficient manner.

Institutional credit, which played a vital role in the development of agricultural sector, was instrumental in the development of Indian agriculture. It showed all signs of resilience to natural shocks like droughts and famines. In fact, credit has acted as a means to provide control over resources to enable the farmers to acquire the required capital for increasing agricultural production. It enabled the farmers to go for short-term credit for purchase of inputs and other services and the long-term credit for investment purposes. Thus, credit has played a pivotal role by facilitating technological up-gradation and commercialization of agriculture. The success of Green Revolution in Indian

agriculture to a large extent laid on institutional credit support to agricultural sector in terms of expansion in inputs like fertilizers, irrigation and private capital formation.

Finance is one of the major critical inputs for agricultural development. It capitalizes farmers to undertake new investments and/or to adopt new technologies. The importance of agricultural finance is further reinforced by the unique role of Indian agriculture in the macroeconomic framework along with its significant role in poverty alleviation. Realizing the importance of agricultural finance in fostering agricultural growth and development, the emphasis on the institutional framework for agricultural finance is being emphasized since the beginning of planned development era in India.

Review of literature

Duy (2012) has analyzed the impact of agricultural credit on farm productivity taking a sample of 654 farmers from Mekong Delta region of Pakistan by using quintile regression and Stochastic Frontier Analysis (SFA) techniques. The study concludes that technical efficiency and rice yield were positively influenced by access to credit, education level and farm technology. It also demonstrates that access to formal credit sector had a larger effect on rice production than access to informal credit.

Sharma (2014) has analyzed the impact of agricultural credit from commercial bank on GDP growth by using the time series data of Nepalese economy covering the period 2002-2012. This study has found that agricultural credit has positively and significantly impacted agricultural GDP of Nepal. However, uses of fertilizer and improved seeds have not shown any significant impact on agricultural GDP. He recommends the extension and deepening of financial service system in the rural area and facilitating the agricultural lending.

Rahman et.al. (2014) emphasizes agricultural credit as a major determinant of farm productivity. Their study utilizes logistic regression method on the 300 samples from Bawalpur, Pakistan. With the positive association between credit and agricultural productivity, they conclude that timely provision of appropriate amount of loan to farmers is helpful for the enhancement of agricultural productivity as it enables them to purchase high yielding variety seeds, fertilizers and pesticides.

Objectives of the Study

- To identify the various credit schemes followed by the banks and the loans sanctioned under various schemes.
- To draw the opinion of the farmers about receiving agriculture finance and the problems faced in settling the same.
- To offer suggestions to the banks and the beneficiaries for the efficient sanctioning and effective use of the loan sanctioned.

Methodology

The data required for the study have been collected from both the primary and secondary sources. The primary data have been collected directly from Farmers by using Interview schedule. The secondary data have been collected from the published journal, books, magazines and websites.

Loan Process of Your Bank

| Statements | SA | A | N | D | SD | Total | Rank |
|---|-----------|----------|----------|----------|-----------|--------------|-------------|
| Procedure for obtaining loan is complicated | 250 | 196 | 57 | 32 | 16 | 551 | 1 |
| Loan amount is not disbursed in time | 240 | 204 | 60 | 30 | 16 | 550 | 2 |
| More corruption for getting loan | 255 | 176 | 60 | 42 | 14 | 547 | 3 |
| Process of scrutiny of applications is time consuming | 245 | 176 | 60 | 40 | 17 | 538 | 4 |
| Scale of finance fixed for crops is | 200 | 220 | 51 | 44 | 16 | 531 | 5 |

| | | | | | | | |
|---|------|------|-----|-----|-----|------|----|
| inadequate | | | | | | | |
| Loan assistance helps to increase output | 225 | 188 | 60 | 36 | 20 | 529 | 6 |
| Banker's behaviour is not encouraging | 220 | 176 | 57 | 42 | 22 | 517 | 7 |
| Bank's follow-up action is not sufficient | 225 | 164 | 63 | 36 | 25 | 513 | 8 |
| Repayment schedule is unreasonable | 195 | 200 | 45 | 54 | 19 | 513 | 8 |
| Banks not expected unwanted document | 210 | 156 | 60 | 42 | 28 | 496 | 10 |
| Total | 2265 | 1856 | 573 | 398 | 193 | 5285 | |

Problems Faced for Receiving Agricultural Finance

| S. No | Variable | Total Score | Mean Score | Rank |
|--------------|--|--------------------|-------------------|-------------|
| 1 | Insufficient amount | 5722 | 38.14 | 1 |
| 2 | Inaccessibility to credit | 5639 | 37.59 | 11 |
| 3 | Not aware of the facilities available | 5607 | 37.4 | 111 |
| 4 | Not satisfied with indemnity level | 5606 | 37.4 | III |
| 5 | Untimely credit disbursement | 5610 | 37.4 | III |
| 6 | High interest rate | 5362 | 35.75 | V1 |
| 7 | Difficulties in opening bank account | 5175 | 34.5 | V11 |
| 8 | Administrative bureaucracy | 5179 | 34.5 | VII |
| 9 | Inaccessibility to credit information | 4743 | 31.62 | IX |
| 10 | Complex documentation | 4615 | 30.77 | X |
| 11 | Lack of educational knowledge | 4545 | 30.3 | XI |
| 12 | Loan has taken from sources other than banks | 4422 | 29.48 | XII |
| 13 | Not satisfied with area approach | 4258 | 28.39 | XIII |
| 14 | Lack of service/co-operation from the bank | 4084 | 27.23 | XIV |
| 15 | No faith in schemes/institutions | 3824 | 25.49 | XV |

Functions of agricultural credit

- It helps in planning and operational matters related to credit for agriculture and allied activities, rural artisans, village industries and other rural development activities.
- It extends refinance to commercial banks for term loans in relation to agriculture and rural development.
- It provides short term credit to state cooperative banks, RRBs, and other financial institution notified by RBI for a period not exceeding 18 months by way of refinance for agricultural operations, marketing of crops and marketing and distribution of agricultural inputs.
- It offers direct loan by way of refinance to all eligible institutions for a period not exceeding 25 years.
- It provides finance for production and marketing activities of rural artisans, cottage industries, small-scale industries, handicrafts etc. in the rural areas.
- It facilitates all eligible financial institutions for conversion of production loans into term loans in the times of natural calamities.
- It contributes to share capital and securities of eligible institutions and State Governments concerned with agriculture and rural development.
- It also helps State Governments to contribute to the share capital of eligible institutions working for rural development.

- It offers advice and guidance to State Governments, Cooperative federations and National Cooperative Development Corporation (NCDC) and functions in close contact with Central Government in matters related to agriculture and rural development.
- It coordinates and monitors all agricultural and rural lending activities with a view to tying-up with extension and planned development activities in rural areas.
- It conducts training, consultancy and research relating to agricultural finance and agricultural and rural development.

Conclusion

Most farmers depend on agricultural credits for their farm activities. Hence the government should come forward to introduce new exclusive schemes for agricultural purposes.

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Emerging Trends in Banking, Insurance and International Trade

IMPACT OF DEMONETIZATION ON STOCK PRICE VOLATILITY OF PUBLIC SECTOR BANKS IN INDIA: SPECIAL REFERENCE TO BSE

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Abstract

This research paper investigates the impact of Demonetization on public sector banks stock price volatility in BSE. The purpose of the above objective, this study used the secondary daily closing stock price data of selected top five largest public sectors banks in India in 2018, based on their market capitalization, for the period of two years, after demonetization i.e., from 01st January 2017 to 31st December, 2018. The statistical tools and models such as descriptive statistics, ADF, GARCH (1,1) Model and graphical price movement diagram were used for estimating the public sector banks stock price movements and Volatility during the study period. It is found that all the sample public sector banking stocks may not be benefited from demonetization impact. Finally this study conclude that the stock prices of selected public sector banks initially, the effect of demonetization announcement was seen for a short duration but slowly the market recovered and bounced back to normal.

Keywords: *Demonetization, Public Sector Banks, Descriptive Statistics, GARCH (1, 1) Model, Stock Price Volatility and Bombay Stock Exchange.*

JEL Classification: *B23; E44; E51; E52; G21; K35*

Introduction

Demonetization is the act of stripping a currency unit of its status as legal tender. Demonetisation is not the first time experience for India. Demonetisation was initiated for the first time in pre-independence era in the 1946 when then British government decided to strip currency notes of Rs.1,000 and Rs.10,000 from its status of legal tender (**Taqi, M., et al., 2018**). India went for Demonetisation for the second time in the year 1978 to crack down black money and counterfeited currency on the recommendation of Wanchoo Committee. However, the process failed to achieve its object because the recommendation of the committee was in public domain and it gave the tax evaders and money hoarders time to find solution even prior to demonetisation. On 16th January 1978, Morarji Desai's government passed the High Demonetisation Bank Notes (Demonetisation) bills to withdraw Rs.1,000, Rs.5,000 and Rs.10,000 which was later reintroduced in the year 1954 (**Burse, 2018**). India went for demonetisation for the third time On 8 November 2016, India's Prime Minister Narendra Modi announced the Government of India's decision to cancel the legal tender character of Rs.500 and Rs.1,000 banknotes with effect from 9 November 2016. He also announced the issuance of new Rs.500 and Rs.2,000 banknotes in exchange for the old banknotes (**Baswan, T., 2017**). Basically, Stock market is considered to be an independent animal and some policy changes barely impact the indices and stock prices in the market. However, post demonetization, the scenario was quite different in the stock market. Hence, this research is to investigate the impact of demonetization on stock price movements of selected public sector banks in India.

Banking sector in India

Indian banks can be divided into public sector and private sector banks. In India has over 100 banks, with just a small number of 27 of them being public sector banks, it is the public sector banks that have a major stake in the economy of the country. Among the 27 public sector banks five Banks

namely state bank of India, Bank of Baroda, Punjab National Bank, Central Bank of India and IDBI Bank in India have been able to prove their strengths over time. They are banks that are well spread across the country and even beyond, through their well-established branches in all over India.

Highlights of top five public sector banks in India

State Bank of India is inarguably the king of the Indian banks. Incorporated in 1955, SBI brags of at least 13,000 branches across India together with at least 190 foreign offices across the continents. It has its headquarters in Mumbai. The banks are popular for its technologically advanced products such as the recently launched SBI in Touch cards that give its users the effective ability to execute payment by just touching or waving their cards near contactless readers. Other than banking products, the bank is also known for offering other services and products mainly in the fields of capital markets, General Insurance and Life Insurance via its subsidiaries.

Bank of Baroda is the second biggest banks not only among the public sector banking but in the entire banking industry. It was incorporated in 1908 and is headquartered in Vadodara (Previously known as Baroda), in Gujarat. The bank has widely been spread across the country and beyond, having in the excess of 5,000 branches across India and about 100 others in at least 25 foreign countries. A leading institution in the provision of banking and financial services, Bank of Baroda is a winner of a number of major awards such as the Excellence in Banking (PSU Sector) Award.

Punjab National Bank is the oldest of the top three public sector banks having been founded in 1894. The bank has a strong presence in India with at least 6,000 branches spread across the domestic market with another 5 overseas branches. Its headquarters is in New Delhi and is currently supported by a workforce of at least 62,000 employees. Punjab National Bank is yet another award winner, having won the Winner of Golden Peacock Award among others. The bank returns to the society by performing Corporate Social Responsibilities such as organizing tree planting sessions, blood donation camps, and medical camps.

The Central Bank of India is one of the oldest and one of the topmost public sector banks in the country founded in 1911. Its headquarters are in Mumbai with at least other 4,000 branches having been spread across the country. The bank was among the first to launch credit cards in the country and is served by a workforce of at least 40,000 workers. Upon its establishment, the bank became the first commercial bank in India that was not only wholly owned but also managed by Indians.

The IDBI Bank was incorporated in 1964. It has its headquarters in Mumbai and is served by a workforce of about 18,000 employees. Through time, the IDBI bank has been able to spread across the country, having about 1,800 branches and 3350 ATMs. Its operations are driven by a cutting edge in Banking IT platform. Under its belt are personalized financial and banking solutions to the corporate as well as retail banking arena through this large network. IDBI already has a formidable name but is still steadily scaling higher heights.

However, it is also argued among economists, policy makers and researchers that the affect is transient and will recover once normalcy is attained. The Banks stock price movements in the stock market would be a good indicator to evaluate the impact of demonetization on the performance of various stocks in public sector banks listed on a recognized stock exchange like BSE. Hence an attempt has been made in this research to analyse the Impact of Demonetization on Stock Price Volatility of Public Sector Banks in India: Special Reference to BSE.

Review of Literature

An attempt has been made to review the earlier research works undertaken in the area of Demonetization, market efficiency, stock price movements and volatility among public sector bans to understand research gaps, tools used and findings of earlier studies.

Jokipii, T and Monnin, P (2013), investigated the relationship between the degree of banking sector stability and the subsequent evolution of real output growth and inflation. This study applied a panel VAR methodology for a sample of 18 OECD countries. It is found that banking sector stability

(instability) results in a significant underestimation (overestimation) of GDP growth in the subsequent quarters. **Choudhry, T and Jayasekera, R. (2014)**, empirically investigated the return, volatility and leverage spillover effects between banking industrial stock markets of the major economies (ME) (Germany, UK and US) and the smaller stressed European Union countries (SE), (Italy, Ireland, Greece, Spain and Portugal) from 2002 to 2014. It was suggested that the existence of exploitable trading strategies and has important implications to investors in the areas of option pricing, portfolio optimization and risk management. **Lingaraja et al. (2014)** analyzed the market efficiency and the performance among the emerging stock markets in Asia. It was found that the four emerging Asian countries indices, namely, India, Indonesia, Malaysia and Philippines recorded random distribution at 95% confidence level and these markets were highly efficient during the study period. **Birău, R et al., 2015** investigated the volatility patterns of the S&P Bombay Stock Exchange (BSE) BANKEX index which is the Indian banking sector index. It is to be found that the stock fluctuations are abnormal and highly volatile since the evidence presence in year 2004 for down effect shocks and 2009 for positive shocks. ACF and PACF shows less degree of negative patterns and more positive patterns and presence of AR effect in series. **Chellasamy and Anu's (2017)** study aimed to analyse the impact of demonetization on the Sectoral Indices of the NSE. Ordinary least square was used for the study, and the data consisted of 47 observations, 25 trading days before the event and 22 trading days after the event. The result showed that most sectors exhibited negative values, and the public-sector banking segment, pharma, energy and IT recorded a rise in returns. **Sunil and Shenoy's (2017)** study examines the impact of demonetization on stock prices of selected sectors. Five sectors and top five companies of each of these sectors and the closing prices 2 month prior to and 4 months post-demonetization were considered for the study. The data were collected from the BSE. The returns were calculated using the holding period return (HPR), buy-and-hold abnormal return (BHAR) and expected returns were calculated using the Capital Asset Pricing Model. The study concluded that the impact on the market was temporary but overall it has not affected the markets to the extent expected. **Dungey, M et al., 2018**, analyzed the transmission of shocks between global banking, domestic banking and the non-financial sector for eleven Eurozone countries. It is found that the shocks originated in the non-financial sector trigger contagious effects for both the domestic banking sector and, to a lesser extent global banking, thereby acting as a source of fragility for the financial sector during crisis periods. **Danisman, G. O., and Demirel, P (2019)**, examined the impact of market power and bank regulatory variables, such as capital stringency, restrictions in activities and the power of supervisory agencies, on bank stability. It considered various dimensions of bank risk exposures. It is interesting to note that the capital requirements are the strongest regulatory tool for decreasing bank risk, and they decrease bank risk more for banks with more market power.

It is to be noted that the above cited literature covered the financial crisis, banking regulation, transmission of shocks and demonetization impact on price volatility of different sectors and countries stock market (prices and indices). But no detailed research focused on demonetization and its impact on public sector banks stock price volatility and risk. Hence an attempt has been made in this study to examine the Impact of Demonetization on Stock Price Volatility of Public Sector Banks in India: Special Reference to BSE.

Statement of the Problem

As stated earlier, there are limited number of studies have investigated on this topic in the past. But no comprehensive literature was focused on demonetization and stock price performance of public sector banks. Therefore, it impels the author to do research on the topic and thus contribute to the sparse literature. This study intends to examine the impact of demonetization on the stock price performance of top five public sector banks in India. In order to measure the impact of demonetization on stock price of BSE top five public sector banks has been used as a good indicator of the stock market. The BSE is the oldest stock exchange in Asia and is the tenth largest stock exchange in the world Therefore, for the purpose of the study, BSE has been chosen.

Objectives of the Study

To investigate the impact of demonetization on stock price volatility of selected Public Sector Banks in India.

Hypotheses of the study

The present study was formulated and tested the following null hypotheses to accomplish the objective of the study.

NH1: There is no normal distribution among the stock price of selected public sector banks after demonetization period.

NH2: There is no stationary among the stock price of selected public sector banks after demonetization period.

NH3: There is no volatility among the stock price of selected public sector banks after demonetization period.

Research Methodology

Period of Study

To examine the impact of demonetization on stock price volatility of selected Public Sector Banks in India, the study covered a period of two year after demonetization i.e., from 1st January, 2017 to 31st December, 2018.

Sample Design

The study focused on top five public sector banks in India i.e., state bank of India, Bank of Baroda, Punjab National Bank, Central Bank of India and IDBI Bank Ltd were as sample based on market capitalization.

Data variables and Sources

The data of daily closing prices of five public sector banks i.e., state bank of India, Bank of Baroda, Punjab National Bank, Central Bank of India and IDBI Bank Ltd were collected from the official website of Bombay Stock Exchange website (www.bseindia.com). The other relevant data were collected from reputed books, Journals and Articles. The daily closing stock price were transformed by taking natural logarithm of the raw data.

Tools Used for Analysis

The following tools were used for the purpose of analysis and testing the null Hypotheses of this study

- Descriptive Statistics (to find out the normal distribution of sample banks)
- ADF Test (to experiment the stationarity among the Sample banks)
- GARCH (1,1) Model (to investigate the Volatility among the Sample), and
- Graphs (to express the sample banks stock price movements)

Limitations of the Study

The following were the select limitations of the study

- This study considered only five public sector banks not in the whole banks in India.
- As the study was based on secondary data i.e., daily closing stock price of sample banks from BSE, it is beset with certain limitations which are bound to arise dealing exclusively with secondary data.
- This research work was limited to two year period (after demonetization) from 01st January, 2017 to 31st December, 2018.
- All the limitations, associated with statistical tools used, are applicable to this study also.

Econometric Analysis and Empirical Results

For the purpose of analyse the stock price volatility by using Descriptive Statistics, Unit Root Test (ADF), GARCH and Graph.

Descriptive Statistics for the Selected Sample Public Sector Banks

Table -1 : The Results of Descriptive Statistics for the Selected Sample Public Sector Banks during the Study Period from 01st January, 2017 to 31st December, 2018

| Sample Banks \ Statistics | SBI | Bank of Baroda | PNB | Central Bank of India | IDBI Bank Ltd |
|---------------------------|----------------|----------------|----------------|-----------------------|---------------|
| Mean | 0.00062 | -0.00009 | -0.00023 | -0.00129 | 0.00060 |
| Median | -0.00036 | -0.00060 | 0.00069 | -0.00308 | 0.00000 |
| Maximum | 0.27584 | 0.31471 | 0.46198 | 0.15594 | 0.09274 |
| Minimum | -0.05735 | -0.16025 | -0.12151 | -0.19955 | -0.16718 |
| Std. Dev. | 0.02142 | 0.02792 | 0.03372 | 0.02841 | 0.02662 |
| Skewness | 4.47547 | 2.58688 | 4.87744 | -0.18665 | -0.39308 |
| Kurtosis | 57.42210 | 37.21684 | 73.89132 | 14.59763 | 7.65517 |
| Jarque-Bera | 62612.13 | 24649.77 | 105401.8 | 2771.429 | 458.7745 |
| Probability | 0 | 0 | 0 | 0 | 0 |
| Observations | 494 | 494 | 494 | 494 | 494 |

Source: <http://bseindia.com/> and Computed using E-Views 7 Version.

The results of descriptive statistics for the selected sample public sector banks during the study period from 01-01-2017 to 31-12-2018 are shown in Table - 1. It is clear from the above Table that during the study period, the stock price of State Bank of India earned high mean value of 0.00062, followed by IDBI bank ltd (0.00060). In terms of stock price unpredictability as measured by the standard deviation of daily returns, only one sample bank namely Punjab National Bank assumed the highest risk value (0.03372), followed by Central bank of India (0.02841), Bank of Baroda (0.02792), IDBI bank ltd (0.02662), and State Bank of India (0.02142). This indicates the fact that there was high risk (in the order of stocks, namely, PNB, Central bank of India, Bank of Baroda, IDBI Bank Ltd and SBI). It is significant to note that high degree of risk was useful for speculators but the investors may study the market risk and carefully take investment decision. The analysis of skewness shows that values for all sample banks stock price, except SBI, Bank of Baroda and PNB, were negative. It is significant to note from the above Table that all sample banks stock values of kurtosis larger than three or high level fat-tails, which make it Leptokurtic. Besides, the Jarque-Bera (JB) values clearly implied that all the sample were normally distributed. In other words, all the sample banks stock prices were less volatile during the study period. In short, the distribution of return data for all the sample banks stock price data was normal. Hence the **Null Hypothesis (NH1)**, there is no normal distribution among the stock price of selected public sector banks after demonetization period, was rejected.

Augmented Dickey Fuller (ADF) Test for the Selected Sample Public Sector Banks

Table -2: The Results of ADF Test for the Selected Sample Public Sector Banks during the Study Period from 01st January, 2017 to 31st December, 2018

| Unit Root Test Statistics | | ADF TEST | | | Durbin Watson Test Statistic | R-squared | |
|---------------------------------------|-----------------------|-------------------|----------|----------------|------------------------------|----------------|-----------------|
| | | Statistical Value | P- Value | Critical Value | | | |
| Sample | | | | | | | |
| Top Five Public Sector Banks in India | State Bank of India | 1% | -22.0706 | 0 | -3.44339 | 1.999929 | 0.498012 |
| | | 5% | -22.0706 | 0 | -2.86718 | | |
| | | 10% | -22.0706 | 0 | -2.56984 | | |
| | Bank of Baroda | 1% | -21.9003 | 0 | -3.44339 | 1.999881 | 0.494139 |
| | | 5% | -21.9003 | 0 | -2.86718 | | |
| | | 10% | -21.9003 | 0 | -2.56984 | | |
| | Punjab National Bank | 1% | -19.8247 | 0 | -3.44339 | 1.988383 | 0.444583 |
| | | 5% | -19.8247 | 0 | -2.86718 | | |
| | | 10% | -19.8247 | 0 | -2.56984 | | |
| | Central Bank of India | 1% | -18.5989 | 0 | -3.44339 | 2.01597 | 0.413324 |
| | | 5% | -18.5989 | 0 | -2.86718 | | |
| | | 10% | -18.5989 | 0 | -2.56984 | | |
| | IDBI Bank Ltd | 1% | -20.253 | 0 | -3.44339 | 1.985245 | 0.455162 |
| | | 5% | -20.253 | 0 | -2.86718 | | |
| | | 10% | -20.253 | 0 | -2.56984 | | |

Source: <http://bseindia.com/> and Computed using E-Views 7 Version.

The results of Unit Root Tests (Augmented Dickey Fuller - ADF test), for the selected sample public sector banks during the study period from 01-01-2017 to 31-12-2018, are presented in **Table – 2**. It is to be noted that the values of test critical for the sample bank closing prices were -3.44339, -2.86718 and -2.56984, at the significant levels of 1%, 5% and 10% respectively. The probability values for the closing stock price of sample banks were zero during the study period. The R-Square statistics and Durbin Watson test statistics, for all the sample, were also nearly 0.50 and 2.00 respectively. It is to be noted that the test statistical (t-statistic) values for all sample stock price of banks were less than the test critical values at 1%, 5% and 10% levels of significance. The results of ADF Test, as given at the above Table, indicate that the returns data of five sample banks attained stationarity during the study period. Hence, the null hypothesis (NH02), namely, There is no stationarity among the stock price of selected public sector banks after demonetization period, was **rejected**.

GARCH (1,1) Model for the Selected Sample Public Sector Banks

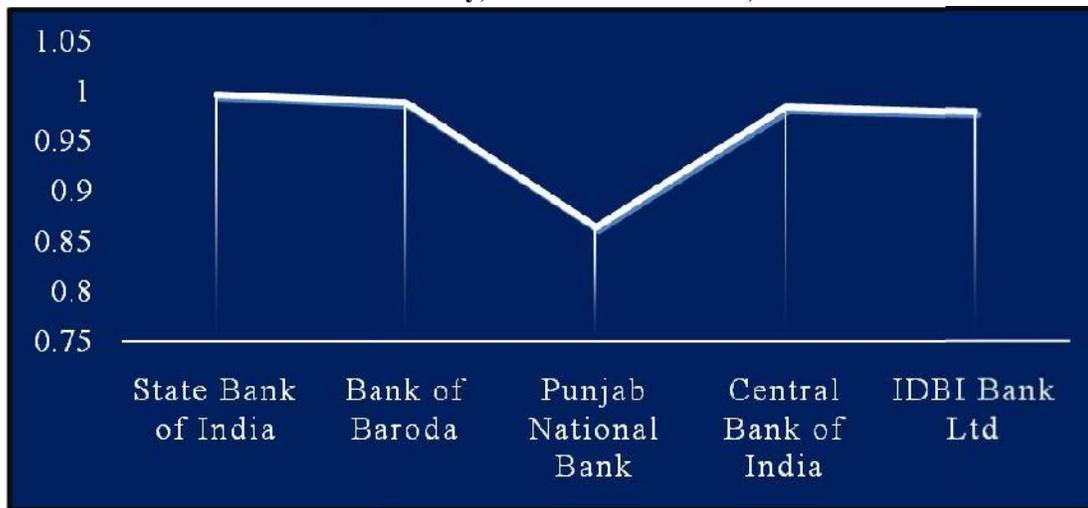
Table - 3: The Results of GARCH (1,1) Model for Selected Sample Public Sector Banks during the Study Period from 01st January, 2017 to 31st December, 2018

| Sample Public Sector Banks | C | α | β | $\alpha+\beta$ | P Value |
|----------------------------|----------|----------|----------|-----------------|---------|
| State Bank of India | 0.000100 | 0.080960 | 0.914460 | 0.995420 | 0 |
| Bank of Baroda | 0.000184 | 0.064659 | 0.922413 | 0.987072 | 0 |
| Punjab National Bank | 0.000481 | 0.074189 | 0.789811 | 0.864000 | 0 |
| Central Bank of India | 0.000121 | 0.063061 | 0.919408 | 0.982469 | 0 |
| IDBI Bank Ltd | 0.000009 | 0.045033 | 0.932470 | 0.977503 | 0 |

Source: <http://bseindia.com/> and Computed using E-Views 7 Version.

Table-3 shows the results of volatility, using GARCH (1.1) model, for daily (closing value) returns of selected sample public sector banks during the study period from 01-01-2017 to 31-12-2018. From the Table, it is clearly observed that value of the probability (P-Value) was zero at 99% confidence level. According to the analysis of GARCH Model, the $\alpha + \beta$ values of all the five sample public sector bank were close to one. This indicates the fact that the returns data, for all the closing stock price of sample banks, were highly volatile, during the study period. Thus the null hypothesis (NH03), there is no volatility among the stock price of selected public sector banks after demonetization period, was **rejected**.

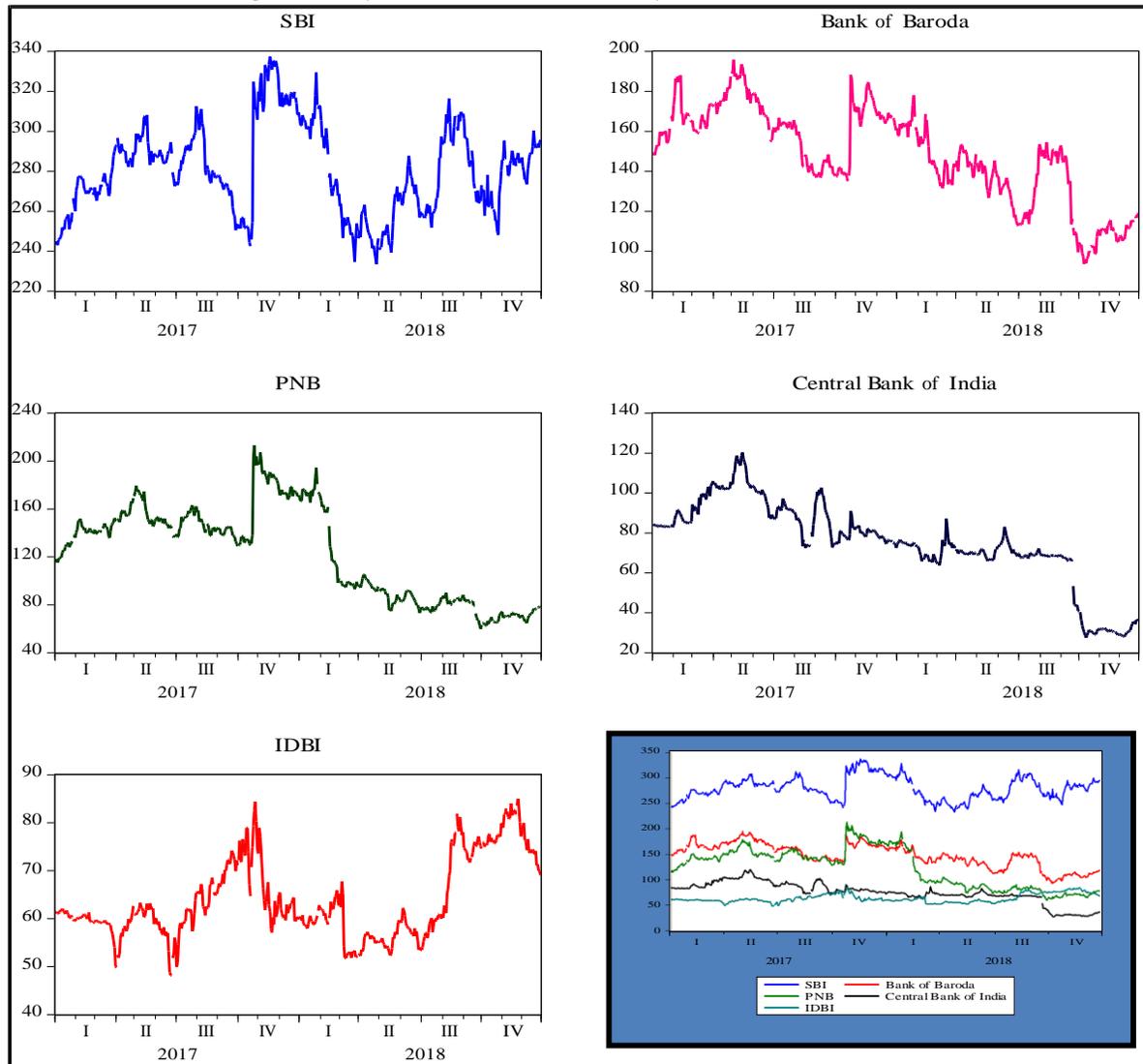
Chart-1 : Results of Volatility ($\alpha+\beta$) for Sample Public Sector Banks during the Study Period from 01st January, 2017 to 31st December, 2018



Source: Data taken from Table-3 and Computed using MS office Excel – 2007

The results of volatility (both $\alpha+\beta$ value), of all the five sample banks, during the study period from 01st January, 2017 to 31st December, 2018, are shown in **Chart -1**. The Chart clearly explains the high rate of volatility in sample Banks. The values of both risk and return ($\alpha + \beta$) were close to one and the Chart represents both high and low volatility of stock price return of banks. The stock price of SBI earned high market volatility, with a value of 0.995420, followed by Bank of Baroda, with a value of 0.987072. The remaining three sample banks, namely, Central Bank of India (0.982469), IDBI bank ltd (0.977503) and Punjab National bank (0.864000) recorded lower volatility during the study period.

Graph -1: Graphical Expression for Price Movements (Closing Prices) of Sample Public Sector Banks during the Study Period from 01st January, 2017 to 31st December, 2018



Source: <http://bseindia.com/> and Computed using E-Views 7 Version.

The graphical exposition shows how far during the effect of time different stock prices tend to reflect each other in tune with the public sector banks daily stock price movements after demonetization period from January 01, 2017 to December 31, 2018 (individual & grouped) price ups and downs are shown in Graph - 1. Besides, the graphical representation is useful to all types of investors who could easily identify their best investment in the public sector banks.

Conclusion

The study examined the impact of the demonetization announcement on Stock Price of Banks in India with special reference to BSE listed public sector banks. The output of all statistical data analysis of this research such as descriptive statistics, unit root test and GARCH Model shows that there is no significant impact of demonetization on the stock price of selected public sector banks during the study period of after demonetization from 01st January, 2017 to 31st December, 2018. However, the Banking sector will be the biggest beneficiary of demonetization. Banks are flush with the money. The demonetization is the beginning of digital payment era. The government will take all steps to make India a cashless economy. It will also positively impact the operational efficiency of the

banks. It is found that all the sample public sector banking stocks may not be benefited from demonetization impact. It is to be noted that the Graph -2 was clearly explained that initially, the effect of demonetization announcement was seen for a short duration but slowly the market recovered and bounced back to normal. The findings of the study are reliable because it uses long-term data to study the impact of demonetization. Therefore, this study did not find any significant impact of after demonetization announcement on public sector banks stock prices on BSE Stock Market.

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SERVICE QUALITY OF TOUR OPERATORS: A COMPARATIVE STUDY AMONG DOMESTIC AND FOREIGN TOURISTS – A STUDY

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Abstract

Twenty first century has spread a technological revolutionary wave in India. With upcoming wireless communication technologies people are becoming more & more mobile addict. The booming revolution in Information Technology sector has pushed the India's telecom market significantly. Since past few years consumers prefer wireless mode of telephone services to wire line services. Tourism has turned out to be a most important industry in the modern age. It is considered as one of the most diverse and richest global industries in the twenty-first century and is expected to be at the top of the worlds high income industries. It generates substantial economic benefits to both host countries and tourists home countries. In developing countries, one of the primary motivations for a region to promote itself as a tourist destination is the expected economic development. Tourism creates employment opportunities, brings foreign exchange to the host country, reduces poverty and improves standard of living. Moreover, it helps in improving infrastructure, encourages conservation of wild life and preservation of traditional customs, handicrafts and festivals that might otherwise have been allowed to wane. Tourism promotes the business of other service enterprises also such as accommodation, hotel and railway booking, restaurant services, hospitality, guide service, recreational services, communication and transportation.

Introduction

India, a developing and an emerging market economy, is experiencing a significant growth in tourism sector. It is so because of its rich culture, beautiful natural attractions, colorful festivals and much more. The initiatives taken by the Government have also helped a lot to promote Indian Tourism sector growth and create visitor-friendly image of India. At present, India ranks 40th in World Tourist Arrivals and 17th in world tourism receipts which itself indicates that tourism in India has a high potential of growing at a lightning speed (Abhyankar and Dalvie, 2013).

Due to intense competition in tourism business markets, service quality has become one of the most important sources of competitive advantage. Research has extensively revealed that higher levels of service quality produce higher levels of customer satisfaction, which in turn lead to higher levels of customer patronage, positive word-of-mouth, employees' satisfaction and commitment, enhanced corporate image, reduced costs and improved profitability.

Service Concept

Service is a patch up activity to fulfill some one's need in the market. Service is something, which can be experienced but cannot be touched or seen. Services offered by service providers cannot be seen & touched, as they are intangible activities.

While the study provides good contextual for researchers, academics and tourism managers, it is subjected to several limitations. First, the results are based on gap scores which are influenced by expectations and perceptions. Tourists from different countries including domestic tourists have taken part in the research; their cultural differences might have affected the formation of expectations and post visit experience regarding tourism services in Chennai. Second, the study is entirely based on the views and opinions expressed by the tourists and its accuracy and authenticity depends upon the tourists' trustworthiness towards responses. So, the findings of the study need to be applied with great care.

Some of Basic Definitions of Service as Defined by Management Gurus are:

- "A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything."

By Kotler, Armstrong, Saunders and Wong

- "Services are economic activities that create value and provide benefits for customers at

specific times and places as a result of bringing about a desired change in or on behalf of the recipient of the service.”

By Christopher Lovelock

- “Services are the production of essentially intangible benefits and experience, either alone or as part of a tangible product through some form of exchange, with the intention of satisfying the needs, wants and desires of the consumers.”

By C. Bhattacharjee

OBJECTIVES OF THE STUDY

- To make a comparative analysis of domestic and foreign tourists service experience.
- To suggest, on the basis of study results, ways and means for improving service quality perceptions of domestic and foreign tourists.

Service Quality & Customer Satisfaction

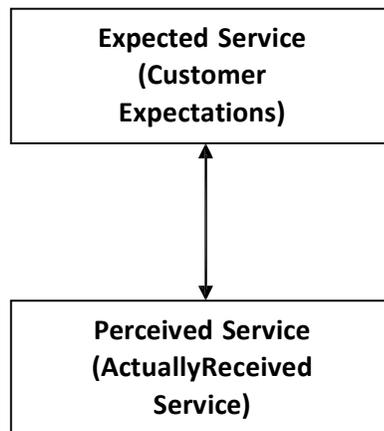
Service Quality and customer satisfaction are two closely related terms. Service quality can be assessed in two ways: 1) Is it meeting to standard? & 2) Is it satisfying the customer?.

As defined by Oliver

“Satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment.”

Customer Perception reveals the actual received service.

Customer expectations are the standards against which the perceived services are checked in order to assess the quality of a service. This basically gives what is expected & what is actually received. If any difference exists between the expected service and actually received service then that difference is called as a gap, which needs to be reduced.

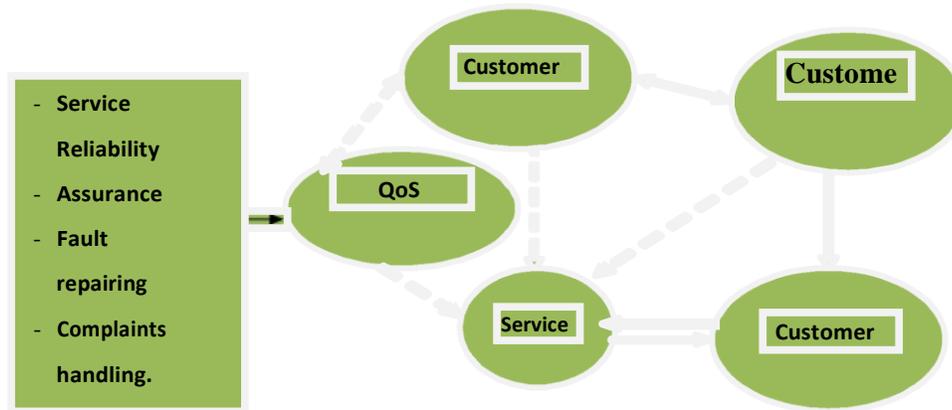


Gap between expected service & received service (customer gap)

The service gap between what customer expects & what customer receives

Customer satisfaction is related with the type of service quality, if the quality of service provided by the service provider is good then this leads to the higher customer satisfaction. As defined by **Parasuraman, Zeithaml & Berry** the service quality depends upon customer perception & customer expectation. The service quality is necessary that the service provider with respect to the customer

expectation as well as the customer perception should understand the service quality parameters. This will help in getting the better service quality and hence higher level of customersatisfaction.



Service Quality, Service Parameters & Customer Satisfaction

The customer expectation with reference to various service quality parameters differs from person to person. Such change in perception can affect the customer satisfaction.

Research Methodology

In order to study the tourism service quality experienced by domestic and foreign tourists, a modified SERVQUAL scale developed.. After carrying out in-depth interviews on tourism services with tourists, eight more items were added and each item was checked once again to reflect the need of the study. All the items in the questionnaire were then arranged alphabetically to later identify the underlying expectation/perception dimensions and those items that were highly related to the same dimension using factor analysis. After the addition, removal and rephrasing of several questions, the final questionnaire was prepared consisting thirty-two questions. Level of expectation/perception was measured on a ten point scale (ranging from 1 = strongly disagree to 10 = strongly agree) and all questions were phrased positively as suggested by Parasuraman et. al., (1994). The data were then put into the SPSS (Statistical Package for Social Sciences) 20.0 and analyzed using exploratory factor analysis and reliabilitytests.

DataAnalysis

The collected data, after sorting out for invalid questionnaires, were coded and analyzed using Statistical Package for Social Sciences (SPSS, version 20.0) software. The methods used for analysis are described asfollows:

In line with the objectives, the study is aimed to study service experience of domestic and foreign tourists in Chennai. To achieve this objective, mean scores were calculated separately for expectations and perceptions and for each category of tourists. Accordingly, service quality scores were computed by subtracting perceptions from expectations for each of the service quality dimensions. Independent sample t-test was also performed to test the hypothesis. The results are shown in Tables 3 to 8.

Overall Comparative Service Quality Scores on Tourism Services

| Dimensions of Tourism Services | Group | Mean Scores | | Service Quality | Standard Deviation | 't' Value | 'p' Value* |
|--------------------------------|----------|-------------|------|-----------------|--------------------|-----------|------------|
| | | E | P | | | | |
| Tangibility | Domestic | 7.23 | 7.53 | 0.30 | 0.98 | 0.29 | 0.76 |
| | Foreign | 7.16 | 7.48 | 0.32 | 0.93 | | |

| | | | | | | | |
|---|----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Assurance | Domestic | 7.11 | 7.68 | 0.57 | 0.91 | 0.40 | 0.68 |
| | Foreign | 7.13 | 7.67 | 0.54 | 0.92 | | |
| Reliability | Domestic | 7.10 | 7.48 | 0.38 | 0.93 | 0.46 | 0.46 |
| | Foreign | 7.12 | 7.54 | 0.42 | 0.91 | | |
| Responsiveness | Domestic | 7.21 | 7.73 | 0.52 | 0.96 | 0.33 | 0.73 |
| | Foreign | 7.19 | 7.73 | 0.54 | 0.90 | | |
| Empathy | Domestic | 7.03 | 7.40 | 0.37 | 0.97 | 0.13 | 0.88 |
| | Foreign | 7.03 | 7.40 | 0.37 | 0.99 | | |
| Overall Service Quality (Averaged on all dimensions) | Domestic | 7.13 | 7.56 | 0.43 | 0.83 | 0.24 | 0.80 |
| | Foreign | 7.13 | 7.57 | 0.44 | 0.83 | | |

*Insignificant ($p>0.05$) at 5% level

Note: - E and P represent Expected and Perceived service

The results reveal higher levels of service quality experienced by domestic (0.43) and foreign tourists (0.44). Table 3 clearly indicates that there is an insignificant difference ($p>0.05$) in tourism service quality as perceived by domestic and foreign tourists meaning thereby that both domestic and foreign tourists have experienced same quality service in Chennai.

Dimension-wise analysis also reveals insignificant difference ($p>0.05$) in service quality perceptions of domestic and foreign tourists on all dimensions.

Comparative Service Quality on Assurance

Data on Table 5 shows relatively better service quality on assurance as reported by domestic and foreign tourists (0.57 and 0.54 respectively).

Comparative Service Quality Scores on Assurance

| Elements of Tourism Services | Group | Mean Scores | | Service Quality | Standard Deviation | t-Value | P Value* |
|--|----------|-------------|------|-----------------|--------------------|---------|----------|
| | | E | P | | | | |
| 1. Trustworthiness and honesty of the service personnel. | Domestic | 7.26 | 8.27 | 1.01 | 1.39 | 0.49 | 0.62 |
| | Foreign | 7.30 | 8.26 | 0.96 | 1.32 | | |
| 2. Willingness of the service personnel to help tourists and advise on how to use free time. | Domestic | 7.05 | 7.79 | 0.73 | 1.29 | 0.75 | 0.45 |
| | Foreign | 7.13 | 7.80 | 0.67 | 1.14 | | |
| 3. Fluent and understandable communication skills of the service personnel. | Domestic | 7.25 | 7.36 | 0.11 | 1.51 | 0.39 | 0.69 |
| | Foreign | 7.30 | 7.44 | 0.15 | 1.37 | | |
| 4. The behaviour of other participants (local people and others) is not bothersome. | Domestic | 6.76 | 7.16 | 0.38 | 1.32 | 1.27 | 0.20 |
| | Foreign | 6.68 | 6.95 | 0.27 | 1.40 | | |
| 5. Behaviour of service personnel instills tourists' confidence. | Domestic | 7.22 | 7.83 | 0.60 | 1.36 | 0.66 | 0.50 |
| | Foreign | 7.27 | 7.93 | 0.66 | 1.32 | | |
| Overall Assurance Scores | Domestic | 7.11 | 7.68 | 0.57 | 0.91 | 0.40 | 0.68 |
| | Foreign | 7.14 | 7.68 | 0.54 | 0.92 | | |

*Insignificant ($p>0.05$) at 5% level

Note: - E and P represent Expected and Perceived service

Also, insignificant difference ($p>0.05$) in the quality of tourism services, on the said dimension has been observed between domestic and foreign tourists which indicates that both categories of

tourists experienced same quality of services in the Valley. Element-wise analysis of the said dimension shows that both categories of tourists observed highest service quality on „Trustworthiness and honesty of the service personnel (1.01 and 0.96 respectively) followed by „willingness of the service personnel to help tourists and advice on how to use free time (0.73 and 0.67 respectively) whereas relatively low service quality has been observed on fluent and understandable communication skills of the service personnel (0.11 and 0.15 respectively) followed by friendly behaviour of other participants (0.38 and 0.27 respectively).

Conclusion

The study employed modified SERVQUAL instrument (proposed by Bhat and Qadir, 2013b) for determining tourists expectation and perception gap scores in relation to tourism services and identified five factors – Tangibility, Assurance, Reliability, Responsiveness and Empathy with 29 statements. The results have confirmed that out of five tourism service dimensions, assurance and responsiveness dimensions are the significant contributors of overall tourism service quality. Also, the study brings to light that insignificant difference exists between service quality of domestic and foreign tourists in the overall and across all dimensions of tourism services indicating that both categories of tourists experienced same quality service in Chennai. Therefore, the empirical results rejected the proposed hypothesis.

Though tourists perceived higher levels of service quality in Chennai in the overall and across all dimensions of tourism services, yet tangibility and empathy dimensions reported relatively low quality service which indicates that Chennai valley is lagging behind on these two dimensions. This finding, therefore, suggests that tourism entrepreneurs should invest more on physical aspect of tourism services like bringing modern and technologically relevant infrastructure; providing hygienic and high quality food and beverages; ensuring neat and clean environment and tidiness of staff; and, providing appropriate health care facilities. Besides, they should ensure that tourists receive diversified service, individual attention and proper care by improving the overall efficiency of the service personnel through appropriate training programs.

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Emerging Trends in Banking, Insurance and International Trade
**GOODNESS OF OPERATING PROFIT AND BADNESS
OF BAD LOANS**

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Abstract

In recent seven years the bank credit has grown 132% and the bank deposits have also grown constantly over the years. Total deposits of commercial banks have almost doubled in this period from rs. 47,524 billion in 2010 to rs. 1,11,139 billion in 2017. Still, the indian banking sector is struggling with huge non-performing assets. It is the responsibility of psbs to give consideration to rural population. That is why a major portion of such rural loans are written off by public sector banks as per government's order every year. Hence, increase in nonperforming assets in public sector banks. Composition of the operating profit would support the provisioning for the npas every year, if there be the need.

Keywords: *Nonperforming assets, operating profit, provisioning.*

Introduction

There are totally 27 public sector banks, 22 private sector banks, 44 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions in India. Nearly 80% of the markets are covered by PSBs and the remaining is only left for the private banks. The total credit extended by India's scheduled commercial banks went up to Rs. 81,162 billion by 2016-17 from Rs. 34,970 billion in 2009-10. That is, in seven years the bank credit has grown 132% and the bank deposits have also grown constantly over the years. Total deposits of commercial banks have almost doubled in the last seven years from Rs. 47,524 billion in 2010 to Rs. 1,11,139 billion in 2017. Still, the Indian banking sector is struggling with huge non-performing assets and a dozen of scams and frauds. Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for. PSBs initiated cleaning up by recognizing NPAs and provided for expected losses. In consequence of Asset Quality Review and subsequent transparent recognition, the gross non-performing asset of PSBs increased by Rs 6,16,586 crores between March 2015 and March 2018 (provisional data), as per the RBI data.

As per the Capitaline data, for each and every rupee of operating profit, Indian banks had to set aside 97 paise as bad loan provisions in the June quarter of 2019. It is shocking to note that 39 listed banks could plough back only around 3% of their operating profits into capital due to the necessity of setting aside money for meeting out bad loans.

Some of the important terms to be known as per the Prudential Norms on Income Recognition, Asset Classification And Provisioning Pertaining to Advances are:

Non Performing Assets

- An asset, including a leased asset, becomes non performing when it ceases to generate income for the bank.
- A non performing asset (NPA) is a loan or an advance where;
 - interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan,
 - the account remains 'out of order', in respect of an Overdraft/Cash Credit (OD/CC),

- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops

‘Out of Order’ Status

An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.

Overdue

Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

Categories of Npas

Banks are required to classify nonperforming assets further into the following three categories based on the period for which the asset has remained nonperforming and the realisability of the dues:

- i. Substandard Assets
- ii. Doubtful Assets
- iii. Loss Assets

Substandard Assets

With effect from March 31, 2005, a substandard asset would be one, which has remained NPA for a period less than or equal to 12 months. Such an asset will have well defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected.

Doubtful Assets

With effect from March 31, 2005, an asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months. A loan classified as doubtful has all the weaknesses inherent in assets that were classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full, – on the basis of currently known facts, conditions and values – highly questionable and improbable.

Loss Assets

A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

Why this study?

The success of banks relies on how successfully they recover loans as the piling up of loans would lock funds in the hands of the borrowers which in turn would affect the steady growth of economy. In recent years, bad loans have become a major issue for the banks. The scams that took place in the loans issued by some of the public sector banks caused huge loss to the economy. It has shaken the public confidence. Due to this reason the public sector banks seem worried about risky investments and are very much apprehensive of bad loans. The circumstances under which the PSBs sanction loans, the population that they take into consideration and the hurdles that they face and handle are vastly different from the private sector banks. They have many questions to be answered

to, one of which is their responsibility to give consideration to rural population. That is why a major portion of such rural loans are written off by public sector banks as per Government's order every year. Apart from this the recovery of loans by them is more sluggish compared to private sector banks. The recovery rate of NPAs by public sector banks during 2015-2018 was just 25.1% which is quite poor and harmful for the growth of economy. And the most tragic fact is that only a meager portion of the profit earned by PSBs is ploughed back into capital. It is because of the apportionment for NPAs. Thus, this article on "Goodness of Operating Profit and Badness of Bad loans" has been done.

Objectives

Following are the objectives of this article.

- Analyzing the proportion of provision created for Non Performing Assets to Operating Profit during 2015- 2018 to understand the implication of provision for NPAs over the profit earned by the Public Sector Banks, State Bank of India and Other Public Sector Banks.
- Presenting relevant suggestions for reducing NPAs by Public Sector Banks.

Collection of Data

The relevant data regarding the Non Performing Assets of public sector banks were gathered from the IBA website for the period 2015 to 2018. With percentage analysis the trend of NPAs in PSBs for the study period has been analyzed in line of the objectives set for the study. Provisioning of banks for NPA from operating profit has been analyzed for the 19 nationalized PSBs, State Bank of India and its associates and other PSBs as given in the website. A comparative analysis has been made between nationalized PSBs and also between SBI group and nationalized PSBs in order to arrive at a better picture during 2015 to 2018.

The Associate banks of SBI were merged with SBI during the financial year 2017-18 and at the end of the financial year; the asset quality has shown manifold change. The reason for this cannot be attributed either to the quality of assets of SBI or to that of the Associate Banks. Also, Bharatiya Mahila Bank was a part of that merger with SBI due to which it does not have data for 2018. Hence, in the study, the variation of the various parameters of SBI group of banks for the financial year 2017-18 over the financial year 2016-17 have not been analyzed and presented as such as it can give a better picture only if analyzed from 2018-19 onwards.

Percentage of NPA Provision to Operating Profit

Incremental provision is the additional provision made during the current year over the previous year. Analyzing its percentage of the composition of the operating profit will bring out how much percentage of the operating profit earned during the current year is utilized for making additional provision during the year for the NPAs. If this percentage is lesser than that of the previous year, it would imply that the bank has fared well in its recovery efforts. On the other hand, if this percentage is on the increase, it would imply that the asset quality of the bank is deteriorating.

The following Table-1.1 indicates the percentage of NPA provision to operating profit in nationalized PSBs for the period 2015 to 2018 for which previous year value is taken as the base. Among all the banks, Vijaya Bank and Indian Bank have the lowest percentage of NPA provision to operating profit which means the recovery efforts of those banks are good. From 2016 to 2018, the incremental provision of NPA to operating profit percentages of Vijaya Bank are 62.40, 21.21 and 7.79 which is decreasing year by year and implies that the recovery of loans is consistently good. For Indian Bank, the percentages are 29.16, 65.03 and 8.45 for the same years which indicate that the bank's recovery efforts are extremely good in 2018. But in the overall percentage of incremental provision of NPA to operating profit, there has been a remarkable decrease in 2017. Later, in 2018, the percentage has increased abnormally which shows that the recovery efforts of the banks have become poor and the asset quality has deteriorated.

Table – 1.1: Percentage of NPA Provision to Operating Profit in Nationalised Public Sector Banks During 2015 - 2018

| S.N | Banks | Operating Profit | | | | Provision | | | | Incremental Provision to Operating Profit % | | |
|----------|---------------------------------------|------------------|---------------|---------------|---------------|----------------|-----------------|-----------------|-----------------|---|--------------|---------------|
| | | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 | 2016 | 2017 | 2018 |
| I | Nationalised Banks | | | | | | | | | | | |
| 1 | Allahabad Bank | 4,460 | 4,134 | 3,867 | 3,438 | 2379.09 | 5092.06 | 7254.32 | 14333.63 | 65.63 | 55.92 | 205.89 |
| 2 | Andhra Bank | 3,298 | 3,960 | 4,388 | 5,361 | 3187.91 | 5407.98 | 7315.17 | 15487.49 | 56.06 | 43.46 | 152.44 |
| 3 | Bank of Baroda | 9,915 | 8,816 | 10,975 | 12,006 | 8191.96 | 21114.58 | 24638.52 | 32997.73 | 146.59 | 32.11 | 69.63 |
| 4 | Bank of India | 7,488 | 6,036 | 9,733 | 7,139 | 8675.67 | 21882.73 | 26740 | 34121.19 | 218.82 | 49.91 | 103.39 |
| 5 | Bank of Maharashtra | 2,355 | 2,345 | 1,827 | 2,191 | 2275.49 | 3553.82 | 5959.15 | 8792 | 54.51 | 131.65 | 129.27 |
| 6 | Canara Bank | 6,950 | 7,147 | 8,914 | 9,548 | 4299.87 | 10804.92 | 12553.06 | 18926.07 | 91.02 | 19.61 | 66.75 |
| 7 | Central Bank of India * | 3,559 | 2,643 | 3,089 | 2,733 | 5065.61 | 9479 | 13033.5 | 20752.83 | 166.99 | 115.08 | 282.45 |
| 8 | Corporation Bank | 3,027 | 3,095 | 4,440 | 3,950 | 2641.699 | 5384.108 | 5353.044 | 8136.42 | 88.61 | -0.70 | 70.46 |
| 9 | Dena Bank | 1,330 | 925 | 1,390 | 1,171 | 1378.74 | 3330.02 | 4883.61 | 8522.66 | 210.88 | 111.75 | 310.72 |
| 10 | Indian Bank | 3,014 | 3,032 | 4,001 | 5,001 | 2523.485 | 3407.641 | 6009.4 | 6432.103 | 29.16 | 65.03 | 8.45 |
| 11 | Indian Overseas Bank | 3,322 | 2,885 | 3,650 | 3,629 | 5109.12 | 10836.06 | 15348.93 | 17780.49 | 198.48 | 123.63 | 67.00 |
| 12 | Oriental Bank of Commerce | 3,947 | 3,682 | 4,170 | 3,703 | 2849.98 | 4769.63 | 8741.44 | 11850.78 | 52.14 | 95.24 | 83.96 |
| 13 | Punjab & SindBank | 775 | 1,270 | 1,242 | 1,145 | 816.19 | 1279.58 | 1922.51 | 3193.78 | 36.49 | 51.77 | 111.06 |
| 14 | Punjab National Bank | 11,955 | 11,339 | 14,565 | 10,294 | 10298.36 | 20395.76 | 22668.34 | 37935.76 | 89.05 | 15.60 | 148.31 |
| 15 | Syndicate Bank | 3,327 | 3,251 | 4,233 | 3,864 | 2598.73 | 4817.29 | 7198.33 | 12519.14 | 68.24 | 56.25 | 137.71 |
| 16 | UCO Bank | 4,910 | 3,603 | 2,926 | 1,334 | 3934.47 | 9464.14 | 11837.56 | 16467.85 | 153.46 | 81.11 | 347.04 |
| 17 | Union Bank of India | 5,823 | 5,643 | 7,430 | 7,540 | 6111.9 | 10144.89 | 14880.18 | 25043.62 | 71.47 | 63.73 | 134.80 |
| 18 | United Bank of India | 2,428 | 775 | 1,553 | 1,024 | 2471.53 | 3360.3 | 4360.14 | 6235.81 | 114.68 | 64.38 | 183.16 |
| 19 | Vijaya Bank | 1,260 | 1,549 | 2,421 | 3,098 | 783.4 | 1750 | 2263.62 | 2505 | 62.40 | 21.21 | 7.79 |
| | Total of 19 Nationalised Banks | 83,144 | 76,131 | 94,814 | 88,170 | 75593.2 | 156274.5 | 202960.8 | 302034.4 | 105.98 | 49.24 | 112.37 |

Source: <http://www.iba.org.in/#>

Table-1.2 : Percentage of NPA Provision to Operating Profit in SBI and its Associates During 2015-2018

| S.N | Banks | Operating profit | | | Provision | | Incremental provision to operating profit % | | |
|------------|--------------------------------------|------------------|--------|--------|-----------|----------|---|--------|--------|
| | | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | 2016 | 2017 |
| II | State Bank of India (SBI) | 39,537 | 43,258 | 50,848 | 29134.76 | 42365.78 | 80888 | 30.59 | 75.76 |
| III | Associates of SBI | | | | | | | | |
| 1 | State Bank of Bikaner & Jaipur | 2,104 | 2,305 | 1,942 | 1175.97 | 1597.57 | 3847.09 | 18.29 | 115.83 |
| 2 | State Bank of Hyderabad | 2,914 | 3,293 | 2,910 | 2636.26 | 2847.75 | 8018.11 | 6.42 | 177.68 |
| 3 | State Bank of Mysore | 1,331 | 1,252 | 914 | 1014.84 | 1378.38 | 4090.21 | 29.05 | 296.84 |
| 4 | State Bank of Patiala | 1,599 | 1,828 | 1,455 | 1310.5 | 3498.41 | 7007.04 | 119.71 | 241.17 |
| 5 | State Bank of Travancore | 1,372 | 1,798 | 1,503 | 958.3909 | 1386.288 | 3850.34 | 23.79 | 163.91 |
| | Total of 5 Associates [iii] | 9,320 | 10,475 | 8,724 | 7095.961 | 10708.4 | 26812.79 | 34.49 | 184.60 |
| | Total of SBI group [ii + iii] | 48,858 | 53,733 | 59,572 | 36230.72 | 53074.18 | 107700.8 | 31.35 | 91.70 |

Source:<http://www.iba.org.in/#>

The Table no. 1.2 exhibits the percentage of NPA provision to operating profit in SBI and its associate banks for the period 2015 to 2017 for which previous year value is taken as the base. The total percentage of incremental provision of NPAs to operating profit shows an increase from 31.35 in 2016 to 91.70 in 2017 which shows that the recovery efforts of the banks have become poor and the asset quality has been deteriorated.

Table- 1.3 : Percentage of NPA Provision to Operating Profit in other Public Sector Banks

| S.No. | Name of the Bank | Operating Profit | | | | Provision | | | | Incremental Provision to Operating Profit % | | |
|-------|-----------------------|------------------|-------------|-------------|-------------|----------------|-----------------|-----------------|-----------------|---|---------------|--------------|
| | | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 | 2016 | 2017 | 2018 |
| 1 | IDBI Ltd. | 5,728 | 5,370 | 4,619 | 7,905 | 6692.45 | 10231.68 | 19546.79 | 26923.12 | 65.91 | 201.68 | 93.32 |
| 2 | Bharatiya Mahila Bank | 31 | 4 | 18 | 0 | 0 | 0.64 | 8.83 | 0 | 15.48 | 45.50 | 0 |
| | Total | 5759 | 5374 | 4637 | 7905 | 6692.45 | 10232.32 | 19555.62 | 26923.12 | 65.87 | 201.06 | 93.20 |

Source:<http://www.iba.org.in/#>

Table-1.3 is showing the percentage of incremental provision to operating profit for the period 2015 to 2018 whereby IDBI Ltd. got fluctuating rates as 65.91, 201.68 and 93.32. As it got reduced in 2018, it can be inferred that the recovery efforts has improved. In 2017, the condition was worse. For Mahila bank, the percentage was 15.48 and 45.50 in 2016 and 2017 which was not a positive sign.

The Table 1.4 is showing the comparative analysis of incremental provision to operating profit for the period 2015 to 2018 between all the PSBs whereby the percentage is 73.63 in 2016 and 68.70 in 2017. So the banks have kept lesser amount of provision comparatively in 2017 which is a positive sign of recovery of NPAs during this year.

Table – 1.4 : Percentage of NPA Provision to operating Profit-A Comparison between PSBS

| S. NO | CATEGORY OF BANKS | Operating Profit | | | | Provision | | | | Incremental Provision to Operating Profit % | | |
|-------|-------------------|------------------|---------|---------|--------|-----------|-----------|-----------|-----------|---|--------|--------|
| | | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 | | 2017 | 2018 |
| I | NAT. BANKS | 83,144 | 76,131 | 94,814 | 88,170 | 75593.20 | 156274.50 | 202960.8 | 302034.4 | 105.98 | 49.24 | 112.37 |
| II | SBI GROUP | 48,858 | 53,733 | 59,572 | 0 | 36230.72 | 53074.18 | 107700.8 | 0 | 31.35 | 91.70 | 0 |
| III | OTHER PSBs | 5,759 | 5,374 | 4,637 | 7,905 | 6692.45 | 10232.32 | 19555.62 | 26923.12 | 65.87 | 201.06 | 9 |
| | | 139,776 | 137,254 | 161,040 | 98,093 | 120531.37 | 221597 | 332234.22 | 330975.52 | 73.63 | 68.70 | 0 |

Source:<http://www.iba.org.in/#>

Findings of the Study

After analyzing the data gathered, following findings were identified.

- From 2016 to 2018, the incremental provision of NPA to operating profit percentages of Vijaya Bank are 62.40, 21.21 and 7.79 which is decreasing year by year and implies that the recovery of loans is consistently good. For Indian Bank, the percentages are 29.16, 65.03 and 8.45 for the same years which indicate that the bank’s recovery efforts are extremely good in 2018.
- The overall percentage of incremental provision of NPA to operating profit, there has been a remarkable decrease in 2017. Later, in 2018, the percentage has increased abnormally which shows that the recovery efforts of the banks have become poor and the asset quality has deteriorated.
- The total percentage of incremental provision of NPAs to operating profit shows an increase from 31.35 in 2016 to 91.70 in 2017 which shows that the recovery efforts of the banks have become poor and the asset quality has been deteriorated.
- The percentage of incremental provision of NPAs to operating profit for the period 2015 to 2018 shows that IDBI Ltd. got fluctuating rates as 65.91, 201.68 and 93.32. As it got reduced in 2018, it can be inferred that the recovery efforts has improved. For Bharatiya Mahila bank, the percentage was 15.48 and 45.50 in 2016 and 2017 which was not a positive sign.
- The comparative analysis of incremental provision to operating profit for the period 2015 to 2018 between all the PSBs indicates that the percentage is 73.63 in 2016 and 68.70 in 2017. So the banks have kept lesser amount of provision comparatively in 2017 which is a positive sign of recovery of NPAs during this year.

Suggestions and Conclusion

Effective recovery of loans by the banks would solve many of the crises in the economy. To mention very specifically, the operating profit earned can be well utilized for capital formation rather than sparing it for bad loans. As an effective step, the borrower shall be served notice under SARFAESI Act in case of default in repayment of loan. If he gets a notice under SARFAESI Act immediately on slippage of an account to NPA, that would have more impact than if he received such notice at a later date. In case of action under SARFAESI Act, the banks should go ahead with the concerned stage of action immediately on completion of the mandatory period which has to be provided. Care should be taken that various notices do not get issued without the signatures of the Competent Authority prescribed for such purposes. Similarly suits should be filed with the appropriate court within the limitation period available under the Limitation Act and there should not be any delay, failing which such filing will be barred by the Act. In the name of recovery, banks should never desist from sanctioning of new loans. Unless money is pumped into the system by means of fresh loans, resources for repayment of the existing loans will never emerge. Thus, it is time for the public sector banks to be alert in handling bad loans and the Government to realize the extension of support to such banks.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON THE FACTORS DETERMINING THE CUSTOMERS TOWARDS
DIGITAL PAYMENT SYSTEM IN SHOPPING MALLS
IN THOOTHUKUDI CORPORATION**

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Introduction

Digital payment comprises all non cash payments using electronic devices. Payment through net banking, mobile banking, debit cards, credit cards, e-wallets like paytm, jio pay, amazon pay and so on are some examples of digital payment system. The digital payment system is the emerging payment trend in the modern Indian Retail. The advantages of digital payment system like free from carrying cash, extra discounts and so on are very effective in changing the mindset of the modern retail customers in Indian retail. In the other hand, the physical and psychological difficulties in the digital payment hinders the adoption of digital payment in some circumstances. The major issue in this regard is the availability of digital payment system in the retail outlets in India. Many of the small and unorganized retail outlets do not provide the digital payment option. Hence, the shopping malls are taken into consideration for this study where all the retail outlets seldom refuses the digital payment for some reasons like maximum limit of payment. Even the digital payment system is easy to adapt, the mental and physical constraints restrict the usage of digital payment in some circumstances. Hence, the factors positively and adversely influence the customers of Indian Retail to adopt the Digital Payment is analysed in this study. The factors are divided into four dimensions namely benefits of digital payment, self efficiency in using digital payments, trust and security on digital payments and consumers perception on digital payments. Every dimensions contain four positive statements regarding the digital payments and the customers were asked to rate their response on the five star rating scale. Benefits segment comprises the statements regarding the time saving and cost saving, convenience, faster billing and payment and easy record maintenance. Self efficiency comprises awareness of using digital payment, adoption of digital payment, ease in use of digital payment websites and mechanism. Trust and security comprises trust in privacy maintenance, restriction of fraudulent activities, risk in digital payment and security in using digital payment system. The consumer perception on digital payment system comprises the perception of customers towards the efficiency, reliability and user friendliness of digital payment system.

Review of Literature

Venkatesh and Davis (1996)¹ concluded that users strongly anchor ease of use perceptions about any system to their computer self-efficacy. In the context of E-payment, self-efficacy refers to the judgment of one's ability to use E-payment systems. It has been an important determinant of users' perception toward (Electronic banking) E-banking.

Abrazhevich (2001)² explained that a successful design of E-payment systems from the user point of view is important to attract user's acceptance toward E-payment. In short, content, design, bank

¹ Venkatesh, V. and Davis, F.D. (1996), "A model of the antecedents of perceived ease of use: development and test". *Decision Science*, Vol. 27 No. 3, pp. 451-481.

image and management, and speed are very important characteristics leading to perceived ease of use and subsequently influence consumers' perception of E-payment systems.

According to Yousafzai et al., (2003)³ Trust is defined as a function of the degree of risk involved in financial transactions, and the outcome of trust is reduced perceived risk, leading to positive intentions toward E-payment adoption.

Baddeley (2004)⁴ concluded with regards to E-payment, security can be categorized into three areas. They are systems security, transaction, and legal. This is because E-payment can only be considered as confidential when all phases of the transaction process are capable of satisfying users' needs and their security expectations.

Burton-Jones and Hubona, 2006; Li et al., (2011)⁵ in their research, suggested that the users with higher self-efficacy tend to experience more kinds of communication media and function, while users with lower self-efficacy maybe confined to fewer operations.

Nur and Mohammad (2014)⁶ studied the influence of identified determinants as to the adoption of IFI E-banking among Muslim customers. This study found out that gender, education and employment status are the major influence towards e-banking adoption in Africa.

Objectives

- To study the socio economic background of the customers of shopping malls in Thoothukudi Corporation.
- To study the factors determining the customers towards Digital Payment system in shopping malls in Thoothukudi Corporation.

Scope

The study is confined to the factors determining the customers of retail towards the digital payment system. This study covers only the customers of shopping malls in Thoothukudi Corporation. The people who invade into the shopping malls for purchase are the population of this study.

Methodology

The study uses both primary and secondary data. The primary data required for the study have been extracted from the customers of the shopping malls with the help of structured questionnaire. The secondary data has its source from books, journals, magazines, government publications and through internet sources.

Sampling

Simple random sampling technique was adapted to select the sample for the study. Two days in the month of December two thousand seventeen were selected randomly. Hundred numbers were selected randomly from the first thousand natural numbers. In December fourteenth and twenty fourth the Velavan Hypermarket were visited by the researcher and the customers enter in to the mall in each of those days were counted from one and the sample was selected on the basis of the selected natural numbers. Since the response was medium, only sixty six respondents were willing to participate in the first day for sample, from those two of them were considered as default. In the second day fifty two of

² Abrazhevich, D. (2001), "Electronic payment systems: issues of user acceptance". In Stanford- Smith, B. and Chiozza, E. (Eds), *E-Work and E-Commerce*, IOS Press, Amsterdam, pp. 354-360.

³ Yousafzai, S.Y., Pallister, J.G. and Foxall, G.R. (2003), "A proposed model of e-trust for electronic banking". *Technovation*, Vol. 23 No. 11, pp. 847-860.

⁴ Baddeley, M. (2004), "Using e-cash in the new economy: an economic analysis of micropayment systems", *Journal of Electronic Research*, Vol. 5 No. 7, pp. 239-253.

⁵ Burton-Jones, A. and Hubona, G.S. (2011), "The mediation of external variables in the technology acceptance model", *Information and Management*, Vol. 43 No. 6, pp. 706-717.

⁶ Nur Farrah AinZainuddin and Mohammad Azmi Othman.(2014). "Adoption of E-Banking in Islamic Banking Institutions among Muslim Customers in Malaysia". *International Journal of Applied Business Research*,1(1), 2014.

the selected customers were willing to participate in the sample and six of them were considered as default. Finally, hundred and ten respondents were selected as sample for this study.

Tools for Analysis

Rotated component factor matrix analysis is used to prioritize the factors which are determining the customers' interest towards digital payment in shopping malls in Thoothukudi Corporation.

Analysis

Table 1 : Socio Economic Profile

| | | Gender | | | | | |
|-----------------------|-----------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | Male | | Female | | Total | |
| Age | Below 20 | 3 | 0.90% | 4 | 3.6% | 7 | 6.3% |
| | 21-40 | 40 | 36.40% | 37 | 33.6% | 77 | 70% |
| | 41 – 60 | 19 | 17.30% | 5 | 4.5% | 24 | 21.8% |
| | Above 60 | 1 | 0.9% | 1 | 0.9% | 2 | 1.8% |
| | Total | 63 | 57.3% | 47 | 47 | 110 | 100.0% |
| Education | Illiterate | 1 | 0.9% | 1 | 0.9% | 2 | 1.8% |
| | High School | 5 | 4.5% | 1 | 0.9% | 6 | 5.5% |
| | Higher Secondary | 7 | 6.3% | 11 | 10.0% | 21 | 19.1% |
| | Under Graduate | 17 | 15.5% | 13 | 11.8% | 30 | 27.3% |
| | Post Graduate | 17 | 15.5% | 5 | 4.5% | 22 | 20.0% |
| | Professionals | 11 | 10.0% | 8 | 7.3% | 19 | 17.3% |
| | Others | 5 | 4.5% | 8 | 7.2% | 10 | 9.1% |
| Total | 63 | 57.3% | 47 | 42.7% | 110 | 100.0% | |
| Marital status | Married | 33 | 30.0% | 23 | 20.9% | 56 | 50.9% |
| | Un Married | 30 | 27.3% | 24 | 21.8% | 54 | 49.1% |
| | Total | 63 | 57.3% | 47 | 42.7% | 110 | 100.0% |
| Income | Less than Rs.15,000 | 9 | 8.2% | 10 | 9.1% | 19 | 17.1% |
| | Rs.15,000 - Rs.30,000 | 17 | 15.4% | 17 | 15.5% | 34 | 30.9% |
| | Rs.30,001 - Rs.45,000 | 15 | 13.5% | 9 | 8.1% | 24 | 21.6% |
| | Rs.45,001 - Rs.60,000 | 14 | 12.6% | 5 | 4.5% | 19 | 17.1% |
| | More than Rs.60,000 | 3 | 2.7% | 1 | 0.9% | 4 | 3.6% |
| | No Earning | 5 | 4.5% | 5 | 4.5% | 10 | 9.0% |
| | Total | 63 | 57.3% | 47 | 42.7% | 110 | 100.0% |

Source : Primary Data

Table 1 shows that 70 per cent of the customers are aged between 21 and 40 years and they are followed by the age group of 41 to 60 with 21.8 percentage. 27.3 per cent of the shopping mall customers in Thoothukudi Corporation are under graduates, 20 per cent of the shopping mall customers are post graduates and they are followed by higher secondary school completed customers with 19.1 per cent and professionals by 17.3 per cent. Married and unmarried are evenly poised. The customers whose monthly income is fifteen thousand to thirty thousand rupees are high in the percentage of the customers who are purchasing in shopping malls with 30.9 percentage and they are followed by the customers whose monthly income is thirty thousand to forty five thousand rupees with 21.6 per cent. The persons who have no source of earning also prefer to visit shopping malls.

Factor Analysis

Factors determining the customers' interest towards digital payment in shopping malls are stated here and this part of analysis tries to prioritize the factors which are determining the customers' interest towards digital payment in shopping malls in Thoothukudi Corporation. To attain the above stated goal, dimension reduction factor analysis with rotated compound matrix is adopted.

Table 2 : Rotated Matrix Factor Analysis

| Variables | Factor 1 | Factor 2 | Factor 3 | Factor 4 |
|--|----------|----------|----------|----------|
| Digital payment saves my time and cost | .897 | -.234 | .219 | .173 |
| It is so convenient | .961 | -.105 | -.164 | -.021 |
| Billing and payment are faster than cash payment | .586 | -.085 | -.205 | .036 |
| I can record and review my expenditure periodically | .559 | .420 | -.116 | -.027 |
| Digital payment is better than cash payment | .276 | .181 | .766 | -.183 |
| Digital payment is efficient than cash payment | -.184 | .252 | .856 | .054 |
| Digital payment is more reliable than cash payment | -.135 | -.010 | .507 | -.104 |
| Digital payment methods are easy to adapt | .480 | -.073 | .547 | -.366 |
| If I know digital payment in my early days, I would have been used it | .213 | .621 | -.026 | -.096 |
| My friends' and relatives' experience on digital payment is impressed me to use it | -.077 | .742 | -.241 | .074 |
| The digital payment websites and machines are easy to understand | .243 | .560 | -.158 | .135 |
| Learning to use digital payment is easy | .243 | .899 | .345 | -.139 |
| I trust in digital payment system and it protect my privacy | .312 | .278 | .391 | .543 |
| No fraudulent activities are in digital payment system | .362 | .167 | .384 | .666 |
| Risk in digital payment is very low | -.464 | .010 | .445 | .620 |
| I am not concerned about my security while using digital payment system | -.596 | -.193 | -.095 | .530 |

Table 2 reveals the rotated matrix eigen value. The high loaded factor in first factor matrix is taken as the first priority determining factor that is 'Benefits'. The eigen values in the next four factors are taken into account and the highly loaded groups of variables are taken as the respective determining factors namely 'self efficiency', 'customers' perception on digital payment' and 'Trust & Security'.

Table 2.1 : Factor 1 – Benefits

| Variables | Factor Loading | Communality |
|---|----------------|-------------|
| Digital payment saves my time and cost | .897 | 0.938 |
| It is so convenient | .961 | .953 |
| Billing and payment are faster than cash payment | .586 | 0.513 |
| I can record and review my expenditure periodically | .559 | 0.597 |

Table 2.1 reveals that convenience is the main factor in this category, hence it is loaded 0.961 in eigen value and 0.953 in the communality value and it is followed by 'time and cost saving' with eigen value of 0.897 and communality value of 0.938. The other variables in the benefit factors are loaded moderately. They are; 'faster billing and payment', and 'easy record and review of expenditure' respectively.

Table 2.2 : Factor 2 – Self Efficiency

| Variables | Factor Loading | Communality |
|--|----------------|-------------|
| If I know digital payment in my early days, I would have been used it | .621 | 0.536 |
| My friends' and relatives' experience on digital payment is impressed me to use it | .742 | 0.622 |
| The digital payment websites and machines are easy to understand | .560 | 0.441 |
| Learning to use digital payment is easy | .899 | 0.802 |

Table 2.2 portrays that ‘easy learning to use digital payment’ is loaded high in both eigen value(0.899) and communality value(0.802) and it is followed by ‘friends’ and relatives’ experience on digital payment impressed me to use’ with eigen value of 0.742 and communality value of 0.622. ‘unaware of digital payment delays the adaptation of digital payment’ and ‘digital payment website and machines are easy to understand’ are the variables loaded respectively in the Self Efficiency factor.

Table 2.3 : Factor 3 –Customer Perception on Digital Payment

| Variables | Factor Loading | Communality |
|--|----------------|-------------|
| Digital payment is better than cash payment | .766 | 0.912 |
| Digital payment is efficient than cash payment | .856 | 0.937 |
| Digital payment is more reliable than cash payment | .507 | 0.558 |
| Digital payment methods are easy to adapt | .547 | 0.837 |

Table 2.3 reveals that ‘digital payment is efficient than cash payment’ is loaded high in both eigen value and communality value and it is followed by ‘digital payment is better than cash payment’ with eigen value of 0.766 and communality value of 0.912. ‘digital payment method re easy to adapt’, and ‘digital payment is more reliable than cash payment’ are the variables loaded respectively in the customer perception on Digital Payment factor.

Table 2.4 ; Factor 4 – Trust & Security

| Variables | Factor Loading | Communality |
|---|----------------|-------------|
| I trust in digital payment system and it protect my privacy | .543 | 0.684 |
| No fraudulent activities are in digital payment system | .666 | 0.875 |
| Risk in digital payment is very low | .620 | 0.815 |
| I am not concerned about my security while using digital payment system | .530 | 0.685 |

Table 2.5 shows that ‘no fraudulent activities are in digital payment system’ is loaded high in both eigen(0.666) value and communality value(0.875) and it is followed by ‘risk in digital payment is very low’ with eigen value of 0.620 and communality value of 0.815. ‘trust in digital payment and privacy’, and ‘not concerning security while using digital payment system’ are the variables loaded respectively in the infrastructure factor.

Findings

Age : Customers whose age is between 21 and 40 years are the majority customers of shopping malls in Thoothukudi Corporation and they are followed by the customers whose age group is 41 to 60 years.

Educational Qualification : Under graduate customers invade to shopping malls more in Thoothukudi Corporation and they are followed by post graduate customers and the customers who passed out the higher secondary school.

Marital status : Married and unmarried are evenly poised.

Monthly Income : The customers whose monthly earning is between fifteen thousand and thirty thousand rupees are high in the percentage who are purchasing in shopping malls and they are followed by the customers who are earning thirty thousand to forty five thousand rupees. The persons who have no source of income also prefer to visit shopping malls.

Factors determining the customers to use Digital Payment System : Priority of the factors which are determining the customers’ interest towards digital payment in shopping malls in Thoothukudi Corporation is as follows: 1. Benefits, 2. Self Efficiency, 3. Customer Perception on Digital Payment, and 4. Trust & Security

Benefits : ‘Convenience’ and ‘Time and Cost saving’ are the variables which are loaded high in the factor benefit

Self Efficiency: ‘Easy learning to use digital payment’ and ‘friends’ and relatives’ experience on digital payment impressed me to use’ are the two variables which are loaded high in the factor Self Efficiency.

Customer Perception on Digital Payment : ‘Digital payment is efficient than cash payment’ and ‘digital payment is better than cash payment’ are the two variables which are loaded more in the factor customer perception on Digital Payment.

Trust and Security : ‘No fraudulent activities are in digital payment system’ and ‘risk in digital payment is very low’ are the two variables which are loaded high in the factor Trust & Security.

Suggestions

Benefit is the main factor which influence the mindset of the customers to adopt digital payment system than traditional methods and the customers prefers convenient payment system and time and cost saving one. Hence, the convenience in paying bills using digital payment system and the time & cost saving should be focused in the advertisements.

Conclusion

This study focuses on the factors determining the customers towards digital payment in shopping malls in Thoothukudi Corporation and it successfully prioritize four important factors which are positively influenced the customers of Thoothukudi Corporation shopping mall customers to digital payment. Findings of this study help to give two necessary suggestions to the advertisement designers and the management of the shopping malls in Thoothukudi Corporation which focuses on emphasizing the benefits of Digital Payment to the customers. This cannot be generalized to the other area shopping malls. This study focuses only the Thoothukudi Corporation.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON CUSTOMER'S COGNIZANT TOWARDS DIGITAL
BANKING IN DINDIGUL**

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Introduction

Banking is practically a Service oriented activity. Indian Banking Industry today is the midst of an IT revolution. A Contribution of regulatory and competitive reasons has made the inevitability of total banking automation in the Indian banking industry. The Software packages for banking applications in India had their beginnings in the middle of 80's. When the banks started computerizing the branches in a limited manner. The early 90's saw the plummeting hardware prices and advent of cheap and inexpensive but high powered personal computers and servers. The banks went in for what was called Total Branch Automation (TBA) packages.

The concept of web based banking which came into existence in the middle and late 90's witnessed to financial reforms, deregulation, globalization etc. Coupled with rapid revolution in Communications technologies and evolution of novel concept of convergence of computer and communication technologies like internet, mobile phones and the like.

Digital banking is a part of the broader context for the move to entire banking, where banking services are delivered over the internet. The shift from traditional to digital banking has been gradual and remains Ongoing, and is constituted by differing degrees of banking service digitization.

Statement of the problem

Every bank in the city provides different services to their account holders. Though they provide various facilities the customers of banks faced frequent delay, inaccuracy, refusal of service, negligence of bank personnel and the like customers of today find no time to wait in long queues. Banks are forced to take the liability of removing these discrepancies.

applications. Technological developments enhance banks to migrate to the next level, whenever necessary. With the innovation of banks offer like Money deposits, Withdrawals and transfers, checking and saving account management, Applying for financial products, loan management, Bill pay, Account Services etc.

Some people are aware and some people are unaware of the facilities through Digital banking. Though they have awareness they do not use the latest invention which is highly beneficial and convenient. So, the researcher has selected the topic to study whether people are aware of it and also to make use of the digital banking facility offered by banks.

Objectives of the study

- To Study the Profile of digital banking.
- To analyze the Customer's Cognizant of digital banking in Dindigul.

Research Design and Methodology

Research Design: Exploratory research has been used for this study purpose. It is meant to provide more information about the problem. In this study exploratory research is used to find out the customer awareness about digital banking.

Data : Data has been collected from primary sources with well- structured Questionnaire from 50 respondents in Dindigul.

Sampling design : Non probability Sampling is that Sampling procedure which does not afford any basis for estimating the probability that each item in the population has a chance of being included in the Sample.

Sampling Method : The respondents have been selected by using convenience Sampling method as the data have been collected from the customers of various banks in Dindigul.

Framework of analysis : Percentage analysis only used for this study purpose.

Operational definition : Digital banking Services are banking services that are offered to a customer on their internet enabled computer, Smart phone or tablet. This form of customer banking is for better than actually visiting a bank.

Age of the Respondents

Table 1.1 : Age Wise Classification

| Age | Number of respondents | Percentage |
|--------------|-----------------------|------------|
| 20-30 | 20 | 40 |
| 30-40 | 21 | 42 |
| 40-50 | 6 | 12 |
| 50-60 | 2 | 4 |
| Above 60 | 1 | 2 |
| Total | 50 | 100 |

Source: primary data

Majority of the respondents (42%) fall in the age group of 30-40 years.

Gender of the respondents

Table 1.2 : Gender of the respondents

| Gender | Number of respondents | Percentage |
|--------------|-----------------------|------------|
| Male | 32 | 64 |
| Female | 18 | 36 |
| Total | 50 | 100 |

Source : Primary data

Most of the respondents (64%) are male.

Sources of information

Table 1.3 : Sources of Information about Digital Banking

| Sources | Number of Respondents | Percentage |
|------------------------|-----------------------|------------|
| Trough friends | 13 | 23 |
| Bank enquiry section | 5 | 10 |
| Bank representatives | 2 | 4 |
| Bank pamphlets | 7 | 14 |
| Bank websites | 18 | 36 |
| Newspapers | 2 | 4 |
| Journals and magazines | 3 | 6 |
| Television | - | - |
| Total | 50 | 100 |

Source: Primary data

Majority of the respondents (36 %) get information from the Bank websites.

Table 1.4 : Preference for digital Banking services

| Preferences | Number of respondents | Percentage |
|------------------------|-----------------------|------------|
| Business loans | 4 | 8 |
| Checking accounts | 15 | 30 |
| Savings accounts | 8 | 16 |
| Debit and Credit cards | 9 | 18 |
| Merchant services | 5 | 10 |

| | | |
|-----------------|-----------|------------|
| Cash management | 9 | 18 |
| Total | 50 | 100 |

Source : Primary data

Majority of the respondents are preferred services for Checking accounts.

Table1.4 : Motivational Factors of Digital Banking Services

| Reasons | Number of Respondents | Percentage |
|--|-----------------------|------------|
| Time saving | 28 | 56 |
| Cost effective | 5 | 10 |
| Effective service | 7 | 14 |
| Accurate information | 8 | 16 |
| Security for threats to lose information | 2 | 4 |
| Total | 50 | 100 |

Source : Primary data

While analyzing the factors for selecting a particular digital banking service majority of the respondents felt that saving in time is the major motivating factor.

Conclusion

Digital banking is a recently developed concept in India. Compared to western countries, India is for behind in this concept. Event though having the highest traditional branch banking system we are not able to fully utilizes digital banking system. The study shows that though most of the people know about digital banking, they are reluctant in making use of digital banking. The reasons behind it are internet user base is limited, cost, lack of infrastructure to advanced technology based banking service and no proper guidance by bankers. But now a day's almost majority of the bank account holders use few facilities of digital banking.

Apart from improving the technical aspects, security of transactions etc., it is more important that awareness among the public should be created in a more fascinating way to attract customers to digital banking as customized habit when the customer base increased the more opted digital banking services can plough revenue to the national income. To makes people aware about digital banking and to get advantage of digital banking high degree of infrastructure development has to take place.

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Emerging Trends in Banking, Insurance and International Trade
**DEMONETIZATION AND SOCIAL CHANGE: A RECENT TREND IN
BANKING SECTOR**

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Introduction

Demonetization is the process of withdrawal of older currency notes with new currency. The Prime minister of India Narendra Modi announced that the higher denominations of Rs.500 and Rs.1000 were withdrawn from circulation on November 8, 2016. The real aim of demonetization was formalization (of the economy), attack on black money, less-cash economy, bigger tax base, digitalization and wiping off terrorism. Many economists and activists strongly defended the declaration. The common public suffered a lot to change their hard earned money and this had a greater breach in the entire economic system and it took such a long time to accustom the changes by the people.

Demonetization in 1946 and 1978

The announcement of demonetization in November 8th 2016 is the third time in India. India has pulled select denominations of its currency twice this before. The first was when Rs1,000, Rs5,000, and Rs10,000 notes were taken out of circulation in January 1946, a year and a half before the country won independence from the British. The Rs10,000 notes were the largest currency denomination ever printed by the Reserve Bank of India, introduced for the first time in 1938. All three notes were reintroduced in 1954.

Then, in 1977, the Janata Party coalition government came into power. A year into the government's term, party leader Morarji Desai was more optimistic about cracking down on counterfeits and black money. The High Denomination Bank Notes (Demonetisation) Act, instated by the ruling party on Jan. 16, 1978, deemed the Rs1,000, Rs5,000 and Rs10,000 notes illegal for the second time. At the time, then-RBI governor I.G. Patel disagreed with the measure and accused the Janata coalition government of trying to cripple the corrupt predecessor governments instead of simply eradicating black money.

I.G Patel was governor of RBI when the ordinance was promulgated in 1978. He was not happy about the government move. "Mostly Economics" quotes the relevant part from Patel's memoirs which are as follows. "such an exercise seldom produces striking results. Most people who accept illegal gratification or are otherwise the recipients of black money do not keep their ill-gotten earnings in the form of currency for long. The idea that black money or wealth is held in the form of notes tucked away in suit cases or pillow cases is naïve. And in any case, even those who are caught napping— or waiting—will have the chance to convert the notes through paid agents as some provision has to be made to convert at par notes tendered in small amounts for which explanations cannot be reasonably sought. But the gesture had to be made, and produced much work and little gain."

Demonetisation: The Favour Side

Black Money tracking

This move will help the government to track unaccounted black money or cash on which income tax has not been paid. Individuals who are sitting on a pile of cash usually do not deposit the amount in the bank or invest anywhere as they would be required to show income or submit PAN for any valid financial transactions. They would hide it somewhere and use it as and when necessary. Banning

high-value currency will impact people who will have no option, but, to declare income and pay tax on the same or destroy the cash somehow. Now, it is not possible to hide the money as the notes have been declared invalid.

Reduction in Illegal Activity

Banning high-value currency will halt illegal activity as the cash provided for such activities has no value now. Black money is usually used to fund the illegal activity, terrorism, and money laundering. Fake currency circulation will come to a halt in a single shot. Corrupt officers, money launderers are under threat as Income tax department is taking all the measures to track such people.

Increase in Tax Payment

Most of the businessmen who have been hiding some income are ready to pay advance tax as current year's income. Tax payers who have been hiding some income can come forward to declare income and pay tax on the same. Individuals are required to submit PAN for any deposit above Rs 50,000 in cash, which will help tax department to track individuals with high denominations. Also, deposit up to Rs 2.5 lakh will not come under Income tax scrutiny.

Jan Dhan Yojana

Now individuals are depositing enough cash in their Jan Dhan accounts which they were reluctant to do so a few days back. The amount deposited can be used for the betterment of the country.

Demonetisation: The Black Side

Demonetization

It may cause inconvenience for initial few days for those who have to start running to the banks to exchange notes, deposit amount or withdraw the same. The situation can turn chaotic if there is a delay in the circulation of new currency. Individuals who have an upcoming wedding are the ones who have to make alternative arrangements to make payments. However, the government has given higher withdrawal limit in such cases.

Cost of Currency Destruction

After the declaration, news spread that many individuals have burnt their cash and discarded the same, which is a loss to the economy. The government has to bear the cost of printing of new currency and its circulation. It makes sense when benefits of demonetization are higher. The cost of currency printing is a burden on the tax payers and is one of the many disadvantages of demonetization.

Demonetisation: The Reality

The original reason given for the drastic demonetization action was to expose the so-called "black" market, fueled by money that is illegally gained and undeclared for tax purposes. The existence of this parallel economy is a substantial drag on the Indian economy: According to recently released data, only about 1% of Indians paid taxes on their earnings in 2013. When the policy change was announced, people were given until December 30, 2016, to return 500- and 1,000-rupee notes to banks, or else risk losing the value of them.

According to a Bloomberg report, banks were estimated to have received 14.97 trillion rupees (around \$220 billion) by the December 30 deadline, or 97% of the 15.4 trillion rupees' worth of currency demonetized. While the actual value of the currency deposited is still to be formally accounted for, there is little doubt that most of the invalidated currency was returned. Sorting through the money deposited and figuring out its legitimacy will take time. These rates of deposits defied expectations that vast troves of undeclared wealth would not find their way back to the banks and that black marketeers would lose this money since they would not be able to deposit their undeclared cash

without being found out. This didn't happen, presumably in part because of people's ingenuity: They found many ways to get their money back into banks, whether it was legitimate or not.

It would have been better to demonetize less-commonly-used large-denomination bank notes (Larry Summers wrote about the idea here). India invalidated the 500-rupee and 1,000-rupee banknotes (worth approximately \$7.50 and \$15, respectively), which represented 86% of all currency in use. These widely used currencies affected a very large swath of people, from all parts of the socioeconomic spectrum, including the poor.

Besides, when corrupt people need places to park their ill-gotten gains, cash normally is not at the top of their list. Only a tiny proportion of undeclared wealth is held in cash. In an analysis of income-tax probes, the highest level of illegal money detection in India was found to be in 2015–2016, and the cash component was only about 6%. The remaining was invested in business, stocks, real estate, jewelry, or “benami” assets, which are bought in someone else's name.

Innovation and Creativity Emerged Around Digital Payments

The unqualified winners of the demonetization period were the mobile wallet players, with the market leader, Paytm, claiming 170 million users, with a traffic increase of 435%, and a 250% increase in overall transactions and transaction value. Arguably, the surge in business for mobile wallets was natural, at least for the 17% of the population that owned a smartphone in early 2016.

Here, the government's innovative capacity shone through. The government-backed payment app, BHIM, facilitated electronic transfers between bank accounts; users could enter their unique, 12-digit Aadhaar ID number to make payments. The easy-to-use system works on an ordinary flip phone — no internet-enabled smartphone required. In other words, it was an inclusive solution, and, if the service continues to improve, it stands a chance of scaling up to India's large market. Plus, there are plans to mandate digital payments at gas stations, hospitals, and universities, with cash transactions over \$4,500 banned altogether. Indian Railways will no longer levy a service charge on tickets booked online, and the government is removing duties on point-of-sale devices and fingerprint readers. Putting aside the policy missteps, these moves are a shot in the arm to the ecosystem around digital payments and consumer-and-context-friendly technology.

Data Quality and Context Still Matter — a Lot

Official estimates from India's Central Statistics Office (CSO) on GDP growth have shown that the economy grew at 7% in the quarter ending December 2016. This was exactly what was predicted in the CSO's advance estimate, before demonetization. That means demonetization had no impact whatsoever on the economy, which is surprising, given the widely reported experiences of the closings of small factories and businesses, workers losing their wages, and projects being postponed.

There are several problems with the CSO's figures. First, there is a lag between the time when estimates are made and when actual data comes in. Much of this estimation is done on the basis of models relying on past data, which is much less reliable when an event such as demonetization occurs. Second, the informal sector plays a disproportionate role in the country's economy; by one estimate it produces 45% of the output and employs 94% of the workforce. It is the sector on which it is hard to get reliable direct data. The informal sector is also primarily cash-reliant and bore the brunt of demonetization.

Conclusion

The government takes all the necessary actions to meet the currency demand and ensure the smooth flow of new currency. New notes in circulation now with denomination of Rs 2,000 for the very first time. There are also new Rs 500 notes in circulation, which are very thin and have great security features. Now there is whole lot of new currency that is in circulation. There are also plans to include new currency in other smaller denominations, especially Rs 100. The government had announced demonetization of Rs 1000 and Rs 500 note on November 8, 2016. A demonetization is a

tool useful for eradication of black money. After demonetization of Rs 1000 and Rs 500, the government introduced new Rs 500 but not Rs 1000. Instead of Rs 1000, the new Rs 2000 introduced not only these RBI printed new RS 200 notes. Many now argue that the process of demonetization had little impact on black money, given that 99 per cent of the notes were surrendered back to the bank. The cash ban had forced the RBI to print new notes and in new denominations.

In the context of India's larger problems, demonetization seems like an even stranger crusade. Given that the country faces acute crises in education, agriculture, healthcare, water, energy, and almost every other field, Modi's decision to mobilize the nation's people and resources to contend with the form and function of its legal tender seems like a strange battle to pick. The complete hijacking of the public discourse and political mind-share is a lost opportunity to engage on more pressing issues, as the airwaves have been clogged with only news of demonetization for several weeks.

Demonetization's impacts, especially in an economy as large and complex as India's, are poorly understood. While the initiative may have long-term economic benefits, these will likely prove to be underwhelming in comparison to Modi's grandiose vision of defeating terrorism, eradicating black money, and catapulting India into the digital century. Rather, India might have been better off if Modi had dedicated more time to building a productive relationship with his opponents in Parliament and focused on enacting legislation to address India's real problems. By exhausting the public and irking his opponents in his pursuit of a short-term "silver bullet," Modi may have foregone the opportunity for real long-term change.

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Emerging Trends in Banking, Insurance and International Trade
STUDY ON YOUTH PERCEPTION OF DIGITAL PAYMENT MODE

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Abstract

In recent times an extraordinary development of internet and Mobile phone in India has been observed. Expanding utilization of Internet, portable penetration and government activity has prompted digital India to exponentially develop in Digital payment. Electronics Consumer transaction made at Point of Sale (POS) for products and services either through Internet banking or transferable financial utilizing mobile phone or card payment are called as Digital payment. The digital space has not only revolutionized the way we manage our finances, but they have also made contactless and cashless transactions the preferred choice of many among us. And, with digital wallets, quick response (QR) codes, Near Field Communication (NFC) technology, sound wave systems, virtual cards, unified payment interface (UPI) and Aadhaar Pay offering top-notch secure payments options, the Smartphone has become the most sought after all-in-one device. This study observes the preference of digital payment through different mobile apps by youngsters

Keywords: Digital Payment, Cash less transaction, Mobile apps, Youth perception

Introduction

India is moving forward on the way to the most significant digital resolution and digital payment system. It will be an important landmark in the regime of the cashless economy in the coming years. The digital payment system has remarkable momentum in India. Presently, around 60 percent of the transaction in India is taking place through digital platforms. Nowadays, carrying a mobile phone has become a status symbol for young people and the use of mobile applications has helped them to make anything and everything possible. The main aim of this survey is to analyze the perception of young people towards mobile apps usage and acceptance of digital payments. It is the study about the perception of youth towards digital payment acceptance through mobile apps in Madurai District.

Objectives

- To know about various modes of payment other than cash
- To list out various Mobile apps used by youngsters
- To analyze the responses in aspects related to digitalization.
- To find out the future of digital payments in India

Various Modes of Payments

As a part of promoting cashless transactions and converting India into less cash society, various modes of digital payments have emerged.

Banking Cards : Cards are provided by banks to their account holders. These have been used for digital payment till now. Many people use cards for transferring funds and the most digital payments. Credit cards, debit cards and prepaid cards are the main types of cards. Cards are among the most widely used payment methods and it has various features and benefits such as security of payments, convenience, etc. The main advantage of debit/credit or prepaid banking cards is that they can be used to make other types of digital payments also.

Netbanking : Internet banking refers to the process of carrying out banking transactions online. These may include many services such as transferring funds, opening a new fixed or recurring deposit, closing an account, etc. Internet banking is usually used to make online fund transfers via NEFT, RTGS or IMPS. Banks offer customers all types of banking services through their website and a customer can log into his/her account by using a username and password. Unlike visiting a physical bank, there is no time restriction for internet banking services and they can be availed at any

time and on all 365 days in a year. There is a wide scope for internet banking services.

Mobile Banking: Mobile banking is referred to the process of carrying out financial transactions/banking transactions through a smart phone. The scope of mobile banking is only expanding with the introduction of many mobile wallets, digital payment apps and other services like the UPI. Many banks have their own apps and customers can download the same to carry out banking transactions at the click of a button. Mobile banking is a wide term used for the extensive range or umbrella of services that can be availed under this.

E-wallets : E-wallet is next cashless payment option. E-wallet can be used to purchase products starting from grocery to airline tickets. In order to use E-wallets customer and merchant, both require a smart phone with active internet connection.

USSD (Unstructured Supplementary Service Data) :USSD is a cashless payment option if you don't have a smart phone or internet connection. Unstructured Supplementary Service Data is mobile banking service. From any mobile phone, you can dial *99# and use this service. You can do all these things which are available to a person with smart phone and internet connection. Almost all banks including SBI, ICICI, Axis Bank and PNB support USSD payment option.

The above mentioned options are the most preferable cashless payment options by the customers.

Various Mobile Apps Preferred by Youngsters

Paytm : Paytm is the largest mobile payment app in India. It was launched in 2010 and rose exponentially in the last couple of years. Paytm faced the competition from other mobile wallets like MobiKwik, Freecharge etc but eventually became the country's largest mobile commerce platform. Today there are lakhs of merchants in India who accept Paytm payments.

BHIM UPI : BHIM UPI is an initiative from Government of India with a vision to make this country cashless. It's not particularly a mobile wallet. But it can be used to quickly send and receive funds. It has got a very simple user interface and it just takes seconds to transfer funds using this app.

PhonePe : PhonePe is a revolutionary way to make mobile payments in India. From UPI payments to recharges, money transfers to online bill payments, you can do it all on PhonePe. PhonePe is way better than Internet Banking and offers you the safest and fastest online payment experience in India.

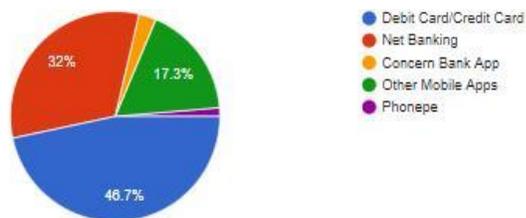
Google Pay : Google Pay is a digital wallet platform and online payment system developed by Google to power in-app and tap-to-pay purchases on mobile devices, enabling users to make payments with Android phones, tablets.

Other than the above, there are many mobile apps available in the market. The above listed apps are the most trending apps in the digital market.

Survey Analysis

This survey was sent via email and WhatsApp through a link. Respondents were randomly selected in and around Madurai. They were selected from various colleges and various working sectors. This survey had 118 respondents, with 74 students, 24 private sector employees, 16 self employed and 4 public sector employees.

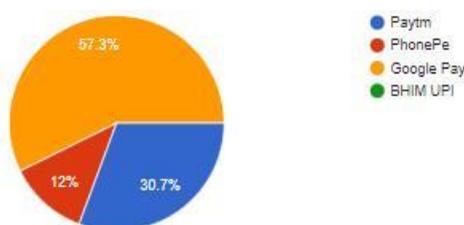
This survey clearly highlights the trending changes in digitalization and digital apps usage by the youngsters. In this survey the respondents prefer various payment options other than cash. Their preferences are pictured as below.



Payment mode preferred Other than Cash

Source: Primary Data

Here, other than cash, the respondents prefer other options to execute their payment and transactions. In order to find out respondent's perception, most of them (46.75%) preferred Banking cards options. i.e., Debit Cards and Credit cards and 32% prefer Net banking facility. 17.3 % of respondents prefer and use other mobile payment app for their transactions. We also took a survey on the most preferred trending app used by the respondents. Here the survey response is displayed.



Trending apps in Digital Payment

Source: Primary Data

In that survey we have questioned their preference on mobile apps usage for their transactions. For that question, they have answered as, 57.3% of respondents used Google pay, 30.7% used Paytm app and 12% used PhonePe app for various reasons of mobile recharge, ticket booking, online ordering and fund transfer etc.,

Finally majority of the respondents said that they are ready to adopt to new technological digital payment systems in their future. They all welcomed the New Digital payment world.

Hypothesis

In that survey, 26 Female respondents and 15 Male respondents are not willing to prefer other payment methods. On the basis of this data, the hypothesis has been framed as displayed below and the value also calculated.

H0 - There is no significant relationship between male and female preferences towards digital payment.

Chi-square test - gender and digital payment preference

| | Chi-square | Significant |
|-------------------------------------|------------|-------------|
| Gender & Digital payment preference | 0.458 | 0.002 |

Source: Primary Data

Chi-square test is used to test the hypothesis. The test value 0.458 and the significant level 0.002 ($p < 0.05$). Hence the hypothesis is rejected and digital payment preferences vary with male and female.

Future of Digital Payment System

The future of digital payments is very bright. In India, It is experiencing a remarkable growth in digital payments. In 2017-18, a total of Rs.4018 billion transacted through mobile banking as compared to Rs. 60 billion in 2015-16. The percentage of digital payments through other modes is also increasing significantly.

Digital revolution has provided an easy way to go for digital payments. India has more than 1000 crore active mobile connections and more than 22 crore smart phone users as of March 2017. This number is going to increase further with a faster internet speed. The reach of mobile network, Internet and electricity is also expanding digital payments to remote areas. This will surely increase the number of Digital payments.

The Government is supporting digital payments a lot. It has reduced some taxes and announced incentives for digital payments. Due to these incentives and waivers, more people are showing interest in digital payments.

It is also more convenient than cash payments. We need not carry a lot of cash with us all the time. We can make digital payments in a second. The change is not a concern with digital payments when we can pay the exact amount. We will also have all our payments recorded automatically. We all love simplicity and transaction can be made at ease. Hence we can say that Digital payments are the future of fund transfer and money transactions.

This study shows that the emerging trends in banking sector has shifted from traditional banking system to digital banking and payment system through Banking cards, Net Banking and various Mobile apps like Google pay, Paytm and PhonePe etc.,

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Emerging Trends in Banking, Insurance and International Trade
**LEVEL OF CUSTOMER SATISFACTION - A STUDY WITH REFERENCE
TO INDIAN BANK TIRUCHENDUR BRANCH**

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Introduction

Banking sector is the back bone of any financial system and economy. Banking is considered to be the nerve centre to trade, commerce and; business in a country It plays a vital role in distributing the money for the development of trade, industry and commerce. Therefore we may say that banking is the life blood of modern commerce. Bankers are not only dealers in money but also leaders in economic development of a country. There may be an economic crisis in the country if the banks stop functioning even for a few days.

Banks cater the needs of agriculturalists, industrialists, trade and to all the other sections of the society. Thus, they accelerate the economic growth of a country and steer the wheels of the economy towards its goal of self-reliance in all fields.

Commercial banks are the backbone of the Indian banking system. Commercial banks comprise public sector banks, private sector banks and foreign banks operating in India. Commercial bank plays an important role in the economic development of a country.

Customer as a King

“Customer is the most important visitor in our premises. He is not dependent on us. we are dependent on him..He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business. He is a part of it. We are doing him a favour by giving us an opportunity to do so.,” So said the Father of the Nation, Mahatma Gandhi long ago.

The Gandhian concept of customer accepted by banks exhibit their customer orientation. Transitions of bank from class banking to mass banking and thrust upon profitability in recent period have led them towards customer orientation. Now it is their duty to accept the principle of customer as “King” in service industry in the present era of cut throat competition. With the advancement of science and technology, our world has reduced to global village. Thus, change is both inevitable and desirable. In such a situation, customer orientation has become the key word for competitive success.

Banks cannot exist without customers. Customer satisfaction should be the focal point. That alone serves the banks objective of maximisation of profit. it is obvious that a bank cannot think of making profit without customers. It is well established that satisfied customers are key to long-term business success.

Customer Satisfaction

Business always starts and closes with customers and hence the customers must be treated as the King of the market. All the business enhancements, profit, status, image etc of the organization depends on customers. Hence it is important for all the organizations to meet all the customers’ expectations and identify that they are satisfied customer.

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. It can only be attained if the customer has an overall good relationship with the supplier. In today's competitive business market place, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.

Customer satisfaction is a part of customer's experience that exposes a supplier's behaviour on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc.

Customer satisfaction is the overall essence of the impression about the supplier by the customers. This impression which a customer makes regarding supplier is the sum total of all the process he goes through, right from communicating supplier before doing any marketing to post delivery options and services and managing queries or complaints post delivery. During this process the customer comes across working environment of various departments and the type of strategies involved in the organization. This helps the customer to make strong opinion about the supplier which finally results in satisfaction or dissatisfaction.

Customer's perception on supplier helps the customer choose among the supplier on basis of money value and how well the delivered products suit all the requirements. The supplier's services never diminishes after the delivery as customer seeks high values post marketing services which could help them use and customize the delivered product more efficiently. If he is satisfied with the post marketing services then there are good chances for supplier to retain the customers to enhance repeated purchases and make good business profits.

It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer satisfaction. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. Even if the products are identical in competing markets, satisfaction provides high retention rates. For example, shoppers and retailers are engaged with frequent shopping and credit cards to gain customer satisfaction, many high end retailers also provide membership cards and discount benefits on those cards so that the customer remain loyal to them.

Higher the satisfaction level, higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit.

$$\text{Customer satisfaction} = \frac{\text{Actual Performance by the firm}}{\text{Customer Expectations}}$$

Statement of the Problem

In todays through competition, every company in the service sector tries hard to satisfy its customers. Prior to the LPG era the banking sector in India was operating in a protected environment and was dominated by public sector banks. LPG the public sector banks started facing competition from the new private and foreign banks that had international banking standard. the regularly new services to attract new customers and to retain the present ones.

Good business growth is achievable only with good customer service and with a good image of banks. The measurement of customer service is a pre-requisite for improving customer satisfaction. Hence, the present study on level of customer satisfaction -a study with reference to Indian bank in Tiruchendur Branch makes an attempt o evaluate the quality of customer service and to study the extent to which customers of Indian Bank are satisfied. This helps the Indian Bank to make changes in their services in order to satisfy the customers and complete with other banks.

Objectives of the Study

The main objectives of the study are as follows:

- To evaluate the services offered by Indian Bank Tiruchendur Branch
- To measure the satisfaction level of the customers about the services of Indian Bank Tiruchendur Branch.

Methodology

The validity of any research is based on the systematic method of data collection and analysis. Both primary and secondary data were used for the present study. In order to study the views of the customers and extend of their satisfaction, stratified sampling method have been adopted and sample of 100 customers were identified from Indian Bank Tiruchendur Branch. Data has been analysed by using percentages interpreted for meaningful inferences.

Data Analysis and Interpretation

Level of Customer Satisfaction Regarding the Services of Indian Bank Tiruchendur Branch
The view of respondents on various services provided by Indian in Tiruchendur Branch is given in table 1.

Table – 1

| Sl. No | Factors | Number of Respondents | | |
|--------|----------------------------------|-----------------------|-----------|--------------|
| | | Highly Satisfied | Satisfied | Dissatisfied |
| 1 | Seating arrangements | 51 | 18 | 1 |
| 2 | Writing arrangements | 21 | 65 | 14 |
| 3 | Fans and Lightings | 23 | 70 | 7 |
| 4 | Drinking Water | 5 | 70 | 25 |
| 5 | Parking Space | 5 | 49 | 46 |
| 6 | Procedure for opening an account | 30 | 56 | 14 |
| 7 | Bank savings interest rate | 16 | 64 | 20 |
| 8 | Bank loaning interest rate | 11 | 74 | 15 |
| 9 | Modern bank equipments | 16 | 80 | 4 |
| 10 | Behaviour of bank staff | 20 | 75 | 5 |
| 11 | Bank slips or Pamphlets | 30 | 67 | 3 |
| 12 | Bank Location | 42 | 53 | 5 |
| 13 | Working Hours | 12 | 84 | 4 |
| 14 | Employees Knowledge | 7 | 90 | 3 |
| 15 | Employees Behaviour | 14 | 83 | 3 |
| 16 | Sincerity in the problem solving | 10 | 89 | 1 |
| 17 | Service speed | 11 | 87 | 2 |
| 18 | Service charges | 15 | 81 | 4 |
| 19 | ATM Services | 22 | 65 | 13 |
| 20 | Staff available at the counter | 6 | 93 | 1 |
| 21 | Counter with displays | 17 | 76 | 7 |

Source: Field Survey

A great majority of the respondents viewed that they are satisfied with the various services of Indian bank Tiruchendur Branch. A very little percentage of sample respondents are dissatisfied with the various services of Indian Bank Tiruchendur.

Finding of the Study

From the analysis the following findings are made:

- Majority of the customers are satisfied with the waiting time for availing different services offered by the bank.
- Majority of the customers do not face any problem while opening account.
- Majority of the customer opinion about the approaches of the employees are more friendly, polite and helpful.
- Most of the customers opined that they are facing certain difficulties in getting loans.
- Majority of the customers felt that the bank equipments are modern and they are satisfied.

Suggestions

In order to improve the satisfaction level of the customers the following suggestions have been offered.

- To survive in the market. Bank should shift form a product focus to customer focus.
- Delegation of appropriate authority to the employees who deal with customers may enable them to take on the spot decision.
- The bank should setup a customer service cells to handle complaints, grievances, etc.,
- The bank should organise customer meet regularly and view points of the customers should be viewed properly
- Keeping an eye on the competitors and how they handle their customers and their problems may help the bank to shape the strategy.
- Customers complaints should be treated as a feedback received at free of cost to find out operational deficiencies. The complaints should be rectified as early as possible.
- Ensure a neat and presentable look of the customers areas in the office

Conclusion

It is concluded that the majority of the customers are satisfied with the service offered by Indian bank in Tiruchendur Branch. Once the findings and suggestions of the study are taken into consideration, it will be useful for the Indian bank Tiruchendur branch to have further growth in a stable manner. in the emerging competitive environment, with little or no distinction in the product offerings, it is the speed of rendering services that set apart one bank from another. Prompt service is equated with the quality of service.

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Emerging Trends in Banking, Insurance and International Trade
STATUS OF DIGITAL BANKING TRANSACTIONS IN INDIA

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Abstract

It is a widely known indisputable fact that digital India is the outcome of many innovations and technological advancements. These make over the lives of people in many ways and can empower the society in a better manner. The 'Digital India' program, an initiative of honorable Prime Minister Mr. Narendra Modi, will develop new progressions in every sector and generates innovative activities. The motive behind the hypothesis is to generate participative, transparent and responsive system. The Digital India drive is a dream project of the Indian Government to remodel India into a knowledgeable economy and digitally empowered society, with good governance for citizens by bringing synchronization and co-ordination in public accountability, dubitable connecting and delivering the government programs and services to mobilize the capability of information technology across government departments. Today, each nation desires to be entirely digitalized and this program endeavors to offer equal benefit to the user and facility supplier. Hence an attempt has been made in this paper to understand the status of digital transactions in banks as a campaign where technologies and connectivity will come together to make an impact on all aspects of governance and improve the excellence of lifetime of people.

Keywords: NEFT, RTGS, Mobile Banking and demonetization

Introduction

Digital payments have increase manifold after, demonetization came into effect two years ago. It may be recalled that the government has withdrawn currency notes of Rs.500 and Rs.1000 on November 8, 2016, which created a cash crunch that continued for more than a year in different parts of the country. As per data available with the RBI and National Payments Corporation of India (NPCI), the increase in digital payments has been profound in popular channels such as National Electronic Fund Transfer (NEFT) and mobile banking during September 2016 to September 2018. Consumers are promptly transferring to non-cash payment procedures that afford simple and convenient ways to transfer cash across bank accounts. As a part of promoting cashless transactions and changing India into less-cash society, numerous modes of digital payments are obtainable. These modes are NEFT, RTGS, Mobile Banking, Banking cards, USSD, Aadhaar Enables Payment System (AEPS), UPPI, Mobile Wallets, Bank pre-paid cards, Point of Sale (POS), Internet Banking, Bharat Interface for Money (BHIM) app.

Objectives of the study

The objectives of the present study are

- To study the trend and growth of digital transactions like NEFT, RTGS and Mobile Banking in India.
- To analyze the performance of different modes of digital payment in India.

Methodology

The secondary data relating to the performance of digital transactions through different modes were collected from RBI bulletin published by Reserve Bank of India, Ministry of Electronics and Information Technology, Books, Journals, Newspapers, Periodicals, and Internet sources. It analyses the quantitative variable such as transactions with NEFT, RTGS, Mobile Banking and other modes of banking transactions. The study period pertaining to secondary data covers a period April 2015 to September 2018. This period is of great significance because it was the period of post demonetization in India. The study is primarily analytical in nature. Statistical tool such as Percentage Analysis is utilized in this study.

Data Analysis and Interpretations

The Table-1 shows the growth performance digital transaction in India through NEFT, RTGS and mobile banking. The mobile banking transaction was higher than the NEFT and RTGS transaction for every six months of the financial year. NEFT transaction witnessed a sharp upward trend the year 2018. It was Rs.1292.92 billion in April 2015 to September 2015 and it was increased to Rs.11425.72 in April 2018-September 2018. The percentage change was very high in October 2015-March 2016 with 109.19 per cent and it is noticed that, it was the early period of demonetization.

Table-1 : Growth Performance of Digital transactions in India

| Years | Months | NEFT (Rs. in Billion) | Percentage Change | RTGS (Rs.in Billion) | Percentage Change | Mobile Banking (Rs. in Billion) | Percentage Change |
|---------|---------------------|-----------------------------|----------------------|----------------------------|----------------------|--|----------------------|
| 2015-16 | April- September | 37.2 | --- | 422.5 | --- | 1292.92 | --- |
| | October- March | 46.08 | 23.87 | 422.07 | - 0.11 | 2708.66 | 109.19 |
| 2016-17 | April- September | 51.64 | 12.06 | 467.77 | 10.82 | 4707.60 | 73.79 |
| | October- March | 68.38 | 32.41 | 514.14 | 9.91 | 8397.15 | 78.37 |
| 2017-18 | April- September | 75.95 | 11.07 | 550.15 | 7.00 | 8033.40 | -4.33 |
| | October- March | 96.26 | 26.74 | 616.98 | 12.13 | 6735.15 | -16.16 |
| 2018-19 | April- September | 106.55 | 10.68 | 1485.64 | 140.87 | 11425.72 | 69.64 |

Source: Computed from the secondary data

The transaction of NEFT has increased by more than three folds during the study period from Rs. 37.2 billion in April 2015 –September 2015. The amount of NEFT transaction has increased steadily but there were some fluctuations in their percentage change. The percentage change was high in October 2016-March 2017 at the time due to demonetization in India.

Maximum half yearly digital transaction of Rs. 1485.64 billion recorded in April 2018-September 2018 and minimum half yearly digital transaction of Rs. 422.5 billion recorded in April 2015-September 2015 through RTGS mode during the study period. The percentage change was recorded a negative growth i.e. -0.11 % in October 2015 –March 2016, that was the period prior to demonetization. Again it declined to 7 per cent in April 2017-September 2017 from 9.91percent in October 2016 -March 2017.

**Table-2 : Monthly-wise currency-less transactions in India during July 2016 to June 2017
(Rs. in Lakhs)**

| Months | AEPS | Debit card at POS | Credit cards | NACH | M-Wallet | CTS | Total |
|----------------|------------------|----------------------|------------------|-------------------|-------------------|------------------|------------------|
| July 2016 | 229.25 (4.23) | 1290.7 (23.83) | 839.5 (15.50) | 1533.3 (28.31) | 706.8 (13.05) | 816.2 (15.07) | 5415.75 (100) |
| August 2016 | 228.94 (4.08) | 1305.3 (23.26) | 794.4 (14.16) | 1896.0 (33.79) | 594.5 (10.59) | 792.4 (14.12) | 5611.54 (100) |
| September 2016 | 236.34 (4.33) | 1251.9 (23.27) | 779.3 (14.48) | 1572.9 (29.23) | 753.0 (13.99) | 789.4 (14.67) | 5379.52 (100) |
| October 2016 | 257.25 (4.24) | 1405.9 (23.19) | 888.6 (14.66) | 1693.9 (27.94) | 995.7 (16.43) | 820.4 (13.53) | 6061.75 (100) |
| November 2016 | 268.71 (3.59) | 2364.7 (31.63) | 979.1 (13.09) | 1611.1 (21.55) | 1380.9 (18.47) | 870.8 (11.65) | 7475.31 (100) |

| | | | | | | | |
|---------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| December 2016 | 373.44 (3.33) | 4154.6 (39.07) | 1160.8 (10.36) | 2080.5 (18.58) | 2131.1 (19.03) | 1300.1 (11.61) | 11200.54 (100) |
| January 2017 | 431.58 (4.18) | 3286.2 (31.86) | 1128.0 (10.95) | 1668.2 (16.17) | 2616.7 (25.36) | 1184.5 (11.48) | 10315.18 (100) |
| February 2017 | 410.16 (4.59) | 2517.5 (28.16) | 949.3 (10.62) | 1587.1 (17.76) | 2469.5 (27.63) | 1004.4 (11.24) | 8937.96 (100) |
| March 2017 | 516.96 (4.93) | 2711.7 (25.87) | 1076.1 (10.27) | 1910.1 (18.22) | 3074.5 (29.33) | 1192.1 (11.37) | 10481.46 (100) |
| April 2017 | 565.30 (5.28) | 2680.0 (25.06) | 1065.8 (9.97) | 2221.7 (20.77) | 3208.7 (30.00) | 953.6 (8.90) | 10695.1 (100) |
| May 2017 | 680.67 (6.85) | 2675.1 (26.92) | 1153.3 (11.61) | 2040.3 (20.53) | 2417.2 (24.32) | 970.8 (9.76) | 9937.37 (100) |
| June 2017 | 755.18 (7.86) | 2546.6 (26.50) | 1094.7 (11.39) | 2077.0 (21.62) | 2216.3 (23.07) | 918.5 (9.56) | 9608.28 (100) |

Source: Computed from secondary data

Note: Figures in brackets indicates percentage to total.

The above table portrays the digital transactions in India by various digital modes from July 2016 to June 2017. Digital transactions were done in India by various modes like AEPS (Aadhaar Enables Payment System), Debit card at POS, Credit cards, NACH (National Automates Clearing House), M-Wallet (Mobile Wallets) and CTS (Cheque Truncation System). The top three digital modes for digital transactions in India were Debit card at POS, NACH (National Automates Clearing House) and M-Wallet (Mobile Wallets) during July 2016 to June 2017.

Digital transactions were Rs.1290.7 lakhs in India by Debit card at POS in July 2016. It has reduced to Rs. 2517.5 in February 2017. Monthly growth has been seen in digital transaction by Debit card at POS mode from Rs.2675.1 lakhs in May 2017. Maximum monthly transaction of Rs. 4154.6 lakhs recorded in December 2016 at the time demonetization in India and minimum monthly transaction of Rs.1251.9 lakhs recorded in September 2016. It is noted that that was the post period of demonetization.

Digital transactions were Rs. 1533.3 lakhs by NACH in July 2016. It has been increase to Rs.2077 lakhs in June 2017. But in this period there were ups and downs in NACH transactions. Digital Transactions by M-Wallet in July 2016 was Rs. 706.8 lakhs. It has been steadily increased from Rs. 594.5 lakhs in August 2016 to Rs.2616.7 lakhs in January 2017. Maximum monthly transaction of Rs. 3208.7 lakhs recorded in April 2017.

Among the different modes of digital transactions are used in India, digital transaction by Debit card at POS occupies the first position in cashless transactions because it is very easy to followed by the all the people even in rural areas. The share of digital transaction by Debit card at POS was higher than the share all other currency less transactions mode to total digital transaction for all the months.

Conclusion

Digital transactions in India may be history now. The trend of increased use of alternative modes of digital transactions in banking has been continuing. Digital transaction in banks will provides all services electronically and promotes digital literacy. Digital technologies which includes the concept of cloud computing and mobile applications have emerges as the catalysts for express economic growth and citizen empowerment.

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Emerging Trends in Banking, Insurance and International Trade
**PRODUCT PERFORMANCE SATISFACTION LEVEL OF
MUTUAL FUND INVESTORS**

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Abstract

Product performance satisfaction level can be referred to as the satisfaction level of mutual fund investors in terms of return, transparency, safety, liquidity, service quality, fund management and the overall performance of the mutual fund products. Here, the researcher made an attempt to analyze the satisfaction level of mutual fund investors with respect to different funds/schemes opted by the investors. Based on these objectives seven parameters of satisfaction of mutual fund investors including overall performance of the fund has been taken in to consideration. The findings of the standardized regression weight of product performance satisfaction level and the Chi-square test reveals that there is a significant difference in the product performance satisfaction level of mutual fund investors in relation to the funds opted by them (except in case of balanced-fund).

Keywords: *Mutual Fund, Return, Liquidity, Product Performance Satisfaction*

Introduction

In the current financial market, mutual funds have been considered significant by many investors in their saving and investment process. Bulk of these investors have been showing keen interest in the typical financial activities. With the wide popularity and increased importance of a much structured professional management of investments, the scope of mutual fund has risen enormously. Mutual fund is an innovative financial investment vehicle for investors who pool their savings for investing in diversified portfolio of securities, with the aim of increasing their returns. The investors in the retail level are in a highly heterogeneous group. Here, the researcher made an attempt to analyze the satisfaction level of mutual fund investors with respect to different funds/schemes opted by the investors. A number of investment opportunities are open to the investors. Based on these objectives seven parameters of satisfaction of mutual fund investors including overall performance of the fund has been taken in to consideration.

Statement of the Problem

In a market of utmost uncertainties, investors must be able to adapt to the wide fluctuations and changes in the economic conditions so as to make them able to maximise their expectations. High market fluctuations force them to rethink and come up with innovative investment instruments. These instruments include a mix of various investment vehicles that are grouped under different variety of mutual funds. Here the expectations of individual investors are very high which forms the major role in the financial markets. These expectations are subject to humans perceptions which generally relate to action. The individual investors' decision-making often relies on observable socio-demographic variables to proxy for inherent psychological processes that drive investment choices. The latent heterogeneity amongst investors in terms of their preferences and beliefs, form the underlying drivers of their behaviour. To gain a better understanding of the relations among individual investors' decision-making, the processes leading to these decisions and investment performance are taken in to consideration. It is evident that mutual funds have at the top of the agenda over the last decade thus, constituted the majority of many organisations' portfolios. At present, number of investors are relying on mutual fund as an investment vehicle which shows a continuous increase day by day. Thus, designing a mutual fund product and expecting a good response will be worthwhile.

Methodology

The study applies descriptive as well as an empirical research design based on the survey method. The data set was collected and prepared from a sample of four hundred mutual fund investors through an organized questionnaire. The qualitative variables are measured in five point *likert-type* scales. In order to confirm the convergent validity of the instruments, confirmatory factor analysis of each item in the scale is tested with the help of coefficient called *Bentler-Bonett* Fit Index. The sample size required for the study has been attained on the basis of least required sample size table and power analysis. Simple random sampling was used for this purpose. Statistical Package for the Social Sciences is used to analyze the data. To analyse the satisfaction level of mutual fund investors in respect of different funds/schemes opted by the investors, seven parameters of satisfaction of mutual fund investors in respect of the investment including overall performance of the fund has been taken in to consideration.

Review of Literature

Over the past two decades, mutual funds have been the central point of an increasing number of research studies being conducted in the field of finance. The basic concerns of research focused by majority of these studies have been performance evaluation of mutual fund with regards to risk and return. Very few have discussed on mutual fund investors buying behaviour and their attitude on a qualitative data base (Divya, Rana, Mustafa, Hussain, 2013).

Another study was conducted by (Arshi A. Tahseen, S. Narayana, 2012) on consumer attitudes in Mutual funds in Oman market, the findings stated that there are in fact no more funds available in the market which can be diverted to equity markets. Also there is a wide scope for launching different funds in Omani capital market that are quite uncommon. Recent study on the fund preferences of mutual fund investors (Sulaiman E, Basil J Thomas, 2016) revealed that most of the mutual investors select funds/schemes without considering the investment objectives and risk appetite of the investors.

The study on investor response to proposed criteria for the choice of mutual funds examined the selection criteria an investor should use in an efficient market based on three factors- load charges, management expense ratios, portfolio turnover and brokerage ratios. The results indicated that all these factors appear to influence the net sales ratios (Walt, Woerheide, 1982). The study was conducted to recognize the information sources prompting the buying judgment, and the factors inducing the selection of a specific fund. The study exposes that Income Schemes and Open Ended Schemes are more preferred than Growth Schemes and Close Ended Schemes. Investors look for safety of Principal, Liquidity and Capital appreciation in the order of significance from the mutual fund investment. Newspapers and Magazines are the major source of information through which investors get to know about mutual fund Schemes; and investor service is a main discriminating factor in the selection of Mutual Fund Schemes (Madhusudhan, Jambodekar, V , 1996).

Another study has been conducted to observe the related features of the fund selection behaviour of individual investors to Mutual funds (Kavitha, Ranganathan, 2001). The mutual fund is a retail product intended to target minor investors, salaried people and others who are scared by the anonymities of stock market but, nevertheless, like to obtain the benefits of stock market investing. The investors look for security first in MF products, followed by good returns, tax benefits, liquidity, and capital appreciation (Rajeswari, T.R, 2002). While making fund selection from a variety of information sources, the mutual fund investors pay a great deal of care to past performance of funds and its complete fee structure (Ronald, Wilcox, T, 2003). The investors look for security first in mutual fund products followed by good returns, tax Benefits, liquidity and capital appreciation. The scheme choice is through by respondents on their own, and the other sources prompting their selection decision are news papers and magazines, brokers and agents, television, friend's recommendations and direct mail (Nilamadhav, Samal, 2009). The investors study a wide range of facts before buying mutual funds

shares and that the share holders refer a variety of sources for mutual fund information before and after buying shares, the one being professional financial advisor (Sandra, West, & Victoria, Leonard, 2006).

From the review of literature, it can be perceived that mutual fund as an investment vehicle is capturing the attention of numerous segments of the society like academicians, industrialists, financial intermediaries and regulators for varied reasons, and deserves an in depth study concerning the behaviour of its investors in a global perspective. The study on investors behaviour in mutual fund in relative to fundamental behavioural principles, psychographics, risk tolerance and other investor related facets to be studied further. The fundamental normative model of investment behaviour reflects only the risk and return as the crucial variables affecting the investor's buying behaviour. Thus, it is in this context the researcher has made a humble attempt to fill this lacuna.

Results and Discussions

In order to analyse the product performance satisfaction level of mutual fund investors, The respondents are asked to rate the performance parameters on five point *Likert-type* scale ranging from excellent to extremely poor. The standardised regression weight obtained for the seven parameters is presented in table 1

Table 1. Standardized Regression Weights of parameters of Product Performance Satisfaction

| SI No. | Parameters | Estimate | Rank |
|--------|-------------------------|----------|------|
| 1 | Return | 0.676 | 6 |
| 2 | Transparency | 0.677 | 5 |
| 3 | Safety | 0.673 | 7 |
| 4 | Service | 0.792 | 3 |
| 5 | Professional management | 0.853 | 2 |
| 6 | Liquidity | 0.764 | 4 |
| 7 | Overall performance | 0.867 | 1 |

Source: Survey data

The standardised regression weight of product performance satisfaction level of mutual fund investors reveals that overall performance is one of the major indicators of satisfaction level of mutual fund investors. The second rank belongs to professional management of AMCs with regression weight of 0.853. Service quality, liquidity, transparency, return and safety are the third, fourth, fifth, sixth and seventh rank respectively.

Later on, the researcher has classified the overall satisfaction level of mutual fund investors in to three groups such as low level of satisfaction, medium level of satisfaction and high level of satisfaction. Table 2 shows the detailed result of overall product performance satisfaction level of the respondents in respect of the schemes/funds opted by them .

Ho: Mutual fund product performance satisfaction level of the investors is not uniform across different types of funds.

Table 2 Overall Product performance satisfaction level of the mutual fund investors in respect of different funds

| SI No | Funds | Level of satisfaction | | | | | | Total | Chi-square | 'P' value |
|-------|--------------|-----------------------|-------|--------|-------|-----|-------|-------|------------|-----------|
| | | High | % | Medium | % | Low | % | | | |
| 1 | Open-ended | 34 | 11.14 | 104 | 34.09 | 167 | 54.75 | 305 | 85.91 | 0.000* |
| 2 | Closed ended | 7 | 15.55 | 11 | 24.44 | 27 | 60 | 45 | 14.93 | 0.0007* |
| 3 | Growth-fund | 26 | 8.78 | 98 | 33.10 | 172 | 58.10 | 296 | 106.74 | 0.000* |

| | | | | | | | | | | |
|---|-----------------|---|-------|----|-------|----|-------|----|-------|---------|
| 4 | Income Fund | 6 | 14.28 | 15 | 35.71 | 21 | 50 | 42 | 8.14 | 0.0170* |
| 5 | Balanced Fund | 7 | 17.5 | 13 | 32.5 | 20 | 50 | 40 | 5.34 | 0.0692 |
| 6 | Tax Saving | 5 | 5.49 | 32 | 35.16 | 54 | 59.34 | 91 | 38.03 | 0.000* |
| 7 | Exchange Traded | 5 | 7.69 | 19 | 29.23 | 41 | 63.07 | 65 | 29.01 | 0.000* |

Source: Survey data *Significant at 5 % level (d.f.2)

The table 2 reveals that out of 305 mutual fund investors who have opted open-ended scheme, 54.74 percent of the investors have only low level of satisfaction about their fund performance, and 34.09 percent of the investors have medium level of satisfaction. The *Chi-square* test reveals that the satisfaction level of the respondents among the sample groups is not uniform.

Out of 45 mutual fund investors who have opted close-ended scheme, 60 percent of them have only low level of satisfaction about their fund performance, while 24.44 percent of the investors have medium level of satisfaction. The statistical test shows that there is a significant difference in the satisfaction level of mutual fund investors.

Out of 296 mutual fund investors who have opted growth-funds, 58.1 percent investors have only low level of satisfaction about their fund performance, whereas 33.1 percent of the investors have medium level of satisfaction. The *Chi-square* test reveals that the satisfaction level of the respondents among the sample groups is not uniform.

Out of 42 mutual fund investors who have opted income-funds, 50 percent of the investors have only low level of satisfaction about their fund performance, and 35.71 percent of the investors have medium level of satisfaction. The *Chi-square* test reveals that the satisfaction level of the respondents among the sample groups is not uniform.

In the case of balanced-funds, out of 40 investors who have opted the scheme, 50 percent of the investors have only low level of satisfaction about their fund performance, and 13 percent of the investors have medium level of satisfaction. However, the statistical test shows no significant difference in the satisfaction level of the mutual fund investors (uniform) in respect of balanced-funds.

Out of 91 mutual fund investors who have opted tax saving funds, 59.34 percent of the investors have only low level of satisfaction about their fund performance, and 32 percent of the investors have medium level of satisfaction. The *Chi-square* test reveals that the satisfaction level of the respondents among the sample groups is not uniform.

Out of 65 mutual fund investors who have opted ETF, 63.07 percent of them have shown only low level of satisfaction about their fund performance, and 19 percent of the investors have medium level of satisfaction. The *Chi-square* test reveals that the satisfaction level of the respondents among the sample groups is not uniform.

Conclusion & Recommendation

Mutual fund in an emerging market has become highly competitive which necessitates that MF marketers must fully understand the buying behaviour to be able to effectively market their mutual fund schemes. Mutual fund investment is considered as one of the investment avenues preferred by the investors. The foregoing analysis of product performance satisfaction level of mutual fund investors in respect of different funds opted by them shows that most of the investors have only low level of satisfaction about the performance of mutual fund. It also reveals that the satisfaction level of the mutual fund investors in respect of the funds opted by them is not uniform among the sample groups and concluded that there is a significant difference in the product performance satisfaction level of mutual fund investors in respect of the funds opted by them (except in case of balanced-fund).

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Emerging Trends in Banking, Insurance and International Trade
**CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN THE LIFE
INSURANCE INDUSTRY IN VIRUDHUNAGAR DISTRICT**

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Abstract

Customer is the back bone of an organization. Customer has become important in marketing due to transition of customer value exchange from selling concepts marketing concept. Every marketer wishes to stay in the minds of customer permanently to influence him and also influence others through him. CRM is an art of creating a closer working relation and interdependence between the policy holders and the life insurance companies. One of the hottest strategies in marketing today is CRM. India has the highest number of life insurance policies in force and the total investible funds with the life insurance companies. In a service industry like life insurance companies, the quality of customer relationship management strategies hold primary significance. Customer relationship management is very important for the growth and profitability of insurance sector in the present scenario. So, in this paper discussed the Customer Relationship Management in the Life Insurance Industry in Virudhunagar District.

Keywords: *Customer Relationship Management (CRM), Customer, Service Industry.*

Introduction

Customer is the back bone of an organization upon which they stand and tall. They are the ones who solely possess in them, the power to make or break any organization irrespective of its nature and size. So, it is necessary to take adequate care of them, nourish them and ultimately increase their number. Customer has become important in marketing due to transition of customer value exchange from selling concepts marketing concept. Every marketer wishes to stay in the minds of customer permanently to influence him and also influence others through him.

CRM is an art of creating a closer working relation and interdependence between the policy holders and the life insurance companies. One of the hottest strategies in marketing today is CRM.

It is a solution to learn more about customer's needs and behaviour in order to develop a stronger relationship with them. Based on the importance of CRM in life insurance industry, this study is conducted in Virudhunagar District. Life Insurance industry at Virudhunagar District refers to the branches of public and private sector life insurance companies.

Statement of the Problem

Customer services have become important when it is a onetime purchase. Life insurance is one such industry defining customer service. Insurance company mobilizes savings from the public at large for its circulation. Insurer are important financial intermediaries selling promises for the future. The concept of quality management in the present day market in the insurance in industry aims basically at consumer satisfaction and hence insurance industry in India must examine consumer satisfaction as prime duty.

India has the highest number of life insurance policies in force and the total investible funds with the life insurance companies. Life insurance facilities long-term savings through easy installments.

Today, all life insurance companies basically offer the same types of services and basically offer the same types of services and facilities to the policyholders. Life insurance business has been standardized with regard to online premium payment modification of the product, better services and physical facilities.

In a service industry like life insurance companies, the quality of customer relationship management strategies hold primary significance, particularly in the context of sustained business

growth. Therefore, an attempt has been made by the researcher to examine evaluate and compare the various types of products, customer service and customer relationship management strategies provided by the public sector life insurance (LIC) and the Private sector life insurance companies at the branch level from the point of view of customers (policy holders) and agents in Virudhunagar District.

Objectives of the Study

The objectives of the study are as follows

- To analyse the attitude of the policyholders towards the life insurance products, customer service and CRM in the public and private sector insurance industry in Virudhunagar District.
- To analyse the attitude of the agents towards the CRM in the Public and the private sector life insurance industry in Vridhunagar District.
- To offer suitable suggestion based on the findings of the study.

Analysis and Findings of the Study

CRM plays a vital role not only in bringing the customers close to the company, but also in identifying the changing behavioural pattern of the customers. The present study postulates that the expansion and utility of life insurance products and services in the Indian economy depends on the customer relationship management strategy. Its existence is due to its quality of service to the society. Hence the researchers has made an attempt to present the important findings of the study in two forms such as opinion of the policy holders and insurance agents towards public and private sector insurance industry.

- Out of 250 policy holders of public sector and 250 policy holders of the private sector life insurance companies.
- Majority of the respondents comes under the age group of 31 years to 40 years in both public (43.89%) as well as private (43.00%) sector life insurance industry. When compared to the age of the respondents the number of respondents between 31 years to 40 years in the public sector life insurance company is greater than the private sector life insurance companies.
- In the gender wise classification, majority of the respondents are male in both public (80.34%) and the private sector (72.33%) life insurance companies. Among the two companies, that the male respondents are high in the public sector life insurance companies.
- Majority of the respondents have 3-4 members both in the case of public (59.89%) and private (44.79%) sector life insurance companies. The comparison reveals that the public sector life insurance company has more number of policyholder having 3-4 members in their family.
- Most of the respondents have annual income between Rs.1,00,000 to Rs.2,00,000 both in the case of public (47.45%) and private (50.57%) sector life insurance companies. It also reveals that the number of respondents in income group of Rs.1,00,000 to Rs.2,00,000 is high in the private sector life insurance companies.
- It is known from the analysis that most (54.21%) of the respondents have chosen the life insurance policy in the public sector company for the purpose of future savings.
- Majority (32.34%) of the respondents have chosen the private sector life insurance policies for the purpose of the high rate of bonus offered.

Preference of the Policyholders regarding the reasons for Investment – Garret Ranking

- In the case of public sector life insurance company the first rank is given to Tax concession and the last rank is given to Easy installment. It is inferred that tax concession is the primary reason for preferring the life insurance policies investment.
- In the case of private sector life insurance company the first rank is given to high rate of return and the last rank is given to easy money back. It is inferred that high rate of return is the primary reason for preferring the private life insurance policies for investment.

Level of Satisfaction towards CRM – Chi-square test

- When analyzed the satisfaction level of the policyholders regarding life insurance company, there is no significant association between age, educational qualification, gender, occupation, marital status, type of family, size of the family and annual income of the respondents and their opinion towards CRM practices in the public sector insurance company.
- There is no significant association between the age of the respondents, gender, educational qualification, type of family, size of the policy and annual income of the respondents and their opinion regarding CRM practices in the private sector insurance company.
- There is a significant association between the occupation and the marital status of the respondents opinion towards the CRM practices in the private sector insurance company.

Opinion of the Agents towards the CRM practices in Life Insurance Industry

Out of 125 public and 125 private sectors life insurance companies agents

- It is inferred that majority of respondents (54.33% & 40.33%) regarding both public and private sector life insurance companies are in the age group of 31 to 40 years.
- In both the life insurance companies, under the study, majority of the respondents are male. In public sector life insurance company represents highest percent (60.67%) of males followed by private life insurance companies with 58 per cent.
- Majority of the respondents both in case of public (65.33%) and private (62.7%) sector life insurance companies are married.
- It is known that most (31.33%) of the agents belong to branch manager club in the public sector insurance companies.
- One third of the agents of the public sector life insurance company get the policy from the private employees and half of the private sector life insurance companies agents said that majority of their policy holders are businessman.
- All the agents in the public and private sector life insurance companies said that they are conducted awareness programmes to the people about the life insurance products and services.

Suggestions

- The life insurance companies should come forward to introduce more life insurance plans.
- There is a need to appoint a special type of customer relationship management officers in each branch of the public sector and private sector companies for creating a good relationship among the agents, employees and policy holders.
- Besides prompt and efficient claim settlement operation, the policyholders also expect a good relation. On their savings the life insurance companies should pay adequate attention in this regard.

Conclusion

There is no exception each and every business organization the primary objective is customer satisfaction. CRM practices of the life insurance companies have seen a dramatic change over the past few years. Most of the insurance companies have very transparent and effective CRM modes. CRM is one of the biggest challenges for the insurance companies especially for the public sector because the customer satisfaction level in public sector insurance companies are not satisfactory as compared to private sector insurance companies. So the public sector life insurance companies should provide quality service to its policy holders for retaining them.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON MAGNITUDE OF NON-PERFORMING ASSETS OF BANKS
IN INDIA**

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Abstract

Non- Performing Assets is an important tool to judge the degree of financial strength of any bank because it directly affects the profitability and financial efficiency of the banks. It is worthwhile at this stage to discuss the various recovery measures adopted by banks and financial institution (FIs) for reducing the level of NPAs. Broadly speaking, recovery measures can be classified into Non-Legal and Legal measures. This research paper examines the recovery of Non – Performing Assets by commercial banks in India from various measures . The following are the objectives of the present paper which are framed to study the levels of NPA in India: 1. To evaluate the Recovery procedure of Banks through various measures. 2.To examine the Recovery of NPA by banks under SARFAESI Act. For data analysis, AGR, Mean, SD, CV, GAGR and ANOVA are used as statistical tools. Finally this paper brings out the significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

Keywords: NPA, Commercial Banks, SARFAESI Act, Annual Growth Rate(AGR), Variance

Abbreviations: OTS – One Time Settlement; LA – Lok Adalats; DRTs- Debt Recovery Tribunals; CB – Scheduled Commercial Banks ;

Introduction

PROSPERITY of any country depends upon its prosperous economy, which in turn relies upon its vibrant banking system. At present, the Non- Performing Assets (NPAs) are posing a serious threat to the banking industry. The financial healths of the banks are greatly affected by the NPA's. The high level of NPA's are the greatest impediment to the economic growth of the country and any bottleneck in the smooth flow of credit is bound to create adverse repercussions in the economy. Hence, the management of NPA's has emerged as one of the major challenges for the banks.

It is a well-accepted fact that the present legal framework in India is to some extent debtor friendly. Many defaulting borrowers know that banks cannot force them to repay quickly, and even if banks have the collateral due to the long time taken in the Judicial Process, it is practically impossible to take over the Security. Debt Recovery Tribunals, set up for speedy enforcement of law against defaulting borrowers, have not so far made much of a dent in the NPA position of banks. The present bankruptcy and liquidation processes are fraught with loop-holes which defaulters make use of installing the loan recovery process.

The 'Securitisation, Reconstruction of Financial Assets and Enforcement of Security Ordinance' promulgated by the President of India in June 2002 is an important initiative to recover NPAs. The ordinance empowers creditors and provides a legal framework for the securitization of assets and asset reconstruction through dedicated asset reconstruction companies.

Recovery measures

It is worthwhile at this stage to discuss the various recovery measures adopted by banks and financial institution (FIs) for reducing the level of NPAs. Broadly speaking, recovery measures can be classified into Non-Legal and Legal measures. The measures are discussed in detail along with suggestion for recovery management. Some of the notable measures in this regard include:

Non-Legal Measures

- Reminder System
- Visit to Borrower's business premises/residence
- Recovery camp
- Rehabilitation of sick companies
- Debt Restructuring
- Loan compromise
- Replacement / Reschedulement
- Write-off
- Recovery Agents

Legal Measures

- Debt Recovery Tribunals
- Lok Adalats
- Asset Reconstruction Companies
- SARFAESI ACT 2002.

SARFAESI ACT 2002

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) Empowers Banks / Financial Institution to recover their Non-performing assets without the intervention of the court. The Act provides three alternative methods for recovery of Non-Performing Assets, namely:

- Securitization
- Asset Reconstruction
- Enforcement of Security without the intervention of the court.

The provisions of this Act are applicable only for NPA loans with outstanding above Rs.1 Lakh. NPA loan accounts where the amount is less than 20% of the principal and interest are not eligible to be dealt with under this Act.

Non-Performing Assets should be backed by Securities charged to the bank by way of hypothecation or mortgage or assignment. Security Interest by way of Lien, pledge, hire purchase and lease not liable for attachment u/s 60 of CPC are not covered under this Act.

Statement of the problem

The Non-Performing Assets (NPA) problem is one of the foremost and the most formidable problems that have shaken the entire banking industry in India. At macro level NPA's have choked off the supply line of credit to the potential borrowers, thereby having a deleterious effect on Capital formation and arresting the economic activity in the country. At the micro level, the unsustainable level of NPA's has eroded the profitability of banks through reduced interest income and provisioning requirements, besides restricting the recycling of funds leading to serious asset liability mismatches. Moreover, no attempt has so far been made to study the effect of SARFAESI Act on the level of NPAs of different bank groups. Hence, an attempt has been made in the present study to identify difficulties faced by the banks for the recovery of NPAs under SARFAESI Act 2002 by Banks in India.

Research Methodology

The present study is based on secondary data and therefore is analytical in nature. The data required for this study have been collected from "Reports on Trend and Progress of Banking in India" published by RBI. A study period of 10 years has been considered for this study, from 2007-08 to 2016-17. For data analysis the following statistical tools AGR, Mean, SD, CV, GAGR are used. Besides, one way ANOVA has been applied to explain the significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

Objectives of the study

The following are the major objectives of the present study:

- To evaluate the Recovery procedure of Banks through various measures.
- To examine the Recovery of NPA by banks under SARFAESI Act.

Review of Literature

Meenakshi Rajeev and Mahesh (2010) made an attempt to examine the trends of NPAs in India from various dimensions and explain how mere recognition of the problem and self-monitoring was able to reduce it to a greater extent. The study is based on the secondary data. The data were analyzed by employing tools like Percentage Analysis, Average, Trend Analysis, and CGR. The study showed that the public sector banks in India, which functioned to some extent with welfare motives, had a good record in reducing NPAs as their counterparts in the private sector. It is found that such decline is mainly due to the awareness of the problem of bad loans at the bank level. It remains true that NPA in the priority sector is still higher than that of the non-priority sector. Within the priority sector, the SSI's performance is worst. In this context, the self-help group model can be applied to some of the sectors to help the poor access loans and ensure the repayment for the banks.

Sonia Narula and Monika Singla (2014) have made an attempt to assess the non-performing assets of Punjab National Bank and its impact on profitability. The annual reports of Punjab National Bank were the main sources of data which contained for a period of six years from 2006-07 to 2011-12. The data were analyzed by using tables and coefficient of correlation. It is found that there is a positive relation between Net Profits and NPA of PNB. It simply means that as profits increase NPA also increase. It is because of the mismanagement on the side of bank.

Amit Kumar Nag (2015) has undertaken a comparative study to examine the level of NPAs in scheduled commercial banks in India. The required data were collected and compiled from various annual reports published periodically by the nationalized, private, foreign banks in India as well as from the RBI Bulletins for a period of five years, from 2007-08 to 2011-2012. The statistical techniques like Percentage Analysis, Averages, Coefficient of Variation, one way ANOVA were used to analyze the data. The present study reveals that State Bank of India, UCO Bank and Central Bank of India are performing poorly in terms of their NPA management. When analyzing the performances of the private banks in terms of NPA management, it was noticed that Catholic Syrian Bank, ICICI Bank and Kotak Mahindra Bank performed badly. The overall average of ten Foreign banks under study stood at 1.59. The study also reveals that the foreign and nationalized banks are facing more problems of NPAs than the private sector banks in India.

Results and Discussion

Table 4.1 : NPA Recovery Channels (as on 31st March) (Amount in Rs.Crores)

| Year | OTS | AGR | Lok Adalats | AGR | DRTs | AGR | Sarfasesi Act | AGR |
|---------|-----|---------------------------|-------------|---------------------------|------|--------------------------|---------------|---------------------------|
| 2007-08 | 599 | - | 176 | - | 3020 | - | 4429 | - |
| 2008-09 | 502 | -16.19 | 96 | -45.45 | 3348 | 10.86 | 3982 | -10.09 |
| 2009-10 | 441 | -12.15 | 112 | 16.67 | 3133 | -6.42 | 4269 | 7.21 |
| 2010-11 | 924 | 109.52[^] | 151 | 34.82 | 3930 | 25.44 | 11561 | 170.81 |
| 2011-12 | 637 | -31.06 | 200 | 32.45 | 4100 | 4.33 | 10100 | -12.64 |
| 2012-13 | 641 | 0.63 | 400 | 100.00 | 4400 | 7.32 | 18500 | 83.17 |
| 2013-14 | 701 | 9.36 | 1400 | 250.00[^] | 5300 | 20.45 | 25300 | 36.76 |
| 2014-15 | 615 | -12.27 | 4300 | 207.14 | 5310 | 0.19 | 115200 | 355.34[^] |
| 2015-16 | 652 | 6.02 | 7200 | 67.44 | 6930 | 30.51[^] | 80100 | -30.47 |
| 2016-17 | 656 | 0.61 | 10580 | 46.94 | 6710 | -3.17 | 113100 | 41.20 |

Source: Compiled and Computed from Report on Trend and Progress of Banking in India, RBI, 2007-08 to 2016-17 [AGR=Annual Growth Rate] [[^] highest performance]

It is observed from Table 4.1 that NPA recovery channel of scheduled commercial banks from One Time Settlement (OTS) had highest growth in percentage terms at 109.52% in 2010-11 whereas lowest growth rate was marked at -31.06% in the year 2011-12, followed by the Lok Adalats (LA) highest % growth was recorded during the year 2013-14 at 250% and lowest recorded at -45.45 in the year 2008-09, the Debt Recovery Tribunal (DRT) the highest growth rate was recorded at 30.51% in 2015-16 whereas lowest percentage growth was recorded at -6.42% in the year 2009-10 and the SARFAESI Act the highest growth rate was obtained at 355.34% in 2014-15 and lowest growth rate was obtained -30.47% in the year 2015-16. However, scheduled commercial banks had negative growth in NPA recovery channel during the study period.

**Table – 4.2 : NPA Recovery Channels - Summary of Statistics
(As on 31st March) (Amount in Rs.Crores)**

| Summary | OTS | LA | DRTs | SARFAESI Act |
|---------|---------------|---------------|--------|----------------|
| Min | 441 | 96 | 3020 | 3982 |
| Max | 924 | 10580 | 6930 | 115200 |
| Mean | 636.8 | 2461.5 | 4618.1 | 38654.1 |
| SD | 127.21 | 3710.5 | 1407.4 | 45715.3 |
| %CV | 19.976 | 150.74 | 30.476 | 118.268 |
| CAGR | 1% | 58% | 9% | 43% |

Source: Compiled and computed from Report on Trend and progress of Banking in India RBI, 2005-06 to 2014-15.***consistent performance**

It is analyzed from Table 4.2 that the mean of amount of NPA recovery channels from Rs.**636.8** to Rs.**38654.1** during the study period among the scheduled commercial banks during the period. The SARFAESI Act channel had higher mean amount of NPA recovery channels and OTS channel had least mean amount of NPA recovery channels during the period of study. The OTS channel showed least co-efficient of variation indicating the consistent performance in the amount of NPA recovery channels and the LA channel highest co-efficient of variation indicating the inconsistent performance in the amount of NPA recovery channels. The scheduled commercial banks ltd, LA channel had highest compound annual growth rate during the study period. It concludes that amount of NPA recovery channels are improved except LA (Lok Adalats) because of co-efficient of variation is high during the study period and it's implied that LA channel should be Correction action plan introduces for recovery and feasible solution to preserve the economic value of asset, write off interest and penalty, give grace period etc., for maximum reduce of NPA recovery for further period.

ANOVA– NPA Recovery Channels

H₀: Null Hypothesis: There is no significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

H₁: Alternative hypothesis: There is significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

Table – 4.3 Summary of Rank

| Groups | Count | Sum | Average | Variance | RANK |
|--------------|-------|--------|---------|------------|------|
| OTS | 10 | 6368 | 636.8 | 16181 | 1 |
| LA | 10 | 24615 | 2461.5 | 13768012 | 3 |
| DRTs | 10 | 46181 | 4618.1 | 1980746 | 2 |
| SARFAESI Act | 10 | 386541 | 38654.1 | 2089885442 | 4 |

Source: Compiled and computed from Report on Trend and progress of Banking in India RBI, 2007-08 to 2016-17. # least variance basis

The OTS had first rank for NPA recovery channels and SARFAESI Act had fourth rank of NPA recovery channels during the period of study.

Table – 4.4 : ANOVA

| Source of Variation | SS | df | MS | F | P-value | F crit | Result |
|---------------------|-------------|----|------------|------|---------|--------|--------|
| Between Groups | 9843749733 | 3 | 3281249911 | 6.23 | 0.00 | 2.87 | Sig.* |
| Within Groups | 18950853446 | 36 | 526412596 | | | | |
| Total | 28794603179 | 39 | | | | | |

* Significant at 5 % level

(CV>TV=R)

It is observed from Table 4.4 that the calculated value of F is 6.23 which is more than the table value of 2.87* at 5% level with d.f. being BG=3 and WG=36 and hence could have arisen due to significant. This analysis does not support the null hypothesis of difference in sample means and alternative hypothesis is accepted. Researcher concludes that, there is significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

Conclusion

The researcher concludes that NPA recovery channels from DRT's and SARFAESI Act was performed well during the study period and it's implied that banks should concentrate other NPA recovery channels will be improved for further period. Besides that there is significant difference in the mean NPA recovery channels among scheduled commercial banks during the study period.

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Emerging Trends in Banking, Insurance and International Trade

**A STUDY ON SERVICE QUALITY TOWARDS BANKING SECTORS
WITH SPECIFIC REFERENCE TO CANARA BANK IN MADURAI CITY**

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Abstract

Bank is a financial institution which accepts deposits and channels those deposits into lending activities either directly or through capital markets. A bank links customers which have capital discrepancies to those customers with capital excesses. The banking industry in India is facing certain challenges like challenges of quality service customer satisfaction, customer retention, customer loyalty; quality service plays a major role in achieving customer satisfaction and creating brand loyalty in banking sector. Customers will have an expectation of service. Service quality is a business management term used to describe success in service. It reflects both impartial and personal aspects of service. The accurate measurement of objective aspects of customer service requires the use of carefully predefined criteria. The measurements of subjective aspects of customer service depend on the conformity of the expected benefit.

Keywords: *Service quality, measurement, customer service.*

Introduction

Banking operations are becoming increasingly customer dictated. The skill of banks to offer clients access to numerous markets for different classes of financial instruments has become a valuable competitive edge. With the explosion of the country's population and the increased demand for banking services – speed and quality of service are the key differentiators for bank's future success. Thus it is imperative for banks to get feedback regarding quality aspects of retail banking, which in turn will help them to take remedial measures to maintain a competitive edge. Customer's mind is a mystery which is difficult to predict and understand the perception to attain satisfaction is a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customers' satisfaction and their measurement. The customers' necessities must be decoded and measured into computable goals. This provides an easy way to monitor improvements, and to decide the attributes that need to be concentrated in order to improve customers' satisfaction. A bank links customers which have capital discrepancies to those customers with capital excesses. The banking industry in India is facing certain challenges like challenges of quality service customer satisfaction, customer retention, customer loyalty; quality service plays a major role in achieving customer satisfaction and creating brand loyalty in banking sector.

Financial sector reforms were initiated as part of overall economic reforms in the country and wide ranging reforms covering industry, trade, taxation, external sector, banking and financial markets have been carried out since mid-1991. A decade of economic and financial sector reforms has strengthened the fundamentals of the Indian economy and transformed the operating environment for banks and financial institutions in the country. The banking industry, being very competitive, not only focuses on providing wide product lines to create competitive advantages, but also emphasizes the important of its services, particularly in maintaining service quality. Service quality is a business management term used to describe success in service. It reflects both impartial and personal aspects of service. The accurate measurement of objective aspects of customer service requires the use of carefully predefined criteria. The measurements of subjective aspects of customer service depend on the conformity of the expected benefit with the perceived result.

CANARA BANK(CNRB) one of the largest public sectors bank, owned by the government of India has its headquarters located at Bengaluru, established in Manglore in 1906 by AmmembalSubbaRaopai. It is one of the oldest public sector banks in the country. The government nationalized the bank in 1969. As of 30th October 2017, the bank had a network of 6639 branches and more than 10600 ATMs spread across India. The bank also has office abroad in London, Hong Kong, Moscow, Shanghai, Doha, Bahrain, South Africa, Dubai, Tanzania and New York. This study focused on service quality towards banking sectors with specific reference to Canara bank in Madurai city.

Dimensions of service quality

A customer will have an expectation of service determined by factors such as recommendations, personal needs past experiences. The expectation of service and the perceived service result may be equal, thus leaving a gap. Ten determinants which may influence the appearance of a gap were described by Parasuraman, Zeithaml and Berry.

- “Competence” is the possession of the required skills and knowledge to perform the service.
- “Courtesy” refers to factors such as politeness, respect, consideration and friendliness of the contact personnel; consideration for the customer’s property and a clean and neat appearance of contact personnel.
- ‘Credibility’ refers to factors such as trustworthiness, believability and honesty. It involves having the customer’s best interest at heart. It may be influenced by company name, company reputation and the personal characteristics of the contact personnel.
- ‘Security’ represents the customer’s freedom from danger, risk or doubt including physical safety, financial security and confidentiality.
- ‘Access’ refers to approachability and ease of contact.
- ‘Communication’ means both informing customers in a language they are able to understand and also listening to customers. A company may need to adjust its language for the varying needs of its customers
- ‘Reliability’ is the ability to perform the promised services in a dependable and accurate manner.
- ‘Responsiveness’ refers to the willingness of employees to help customers and to provide prompt timely service

Objectives of the study

- To identify the measure of service quality towards banking sectors.
- To find the gap between the perception and expectation
- To know the customer’s expectation towards bank service.
- To find what the customer perceives from the bank.

Scope of the study

The study would try to throw some insights into the existing services provided by Canara bank, and also to identify the service quality of bank. The study is focused in the dimensions of service quality. It aims to understand the skill of the company in the area of service quality that are performing well and shows that which require improvement. This study considers all the branches of Canara bank in Madurai city and is restricted to cover a limited number of customers.

Research Methodology

Research design is a systematic framework or plan to study a scientific problem and collecting of analysis data. In this survey descriptive research design & empirical research were carried out to analyze the service quality of Canara bank. Descriptive studies are the best method for collecting information that will demonstrate relationship between variables. Descriptive research is used for accomplishing a wide variety of objectives. Hence it is useful to solve the problem. The survey was conducted in Canara Bank in Madurai. Convenience sampling method was employed to identify the sample respondents. The selected respondent represented a balanced mix of various demographic factors.

Sample Area

The survey was conducted among regular users of Canara bank, who were randomly selected.

Sample Population

This study was developed and considered the customers of Canara bank.

Sample Size

Totally the sample size of the customer was 35 majority of the questionnaires were got filled up from the customer by personally visiting the bank.

Data Collection

- The survey was undertaken to identify the importance of factors in choosing a Canara bank.
- The secondary data related to the present study was collected from various magazines, newspaper, government records & research journals.
- The primary data has been collected through structured questionnaire.

Primary Data

The primary data was collected by means of a survey. Questionnaires were prepared and customers of the banks at branch were approached to fill up the questionnaire. The questionnaire contains 35 questions which reflect on the 4 types and quality of service provided by the banks to the customers. The response of the customer and they are recorded on a grade scale of strongly disagree, disagree, uncertain, agree and strongly agree for each question.

Secondary Data

In order to have a proper understanding of the service quality of bank a depth study was done from various sources such as books, magazines and data's from Internet.

Percentage Analysis

The percentage analysis is an analysis done with the statistical data collected. This analysis is done to find out the percentage value. The following formula is

Percentage analysis = (no. of respondent/100)*100.

Limitation of the Study

- The study is limited to Madurai city only.
- The findings of the study cannot be generalized due to demographical difference.

Review of Literature

Joshua A J, V Moli, P. Koshi (2005)- The study evaluated and compared service quality in old and new banks using sample size of 480. The study found out that customers were satisfied in reliability, empathy and price and for other parameters the difference between expectations and perceptions were smaller than public sector banks.

Raul and Ahmed(2005)-The study investigated customer service in public sector banks in 3 districts in Assam and it was found that customers were dissatisfied with the management, technology and interactive factors along with high service charges. Communication gap was the root cause of poor service and service was different in rural and urban sectors.

Dash et al(2007)- The study measured customer satisfaction through 5 service quality dimensions in Noida and Ghaziabad and findings revealed that assurance was the most important dimension of service quality followed by reliability and responsiveness. Tangibles was found to be least important.

Table – 1 : Socio Economic Profile

| Particular | Category | Frequency | Total |
|---------------------------------|---------------------|------------------|--------------|
| Gender | Male | 20 | 57 |
| | Female | 15 | 43 |
| | Total | 35 | 100 |
| Age | 18-21 years | 2 | 6 |
| | 22-25 years | 1 | 2 |
| | 26-35 years | 24 | 69 |
| | Above 35 Years | 8 | 23 |
| | Total | 35 | 100 |
| Occupation | Private Employee | 27 | 77 |
| | Government Employee | 6 | 18 |
| | Business man | 2 | 5 |
| | Total | 35 | 100 |
| Annual income | Below 1 lakh | 9 | 27 |
| | 1lakh – 2lakhs | 24 | 68 |
| | 2lakhs – 3lakhs | 2 | 5 |
| | Above 3 lakhs | 0 | 0 |
| | Total | 35 | 100 |
| Educational qualification | UG | 20 | 57 |
| | PG | 15 | 43 |
| | Total | 35 | 100 |
| Type of account | Savings | 19 | 55 |
| | Current | 16 | 45 |
| | Fixed | 0 | 0 |
| | Total | 35 | 100 |
| Year of using | less than 2 | 5 | 14 |
| | 2-4 yrs | 8 | 23 |
| | Above 4 years | 22 | 63 |
| | Total | 35 | 100 |
| Amount of Transaction per Month | Below 10000 | 11 | 32 |
| | 10000-20000 | 19 | 54 |
| | 20000-40000 | 2 | 5 |
| | Above 40000 | 3 | 9 |
| | Total | 35 | 100 |

Source: Primary Data

The above table shows that 57 per cent of the customers are Male, 69 per cent of the respondents come under the age group between 26years and 35years. 77 per cent of the respondents are Private employee, 68 per cent respondents are come under the income group of Rs. 1-2 lakhs, 57 percent respondent's education level are Under graduate, 55 per cent respondents are having saving account, 63 per cent respondents are using the banking service are above 4 years, 54 per cent respondents are making transaction between Rs.10,000 to Rs.20,000 per month.

Measuring Service Quality Dimensions

A service can have numerous intangible or qualitative specifications.

Parasuraman, zeithaml, and berly (1985) provide a list of determinates of service quality: accesscommunication,competence,courtesy,credibility,reliability,responsiveness,security,understanding and tangibles. A table of five consolidated.

Dimensions of service quality are

Tangibility - Modern technological equipment's, visually appealing buildings, neat and tidy, and service materials.

Reliability - Service facility, Performs the services.

Responsiveness – solve the problems, bank are always willing to help, Respond to your request.

Empathy - Feel safe in your transactions, Gives you individual attention, Operating hours convenient to all, Bank understand your specific need.

Assurance – Error free records, service will be performed, Bank give you prompt service, Bank are trust worthy.

After analyzing the data overall score to each statement is given on a scale of 1 to 5 i.e 1 is given to strongly disagree, 2 is disagree, 3 is neutral, 4 is agreed and 5 is strongly agree.

Sum the score for each dimensions of service quality to obtain a final score which tells which dimensions is performing well and which dimensions needs improvements.

SERQUAL Table

| S.No | Particulars | Score |
|------|---|-------|
| 1 | Canara bank has modern technological equipment. | 5 |
| 2 | The bank has visually appealing building and departments. | 4 |
| 3 | The bank reception desk employers are need appearing. | 4 |
| 4 | Materials associated with the service are visually appealing at the bank. | 4 |
| 5 | The bank explained all their protect and services (ATM facility, credit card facility, loan facility, net banking facility) | 4 |
| 6 | When you have a problem, the bank shows a sincere interest in solving it. | 2 |
| 7 | The bank performs the services at right the first time. | 3 |
| 8 | The bank insists in error free records. | 2 |
| 9 | Employers in the bank tell you exactly when the services will be performed. | 4 |
| 10 | Employers in the bank give you prompt service. | 3 |
| 11 | Employers in the bank are always willing to help you. | 4 |
| 12 | Employers in the bank are never too busy to respond to your request. | 4 |
| 13 | The employers by the bank are trust worthy. | 4 |
| 14 | You feel safe in your transaction with the bank. | 4 |
| 15 | The bank gives you individual attention. | 4 |
| 16 | The bank has operating hours convenient to all its customers. | 4 |
| 17 | The bank has operating hours convenient to all its customers. | 4 |

The above SERVQUAL TABLE inferred that the scores for each dimensions are summed up and a final score is obtained.

RaterTangibility

| S.No | Particulars | Score |
|------|--------------------------------|-----------|
| 1 | Modern technological equipment | 5 |
| 2 | Visually appealing buildings | 4 |
| 3 | Neat and tidy | 4 |
| 4 | Service materials | 4 |
| | Total | 17 |

Reliability

| S.No | Particulars | Score |
|------|-----------------------|----------|
| 1 | Service facility | 4 |
| 2 | Performs the services | 3 |
| | Total | 7 |

Responsiveness

| S.No | Particulars | Score |
|------|---------------------------------|-----------|
| 1 | Solve the problems | 2 |
| 2 | Bank are always willing to help | 4 |
| 3 | Respond to your request | 4 |
| | Total | 10 |

Empathy

| S.No | Particulars | score |
|-------------|------------------------------------|--------------|
| 1 | Feel safe in your transactions | 4 |
| 2 | Gives you individual attention | 4 |
| 3 | Operating hours convenient to all | 4 |
| 4 | Bank understand your specific need | 4 |
| | Total | 16 |

Assurance

| S.No | Particulars | score |
|-------------|------------------------------|--------------|
| 1 | Error free records | 3 |
| 2 | Service will be performed | 2 |
| 3 | Bank give you prompt service | 3 |
| 4 | Banks are trust worthy | 4 |
| | Total | 12 |

Findings and Suggestion

- The score of **Tangibility** dimensions of service quality is better as compared to reliability, responsiveness and assurance. As per the schedule, infrastructure facility, Modern technological facilities are promptly provided by the bank to its customer.
- As score for **Empathy** is at second place after tangibility. So the bank is able to give individual attention to its customer and also understand the specific needs of its customers.
- As score for **Assurance**, the customers are very confident and feel safe while transacting with the bank. Moreover the employees of the bank have proved to be trustworthy.
- The score of **Responsiveness** is the lowest, so they are not focusing in prompt service, and the employees are not willing to help the customers, employees at bank are not giving preference to their customers.
- The **Reliability** dimension of service quality of Canara bank is the very lowest. Customers of the bank hesitate to rely on the bank. Whenever they have problems, the bank shows sincere interest in solving it but the services are not performed by a certain time as promised.
- Based on the study suggested that the Tangibility, Empathy, and assurance are the strongest factor. The Canara bank showed that it maintains its quality services to its customer. Reliability and Responsiveness are the weakest factor, which require urgent attention of the employees, the management and the policy makers of the industry. The bankers need to convert the weak factor into strong factor in order to attract the new customers and retain the existing customers.

Conclusion

Banking sector today has a compelling demand for improvement, to survive the substantial competition in today's scenario. Public sector banks are always known for the trust; they have developed with the customers and for their existence in the society for a very long period of time. Hence, it is suggested that the public sector banks keep the trust factor and improve on the other aspects of service quality. Also it is advisable that the public sector banks associate more with the technology and good infrastructure facilities to provide timely and efficient service to the customers. The customer needs grow with no limits, and it is very much evident from the various service offerings by the other banks day to day. Not just to rebel the competition with the private and the foreign banks, but also to retain the existing customers, it is very necessary that the public sector banks take a charge on this. The banks should focus on pooling and retention of customers. Large database would create a trust and reliability culture which would bring in more and more customers.

Addressing to the individual customer needs is one crucial aspect to be considered, as the customer would find himself as a part of the organization. This would build a good relationship between the bank and the customer. Establishing branches in every possible area would be a better way to progress. This would really help banks to create more accounts and give more reach to the banks.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON PERCEPTION OF BEAUTY PARLOUR CUSTOMERS
TOWARDS HEALTH INSURANCE IN MADURAI CITY**

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Abstract

Health insurance is insurance against the health related risks which covers various medical expenses. The evaluation of the in general peril of medical treatment expenses, among a targeted group, an insurer can build up a custom investment construction, such as a monthly payment, to make certain that capital is accessible to reimburse for the medical settlement particular in the cover insurance contract. This paper attempts to know the perception among the customers of beauty parlours towards Health Insurance of various service providers and to find out customers purpose and various factors for purchasing Health Insurance. A survey method with structured questionnaire used to collect the data from the sample of population. Descriptive research design was used to find out the perception of beauty parlour customers towards Health Insurance. This paper makes a precious involvement known the fact that there was only unsatisfactory researches commerce with the customers's perception towards Health insurance.

Keywords: *perception of beauty parlour customers, Health Insurance.*

Introduction

The term health insurance (popularly known as Medical Insurance or Mediclaim) is a type of insurance that covers all medical expenses risk. The awareness of health insurance is growing fast in India. A medical cover policy is a contract between an insurer and an insured person. The contract is renewable per annum. Health insurance policy is to make sure that insured person obtain the necessary cure. The health insurance is significant because the coverage helps people obtain well-timed medical care and acquire improved live and wellbeing. The knowledge of health insurance has been vast in the several years. The health insurance market in Tamilnadu is exclusive and has considered a strong growth potential in the current years with the opening of a lot of overseas company into the marketplace. Most financial planners suggest making a health insurance plan to be the starting point of all financial plans. Even before one starts investing towards one's goals, getting an adequate health insurance cover for self and family helps.

Objectives of Research

- To study the perception of customers of beauty parlour on Health insurance.
- To analyse the experiences of beauty parlour customers relating to Health insurance.
- To offer suggestions and recommendations based on the study.

Metodology and Sampling Design

Sample of 100 women beauty parlour customers from Madurai city were selected for this study. The study has been made as a descriptive research. In this study the researcher has no control over the variables. Researcher used **convenient sampling was adopted** for selecting the respondents. Questionnaires were used to collect the primary data and the secondary data was collected from books, journals, and websites etc.,

Table 1 : Demographic characteristics of the sample respondents

| Demographics | Number of Respondents | Percentage |
|----------------------------------|-----------------------|------------|
| AGE(in years) | | |
| Below 30 | 14 | 14 |
| 30-40 | 62 | 62 |
| 40-50 | 22 | 22 |
| Above 50 | 4 | 4 |
| Marital Status | | |
| Single | 14 | 14 |
| Married | 86 | 86 |
| Number of Family Members | | |
| 1-3 members | 12 | 12 |
| 4-6 members | 64 | 64 |
| Above 6 members | 24 | 24 |
| Educational Qualification | | |
| Up to HSC | 22 | 16 |
| Diploma | 4 | 4 |
| Graduate | 66 | 66 |
| Post graduate | 8 | 10 |

Source : Primary data

Table: 2 : Which Route You Prefer While Taking A Health Insurance Policy?

| Sr. No. | Factors | Mean value |
|---------|---|------------|
| 1 | Self decision. | 4.13 |
| 2 | Insurance agents. | 3.10 |
| 3 | Advertisement in TV, news paper or magazines. | 2.28 |
| 4 | Friend's suggestion. | 1.90 |
| 5 | Others | 2.15 |

Table: 2 shows that self decision and insurance agents having a mean values 4.13 and 3.10 respectively.

Table: 3 : Reason to choose Health Insurance Policy

| Sr. No. | Factors | Mean value |
|---------|---|------------|
| 1 | Risk coverage | 4.04 |
| 2 | To protect against high and unexpected Medical cost | 4.00 |
| 3 | Tax benefits | 3.46 |
| 4 | Medical emergencies. | 3.15 |
| 5 | All of the above. | 3.98 |

Table: 3 shows that risk factors and to protect against high and unexpected Medical cost having a mean values 4.04 and 4.0 respectively.

Table: 4 : Variables Mean Value Table

| Sr. No. | Variables | Mean values |
|---------|--|-------------|
| 1. | The health insurer is tie up with reputed hospitals. | 3.95 |
| 2. | The health insurer is provided cashless facilities. | 3.68 |
| 3. | Premium terms are easy. | 3.55 |
| 4. | Benefits payouts are quickly handle. | 4.23 |
| 5. | You save your taxation. | 3.26 |
| 6. | Health insurance portability offers to insured person. | 3.19 |

| | | |
|-----|---|------|
| 7. | Health insurance policy is affordable to you. | 3.18 |
| 8. | Health insurance is providing sense of security. | 3.69 |
| 9. | Health insurance is providing a financial security to the family members. | 3.91 |
| 10. | It covers your hospitalization and medical bills easily. | 4.57 |
| 11. | Ease of premium fills. | 2.95 |
| 12. | You will get extra risk coverage. | 3.25 |
| 13. | Ease of claim settlement process. | 3.80 |
| 14. | Inquiries related to insurance are answered promptly. | 3.59 |
| 15. | Your policy covers ambulance facility and boarding charges. | 4.30 |
| 16. | You get high quality and safe medical care. | 3.85 |
| 17. | You get the most effective drugs in the treatment. | 3.36 |
| 18. | You receive the best medical technology. | 3.60 |

Hypothesis for Testing: (Chi Square)

- H1: There is an association between marital status and Health insurance coverage plan.
- H2: There is an association between marital status and Term of policy.
- H3: There is an association between age and Health insurance coverage plan.
- H4: There is an association between age and Term of policy.
- H5: There is an association between income and Health insurance coverage plan.
- H6: There is an association between income and Term of policy.

Result of Analysis (chi-square test)

For the first hypothesis H1, the significance values P, at 95% confidence level is 0.040. So, we do not accept null hypothesis. And for remaining hypothesis Viz, H2, H3, H4, H5 and H6, the significance values P, at 95% confidence level is 0.05. So, we don't accept alternate hypothesis.

Only for first hypothesis, H1, there is an association between gender of Health Insurance policy holder and Health insurance coverage plan.

On the basis of the findings the following suggestions are made

- Improve the number of doctors, nurses and pharmacists are appointed in national healthcare system to overcome the shortage of medical personnel
- Regulating distribution and sales of drug public pharmacies often run out of free medications it will help to reduced health service cost.
- Tamil Nadu government should take an initiative for implementing something more from culture method of the healthcare system.
- Initiate transparency by accreditation of Hospitals and health care providers.
- Increase health-care spending for healthcare development.

Conclusion

Today, India is attempting to an emerging superpower and as an impressive global economic power, accessible quality healthcare can be a vital competitive strength for any country. So, It is time to begin the development of our medical facilities and services to help the country progressive into an advanced nation.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON PERCEPTION OF STUDENTS ON INTERNET BANKING
IN DINDIGUL DISTRICT**

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Abstract

Nowadays, Internet Banking can help the students to manage their account anytime and anywhere on their devices or mobile phone, the students can simply log into the internet banking service in any bank they like. This study attempts to explore the effects of different key factors influencing the students' acceptance and satisfaction on internet banking. Internet banking is a form of self service technology, the numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because of their fear on e-banking security. This paper investigates the factors which are affecting the acceptance of e-banking services among students and also indicates level of concern regarding security and privacy issues in Indian context. Primary data was collected from 50 respondents through a structured questionnaire. Relevant statistical tools were used to know trend of internet use and factors affecting e-banking services students.

Introduction

In the present scenario on online services has become an added feature in the banking sector. Online banking or Internet banking allows customers to conduct financial transactions on bank's website. Credit goes to internet that provided ultimate ease to the customers at their door step. Internet banking allows students to perform all the banking related activities such as money transfer, past transactional information, cash withdrawals and deposits etc with a just one click of a mouse. Clients can easily check the account balance every day just by visiting the website of their bank. Internet banking provides the place and time utility to the students. However, using internet for money transaction is never been free from risk. More importantly, security is always been an issue with Internet transactions. This study also aims to identify the factors which affect the intention to use the internet banking services.

Objectives of the Study

- To study the students perception on internet banking.
- To analyse the students satisfaction on internet banking.
- To offer suggestions and recommendations based on the study.

Methodology and Sampling Design

Sample of 50 students in Dindigul district were selected for this study. The study has been made as a descriptive research. In this, the researcher has no control over the variables and used convenient sampling method to select the sample respondents. Questionnaires were used to collect the primary data and the secondary data was collected from books, journals, website etc

Table 1 : Level of Acceptance of Respondents towards On-Line Banking

| Levels of acceptance | Number of Respondents | Percentage |
|-----------------------------|------------------------------|-------------------|
| Low Level | 5 | 10 |
| Medium Level | 13 | 26 |
| High Level | 32 | 64 |
| Total | 50 | 100 |

Source: Primary data

Table 2 : Respondents Satisfaction towards using Internet Banking

| Opinion | Number of respondents | Percentage |
|--------------|-----------------------|------------|
| Satisfied | 44 | 88 |
| Dissatisfied | 6 | 12 |
| Total | 50 | 100 |

Source: primary data

Table 3 : Level of Satisfaction of Respondents towards Online Banking

| Levels of acceptance | Number of Respondents | Percentage |
|----------------------|-----------------------|------------|
| Low Level | 5 | 10 |
| Medium Level | 18 | 36 |
| High Level | 27 | 54 |
| Total | 50 | 100 |

Source: Primary data

Table-4 : Problem faced while using the internet banking

| Factors | Rank | | | | | Garret's Score | Average Score | Rank |
|---|---------------------|--------------------|-------------------|-------------------|-------------------|----------------|---------------|----------|
| | 1 | 2 | 3 | 4 | 5 | | | |
| Worried about the safety of personal information | 28 (2296) | 12 (840) | 5 (315) | 3 (174) | 2 (104) | 3729 | 74.58 | I |
| Forgotten user names and passwords | 11 (902) | 6 (420) | 8 (504) | 12 (696) | 13 (676) | 3198 | 63.96 | III |
| In-adequate knowledge to use | 2 (164) | 8 (560) | 13 (819) | 15 (870) | 12 (696) | 3037 | 60.74 | V |
| No direct interaction with bank officials | 3 (246) | 11 (770) | 25 (1575) | 4 (232) | 7 (364) | 3187 | 63.74 | IV |
| Fear about disconnection during transaction | 24 (1968) | 9 (630) | 4 (252) | 7 (406) | 6 (312) | 3568 | 71.36 | II |

Source: Primary data

Table 6 : Opinion of the respondents on using internet banking for business

| Factors | No. of. Respondents | | | | | Total weight | Rank |
|--|---------------------|-------------------|------------------|-----------------|-----------------|--------------|----------|
| | HS | S | NO | D | HDS | | |
| Availability of twenty four hours banking facilities | 2 (10) | 8 (32) | 13 (39) | 15 (30) | 12 (12) | 123 | V |
| Convenience | 3 (15) | 11 (44) | 25 (75) | 4 (8) | 7 (7) | 149 | III |
| Time saving | 28 (140) | 12 (48) | 5 (15) | 3 (6) | 2 (2) | 211 | I |
| Send or transfer money/Receiving money transfer | 24 (120) | 9 (36) | 4 (12) | 7 (14) | 6 (6) | 188 | II |
| Environment friendly | 11 (55) | 6 (24) | 7 (21) | 13 (26) | 13 (13) | 139 | IV |

Source: Primary Data

On the basis of the findings the following suggestions are made

- Entrepreneur can control the policy for privacy information to reduce risk or set the system to prevent the loss which can be occurring.
- Entrepreneur can train the software professionals and make available Computer Security Experts and Programmers who can be used for protecting our financial records.
- Change password frequently.
- Frequent reminder to be given to the extent not to disclose their account number, pin number, pass word details to anybody.
- Entrepreneurs must be educated to Learn about new technological changes.

Conclusion

Online banking is certainly here to stay. Online banking is a necessity for the bank's that we studied and others in order for them to stay in business. While its existence doesn't necessary give them a competitive edge because it is so common place, it is truly a cost of doing business. As a tool of modern living and as a lifestyle aid, it is absolutely indispensable. The fact is that many services that are now being offered with online banking are almost impossible to do conveniently with regular banking. As we venture into the future, the internet will undoubtedly continue to change the banking industry.

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Emerging Trends in Banking, Insurance and International Trade
**AN EMPIRICAL STUDY ON CUSTOMER RELATIONSHIP
MANAGEMENT IN BANKING SECTOR**

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Abstract

Customer Relationship Management has become inevitable for growth and profitability of Banks in present scenario marked by rising competition, technological advancement and empowered customers. It is felt that Modern Banking has become wholly customer – driven and technology driven. During the last decade, technology has been dramatically transforming the banking activities in India. Driven by challenges on competition, rising customer expectation and shrinking margins, banks have been using technology to reduce cost. Apart from competitive environment, there has been deregulation as to rate of interest, technology intensive delivery channel like Internet Banking, Tele Banking, Mobile banking and Automated Teller Machines (ATMs) etc. have created a multiple choice to user of the bank.

The banking business is becoming more and more complex with the changes emanating from the liberalization and globalization. For a new bank, customer creation is important, but an established bank it is the retention is much more efficient and cost effective mechanism. A satisfied customer is silent advertiser for banks products. Under these situations it has been thought fit to conduct a study on CRM in banking sector. The research work is an empirical study intended to explore the technological revolution that the commercial banks witnessed and how far it has benefited banks to build better customer relationship management (CRM). Furthermore, a comparison would also be made to find out the expectations of the customers from the banking stream and on various technical and structural fronts.

Keywords - *Customer, Management, Banking sector, CRM , knowledge management, technology-based CRM and key customer focus.*

Introduction

Customer relationship management (CRM) is popular business strategy in today's competitive environment. Customer Relationship Management is discipline which enables companies to identify & target their most profitable customers. It involves new & advance marketing strategies which not only retain existing customer but also acquire new customers. It is a unique technique capable of remarkable changes in output of financial organisations. The concept of maintaining one to one relationship with customers was formally introduced in early 90's when financial services, airlines & other institutions stated to 'reward to retain' the existing customer by introducing loyalty programs. CRM was introduced in late nineties. Now a day's many financial organizations have been pioneers in developing customer retention strategies. Banks have relationship managers for select customers, airlines have frequently flyer program to reward loyal customers, credit card offers redeemable bonus points for increase card usages, telecom services operators provides customised services to their heavy users, and hotels have personalised services for their regular guests.

In the present Indian Banking Scenario, two prominent phenomena are the focal point to emerging practices and policies. These are 'Technology' and 'Relationship Marketing'. The power of technology that has revolutionised banking services and practices. 'Relationship Marketing' is seen as the only differentiating factor given the almost commoditisation of banking services. On observation of the recent restructuring, rebranding and reengineering efforts of many banks, we find that the key motive towards these is to utilise customer centricity as a strategy. Further, catalysing the importance of Technology and Relationship marketing is the Core Banking Solution (CBS). All the banks have overcome the teething troubles of CBS and it has become the axis of banks' growth and performance.

In a service industry like banking, the customer would continue to be a prime factor and the customer service would be one of the factors for improving profitability. Banks are conscious of the relative cost of acquiring new customer. In the wake of increasing competition, the banks realized that 'customer is king' and keeping or retaining a customer is less expensive than creating a new customer for their products. According the Sam Walton, "There is only one boss. He is the customer. In the recent years, CRM has emerged as one of the most widely prescribed solutions for increasing market chase and growth of many industries in general, banking sector in particular. CRM is a simple

philosophy which places the customer at the heart of the business organizations process, activities and culture with as intention to improve customer satisfaction. In other words, CRM is described as the establishment, development, maintenance and optimization of the long term mutually valuable relationship between the customer and the organization to boost the profits (Buttle, 2002). Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organisation's strategy, people, technology and business processes.

Review of Literature

Berry (1983) in his article titled "The Art and Science of Customer Relationship Management", John Wiley & Sons, Inc. recommended the following five strategies for practicing relationship marketing-

- Developing a core service around which to build a customer relationship,
- Customizing the relationship to the individual customer,
- Augmenting the core service with extra benefits,
- Pricing services to encourage customer loyalty,
- Marketing to employees so that they will perform well for customers.

According to Brown (2000) CRM is a process of acquiring new customers, retaining the existence customers, and at the same time understands, anticipates and manages the needs of an organisation's current and potential customers. Furthermore, Mylonakis (2009) described CRM as an innovative process to create a long term relationship and gaining trust.

Panda (2003) described customer expectations are difficult to manage but are often the cause of dissonance which results in loss of existing customer base. So understanding of customer expectations with regard to service delivery levels and product quality is essential for establishing a long term symbolic value relationship.

Kamath in his thesis entitled "Marketing of bank services with special reference to branches in Bombay city of syndicate bank" has concluded that quicker and better service offered by bank will be the most important variable in attracting and retaining customer.

Statement of the problem

In today's competitive business environment, giving quality services to customers is a very critical exercise. Meeting customer expectation by giving quality services is very important to loyal customers. If the customers are satisfied, they will always be loyal to the firm and the business remains forward to the development of its power. The purpose of service is to seek out and deal with service failures (Robert, 1995, pp.53-71); it is the seeking out part that distinguishes recovery from complaint handling, as a vast majority of unsatisfied customers do not bother to complain. Instead, they vote with their feet and switch to another service provider. Most of the time, the bank gives more emphasis only on attracting new customers, instead of maintaining the existing ones believing that no customers will shift to other banks. But in practice, there is a clear chance of losing existing customers, and in turn can have impact on bank performance. Therefore, the bank is expected to pay attention on CRM. Thus, keeping this in mind, this study is intended to look the effect of CRM on Bank performance.

Objectives of the Study

The objectives of the study are –

- To review the literature on the concept and use of CRM in banking sector.
- To determine the effect of CRM on performance of selected commercial banks.
- To examine the opinion of the customers as to CRM of the banks with respect to service quality management.

Methodology

This research work will depend on both primary and secondary data. Primary data will be collected by ways of well structured questionnaire that will be administered by the researcher on banks in Madurai District of Tamilnadu. Secondary data will be collected from published records of RBI and other Bank authorities, standard text book and published research papers. The required primary data will be collected from the bank branches in Madurai District. A minimum of 8 branches will be approached, apart from collecting information from banks, the general public who holds accounts with the banks in the District.

Framework of the study

In order to understand dimensions of CRM responsible for the banks performance improvement, the literature review is organized to elicit the theoretical and empirical considerations as related to address the stated objectives. Thus, based on the comprehensive related literatures review and empirical evidence conducted by other researchers, the following refined conceptual framework was developed

Research hypothesis

- H1: Key Customer Focus has a positive and significant effect on bank performance
- H2: CRM organization has a positive and significant effect on bank performance
- H3: Technology-based CRM has a positive and significant effect on bank performance
- H4: Knowledge Management has a positive and significant effect on bank performance

Sampling Design

The primary data required for the study was collected from eight branches of banks in Madurai District. The required primary data was collected from the bank branches in Madurai District. A minimum of 8 branches will be approached, apart from collecting information from banks, the general public who holds accounts with the banks in the District was also included.

The researcher followed multi-stage Sampling Techniques in the process of selection of sample, for this purpose Public and Private sector banks operating in Madurai District was included. The sample for the study was selected through a three-stage sampling procedure. The first stage involved the choice of banks. As it was felt that it would be useful to attempt a comparative study between Public and Private Banks, two public sector banks and two private sector banks (Indian Bank, Canara Bank & ICICI Bank and TMB bank) were selected in the first stage of selection of samplings. The random selection of bank branches constituted the second stage of the sampling process. Two branches for each of the chosen public sector banks and two branches for each of the Private sector banks were selected for this study.

Judgment sampling method was adopted initially 50 customers from each branch were targeted for data collection needed for the study. Thus the final sample for the study consisted of 8 banks branches (four from to public sector banks and four from private sector banks) which generated 200 customers for studying customer relationship management in banks of Madurai District.

Analysis of Data

Through the literature survey and data analysis it can be inferred that CRM tries to find out the relationship between perception and satisfaction, commitment and loyalty that underlines the significance in Indian Banking Sector. Customers largely select their banks based on how convenient the location of bank was to their homes or offices. With the advent of new technologies in the business of banking, such as internet banking and ATM'S, now customers can freely choose any bank for their transactions. Private Banks have traditionally viewed themselves as exceedingly "Customer Centric" offering what they believe to be highly personalised services to the High Net Worth Customers.

Customers' perception of empathy dimension of service quality The empathy dimensions of service quality and its items in public and private sector banks are compared.

Table :1 : Sector-wise mean ratings of dimensions of service quality

| Empathy Dimension items | Types of Banks | |
|--|----------------------------|-----------------------------|
| | Public Sector Bank (n=107) | Private Sector Bank (n=103) |
| | mean | mean |
| Banks gives individual attention | 3.170 | 3.250 |
| Convenient operating hours | 3.520 | 3.710 |
| Employees understand specific needs of the customers | 3.141 | 3.080 |
| Customer is made to feel important | 3.260 | 3.150 |
| Dimension mean | 3.270 | 3.300 |

Comparison of empathy dimension means in public and private sector banks

| Types of Bank | Mean | S.D | No | t | df | Table value | Sign |
|----------------------|-------|------|-----|-------|-----|-------------|------|
| Public Sector Banks | 3.270 | 0.67 | 107 | 0.313 | 419 | 1.966 | Vs |
| Private Sector Banks | 3.300 | 0.80 | 103 | | | | |
| All sectors | 3.290 | 0.74 | 210 | | | | |

The calculated t- test value at 0.313 which is less than the table value of 1.966 at 5% level of significance, shows that there is no significant difference between the service quality of public sector banks that of private sector banks in terms of empathy dimension. Hence, the hypothesis is accepted.

Findings

- In both public and private sector banks, the mean rating of individual attention understanding the specific needs of the customers are lower than their respective dimension mean values.
- Public Sector banks is rated higher than the positive section banks and the public section banks are well interactive with their customers perception of customer retention management practices in public and private sectors is almost the same.

Suggestions

The customers perception of service quality is lower in public sector banks. So it is suggested that public sector banks may take steps to improve their service quality, strategies, customer interaction management strategies customer retention management strategies.

Conclusion

The present study provides some guidelines for customer relationship management satisfied customers are loyal customer, their retention rate is much higher and so is their overall profitability for the bank. CRM offers the most holistic route for banks to enhance customer relationships. Banks can enhance customer retention, profitability and loyalty and get an increased share of banks from their customers. Banks need to embrace CRM as a principle and adopt a strategy for managing customer relationships that effectively addresses three key areas, customers, processes and technology. Finally banks should take actions such as recognition and delegation of work, freedom to handle customer's grievances and management's approval to take decision according to the situations.

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Emerging Trends in Banking, Insurance and International Trade

**PERFORMANCE MEASURES: AN APPLICATION OF
ECONOMIC VALUE ADDED WITH SPECIAL REFERENCE TO
COMPUTER HARDWARE COMPANIES LISTED IN BOMBAY
STOCK EXCHANGE (BSE)**

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Abstract

The value-based idea of business performance measurement has its theoretical basis in form of economic profit. The knowledge of economic profit is based on the existence of opportunity costs that are very well known in the economic theory. The study deals with measurement of the economic profit by the Economic Value Added indicator. This study examines the assertions that Economic Value Added is highly rely on firm values than accrual earnings. The main objectives of this study was to indicate whether the sampled Computer Hardware Companies were able to create value for its shareholder and to analyze the effectiveness of EVA over the conventional measures of Computer Hardware companies' performance. It was concluded that the Reding ton India ltd by virtue of being the largest Computer Hardware Company managed to have largest amount of market capitalization and created value for its share holders. This study would be beneficial to the academicians, policymakers, practitioners and researchers to formulate suitable policy in India.

Keywords: *Economic Value Added (EVA), Shareholders' Wealth Creation, Economic profit, Value Based Management, Computer Hardware companies.*

Introduction

Information technology industry in India has played a key role in placing India on the global map. Computer hardware and software industries in India have been one of the most substantial growth providers for the Indian economy. The industry has played an important role in renovating India's image from a slow moving economy intorigid economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business amenities. The industry has aided India renovate from a rural and agriculture-based economy to a knowledge based economy. Information Technology has made possible information access at terabyte speeds. It has made remarkable impact on the lives of millions of people who are poor, relegated and living in rural and far flung geographies. India's computer hardware and software potential is balanced much towards global competitiveness, improving defense capabilities and meeting up energy and environmental challenges amongst others. In order to align the performance of individual zones/regions/branches to the overall corporate expectation in the term of EVA, the vocabulary of risk management has to percolate down the hierarchy of Computer Hardware Companies to the individual unit level. New performance benchmark in the form of EVA should naturally form the unifying cord/link in every Computer Hardware Companies. EVA can be an important tool that Computer Hardware Companies can use to measure and improve the financial performance. Since EVA takes the interest of the Computer Hardware Companies' shareholders into consideration, the use of the EVA by their management may lead to different decision making process than if management relied solely on their measures. The deregulation of the Computer Hardware Companies in most countries has created an unprecedented and vibrant competition in the industry. This competition has been very chaotic as Computer Hardware and Software advances exponentially and customers' expectation and satisfaction extremely varies beyond corporate decision-level threshold.

The ability for the Computer Hardware Companies to create and maximize shareholders value has been a great concern. This means that all functions of the Computer Hardware Companies must be effectively and efficiently be utilized to ensure a distinct-level competitive advantage for corporate survival and sustenance. In this study it attempted to examine whether the Computer Hardware Companies have created the shareholder value or not. It would serve as a brief and concise value creation material for strategic management and competitive tool in Computer Hardware Companies.

Investigating shareholders' value creation in general can be studied from different erspectives. The present study concentrate on the company's perspective, the information used in the study was collected mainly from the financial statement of the company. However due to the time limit and the

scope of the problem were made.

Objectives of the Study

- To identify the shareholders' value (in terms of Economic Value Added) of selected Computer Hardware Companies during the year 2017-2018.
- To evaluate EVA and its applications to increase the shareholder's value.
- To suggest the Computer Hardware companies to enhance the shareholders' wealth through Economic Value Added context.

Methodology of the study

All the Computer Hardware Companies listed in Bombay Stock Exchange (BSE) was the universe of this study. For the present study, 19 Computer Hardware Companies were selected based on randomly sampled method. The secondary financial data were collected from Income Statement, and Balance Sheet of the selected Computer Hardware Companies for one year period was 2017-18 and it has been used for analyzing and testing the corporate performance and shareholders value creation in the perspective of Economic value added. Economic Value Added was the statistical tool to be used for analysis.

Empirical Analysis and Results

Table 1: Net Operating Profit After Tax (NOPAT), Capital Invested (CI), Risk, Economic Value Added (EVA - Rs in Crs), Return On Invested Capital (ROIC in %) and Economic Value Added (EVA in %)

| Name of the company | NOPAT (Rs.inCrs) | CI (Rs.inCrs) | Risk | EVA (Rs.inCrs) | ROIC (in%) | EVA (in%) |
|---------------------------------|-------------------------|----------------------|-------------|-----------------------|-------------------|------------------|
| Acceltransmatic ltd | 7,257 | 34,592 | 0.556437 | 685 | 0.21 | 0.01 |
| ACI infocom ltd | 376 | 15,888 | -2.24668 | -4,232 | 0.02 | -0.27 |
| Cerebraintegrated technologyLtd | 5,357 | 88,124 | 0.250765 | -4,337 | 0.06 | -0.05 |
| Compuageinfotech ltd | 5,025 | 27,672 | 0.461542 | -509 | 0.18 | -0.02 |
| CRAZY infotechltd | 4,901 | 23,917 | 2.686386 | 1,313 | 0.20 | 0.05 |
| D-Link India ltd | 30,724 | 88,225 | 0.283251 | 17,226 | 0.35 | 0.2 |
| HCL infosystems ltd | 4,73,858 | 27,91,797 | 0.495613 | -6,34,485 | 0.17 | -0.23 |
| Moser baer India ltd | 14,14,773 | 5,96,999 | 2.154523 | 13,37,760 | 2.36 | 2.23 |
| MROTEK Realty ltd | 14,635 | 51,519 | 0.810465 | 7,834 | 0.28 | 0.15 |
| PCS technologyltd | 18,508 | 1,22,416 | 1.255606 | -31,805 | 0.15 | -0.26 |
| Redington India ltd | 80,28,000 | 31,55,775 | 0.539613 | 79,20,704 | 2.54 | 2.51 |
| SmartlinkHoldings ltd | 6,619 | 4,26,756 | 1.104836 | -39,471 | 0.02 | -0.09 |
| SPEL semiconductor ltd | 18,368 | 94,227 | 1.227966 | -5,985 | 0.19 | -0.22 |
| TVS Electronics ltd | 10,56,295 | 17,73,011 | 0.520838 | 10,03,105 | 0.59 | 0.57 |
| Computer point ltd | 28,612 | 61,819 | 1.429439 | 12,910 | 0.46 | 0.21 |
| Vintron ltd | 15,046 | 16,889 | 1.256309 | 12,462 | 0.89 | 0.73 |
| VXL instruments ltd | 7,156 | 46,154 | 0.191383 | 3,694 | 0.16 | 0.08 |
| WEP solutions ltd | 10,780 | 41,979 | 0.295546 | 3,967 | 0.25 | 0.14 |
| Zenith computer ltd | 48,618 | 1,17,060 | 0.77952 | 20,875 | 0.42 | 0.18 |

Table-01 shows that the NOPAT of various Computer Hardware Companies over a period of time. In the analysis Net Profit After Tax (NOPAT) has shown a rather mixed performance of emerging Computer Hardware companies which were listed in BSE. Among all sampled Computer Hardware Companies, it was found that in the year 2017-18, Redington India Ltd has maximum NOPAT. Its profit over years was Rs.80,28,000. Further, Mosearbaer Ltd and TVS Electronic Ltd has the high level of NOPAT compared to other companies. All the above indicators clearly show that Computer Hardware Companies have outperformed with regard to value creation and overall performance by them.

Secondly, Invested Capital in all Computer Hardware Companies over a period of time. Among the Computer Hardware Companies studied, it was found that in the year 2017-18, Redington India has maximum Invested Capital Rs. 31,55,775. HCL info systems ltd has the invested capital of Rs. 27,91,797 & stood in second position. Invested capital refers to total assets net of non-interest bearing liabilities. From a financing perspective, the invested capital can be defined as Net Worth plus total borrowings. Total borrowings indicate all interest bearing debts. However, invested capital for Computer Hardware Companies have always been positive which indicates that the Computer Hardware Companies are primarily considered to be the best pick from the market by the investors.

Thirdly, Risk in all Computer Hardware Companies over a period of time. It shows that risk of CRAZY infotech Ltd has highest among all and the value was 2.68. The Mosearbaer ltd has 2.15 risk and placed at second position. ACI infocom ltd has lowest risk -2.246. All the Computer Hardware Companies remains have the positive value of risk. The high beta value explained the high risk and low beta value explained low risk. And it has related to growth of company's performance. Here ACI infocom shows the lowest beta value which was representing the investor can invest with low risk. A risk above one generally means both that the asset was volatile and tends to move up and down with the market. Here most of the Computer Hardware Companies have the risk value more than one and also positive risk values were not possible for investment that tends to go down when the market goes up. Fourthly, Economic value added (Rs. in crs) during the year 2017-18, Redington India ltd has the highest amount of EVA was Rs. 79,20,704 which shows that the Redington India ltd was highly added values to the shareholders over the years followed by Mosearbaer Ltd and TVS Electronic Ltd with the EVA at second and third position respectively. HCL infosystem Ltd has the lowest and negative value of EVA over the period 2017-18. The study shows that most of the companies were able to earn a return, sufficient to meet their cost of capital and have been able to add values to its shareholders. Finally the study shows the Redington India Ltd by virtue of being the largest company managed to have the largest amount of market capitalization and enterprise value.

Fifthly, Return on Invested Capital during the year 2017-18. The analysis of Return on Invested Capital (ROIC) has shown a fluctuating trend in the performance of Computer Hardware Companies. The return on invested capital signifies the return that the firm earns on the percentage of capital invested for a given period of time. Redington India ltd has the highest amount of ROIC 2.54. ROIC of Mosearbaer Ltd has 2.36 and placed at second position. The Computer Hardware Companies namely Vintron Ltd, TVS Electronic Ltd, Computer point Ltd, Zenith computer Ltd, D-Link (India) Ltd, MROTEK Ltd, Web Solution, Acceltransmatic Ltd, CRAZY infotech Ltd has moderate Return On Invested Capital. Compuageinfotech Ltd, HCL infosystems Ltd, VXL instruments Ltd, PCS technology, Cerebra integrated technology Ltd and Smartlink Network systems Ltd have the lower ROIC. ACI infocom Ltd has the lowest value of ROIC was 0.02. All the above indicators clearly show that Computer Hardware Companies have performed moderately with regard to value of return on invested capital and overall performance by them.

Finally, Economic value added (%) during the year 2017-18, Redington India Ltd has the highest amount of EVA percentage at 2.51. Compuageinfotech Ltd, Cerebra integrated technology Ltd, martlink Network systems Ltd, SPEL semiconductor Ltd, HCL infosystems Ltd, PCS technology and ACI infocom Ltd have negative percentage of EVA, which shown that these companies were unable to add the value for their investors. The study shows that most of the Computer Hardware Companies were able to earn a return sufficient to meet their cost of capital and few companies were unable to earn an economic profit.

Summary and Conclusion

The study was concluded that some of Computer Hardware Companies created their shareholders value, and other Computer Hardware Companies trying to create their shareholders value. Redington India Ltd by virtue of being the largest Computer Hardware Company managed to has largest amount of market capitalization and enterprise value. In order to improve EVA of Computer Hardware Companies, it's essential to understand the costs and profits of different activities and services offered by them. A good costing system would be very useful to the Computer Hardware Companies to measure the profits from different lines of activities. It would also help them to price their services appropriately thereby improving the EVA. It is important to address these issues because unless Computer Hardware Companies earn positive EVA and investors would not be adequately rewarded which in turn would make it difficult for them to access new capital for expansion. Computer Hardware Companies should improve the availability of relevant financial information and the overall quality of it. That will motivate the investors to invest in respective Computer Hardware Companies. Further the companies should increase the profitability and create the economic profit to their investors. Computer Hardware Companies are advised to create new policy to attract and encourages the different type of customers. Policy makers and regulators are encouraged to do more research on Computer Hardware Companies in form of efficiency. Further studies recommended are conducted to establish the nature of the market reaction to good and bad news and interim reports. This study helps to understand the performance and shareholders value creation of the Computer Hardware Companies.

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Emerging Trends in Banking, Insurance and International Trade
**IMPACT ON TOTAL VALUE AND MARKET VALUE OF EQUITY
SHARES ON ACCOUNT OF CHANGES IN CAPITAL STRUCTURE –
WITH SPECIAL REFERENCE TO INFORMATION TECHNOLOGY
COMPANIES**

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Introduction

In order to run and manage a company, funds are needed. Right from the promotional stage up to the end, finance plays a vital role in the company. If funds are inadequate, the business suffers and if the funds are not properly managed, the entire organization suffers. Therefore, it is important to estimate the current as well as future need of capital to have an optimum capital structure, which shall help the organization to run its work smoothly, and without any stress.

Estimation of capital requirement and formation of optimum capital structure is very important to every concern. The capital structure is made up of debt and equity securities mix and refers to permanent financing of a firm. It is the composition of shareholder's funds, long term debt and preference share capital.

While designing the capital structure it is important to take proper effort to design the capital structure as an optimum one. Because, the capital structure decision can influence the value of the company through the cost of capital and trading on equity or leverage. The optimum capital structure is a combination of debt and equity that leads to the maximum value of the company and wealth of its owners and minimizing the companies' cost of capital. Hence, the optimum capital structure is one that minimizes the overall cost of capital and maximizes the value of the company.

The capital structure may affect the value of the company either by its expected earnings or by the cost of capital or by both. Though the capital structure cannot affect the total earnings of firm, it affects the earnings that belong to the equity shareholders, which in turn directly influence the value of the company.

In practice, it is problematic to design an optimum capital structure. There may be substantial distinctions among industries and within the same industry in respect of capital structure decision. This is by reason of quantitative and qualitative factors which determine the capital structure of a company. Those factors are highly complex and cannot fit entirely into the theoretical framework.

Statement of the problem

The market value of Indian Information Technology Companies' is affected by its capital structure, whose main servicing areas depend on the USA and other western countries affect based on the financial position of that countries. Therefore, in this present study, the researcher has analysed some of the Indian Information Technology Companies' capital structure and its impact on market value of the equity share and total value of the company because of changes in capital structure and then the problems arise in service industries.

Scope of the study

The scope of the present study is to measure the effect of the changes in total value of the firm due to the changes in the capital structure of the companies in the field of Information Technology services.

Objectives of the study

Though the main objective of the study is to measure the effect of the changes in total value of the firm due to the changes in capital structure. The following are the specific objectives of the present study:

- To analyse the capital structure practices used by the selected Information Technology companies;
- To study the trend in leverage ratios affecting the capital structure decision; and also the value of the firm under the Net Income Approach Method.
- To give suggestions based on the findings of the study.

Methodology of the study

Collection of data

The study is purely based on the secondary data. Hence, the data related to the present study had been collected from the company, various websites, books and journals. The study covers the thoughts and writings of various authors in the stream of industry, academic and research. The Journals and books referred for the present study are mentioned in the bibliography.

Period of the study

The present study covers a period of five years from 2013-2014 to 2017-2018

Operational definitions of the concepts

Capital structure : Capital structure is the combination of debt and equity securities that comprise a firm's financing of its assets.

Financial risk : It is the additional risk placed on the common stock holders on account of higher debt content in capital structure as a result of the decision to finance with debt.

Cost of capital : It is the minimum rate of return so that the market value of equity shares does not fall.

Weighted average cost of capital : It is the overall cost of funds over the long run found by weighting the cost of each specific type of capital by its proportion in the firm's capital structure.

Earnings Per Share : It is the profit available to the equity shareholders on the basis of their holding.

Diluted Earning per share : Diluted Earning per share is the earning per share of the company after converting preference shares, convertible debentures, buy back of equity share or fresh issue of shares or bonus issue.

Tools for analysis

The collected secondary data were properly tabulated and analysed by using meaningful tools like Ratio analysis, capital structure analysis and EBIT-EPS analysis.

Capital Gearing Ratio

| Year | TCS | | WIPRO | | HCL TECHNOLOGIES | |
|------|--------|------------------|-------|------------------|------------------|------------------|
| | CGR | Trend Percentage | CGR | Trend Percentage | CGR | Trend Percentage |
| 2014 | 0.0063 | 100.00 | 0.03 | 100.00 | 0.012 | 100.00 |
| 2015 | 0.0108 | 172.23 | 0.33 | 1283.05 | 0.008 | 66.03 |
| 2016 | 0.0105 | 167.05 | 0.35 | 1382.30 | 0.147 | 1233.77 |
| 2017 | 0.0090 | 143.57 | 0.31 | 1223.76 | 0.284 | 2376.68 |
| 2018 | 0.0072 | 115.06 | 0.22 | 871.08 | 0.176 | 1472.96 |

source: published annual reports 2014-2018

Proprietary Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | Proprietary ratio | Trend Percentage | Proprietary ratio | Trend Percentage | Proprietary ratio | Trend Percentage |
| 2014 | 1.19 | 100.00 | 1.17 | 100.00 | 1.33 | 100.00 |
| 2015 | 1.18 | 98.80 | 0.81 | 69.24 | 0.98 | 73.74 |
| 2016 | 1.13 | 94.56 | 0.75 | 64.17 | 0.62 | 46.83 |
| 2017 | 1.11 | 93.19 | 0.88 | 75.21 | 0.85 | 64.26 |
| 2018 | 1.04 | 86.83 | 0.94 | 80.48 | 1.00 | 75.60 |

Source: Published Annual Reports 2014-2018

Return on Equity

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------|------------------|-------|------------------|------------------|------------------|
| | ROE | Trend Percentage | ROE | Trend Percentage | ROE | Trend Percentage |
| 2014 | 46.62 | 100.00 | 30.50 | 100.00 | 32.17 | 100.00 |
| 2015 | 41.35 | 88.68 | 26.52 | 86.92 | 24.30 | 75.52 |
| 2016 | 35.14 | 75.36 | 23.76 | 77.91 | 28.59 | 88.89 |
| 2017 | 37.30 | 80.01 | 27.69 | 90.76 | 21.45 | 66.69 |
| 2018 | 38.80 | 83.23 | 22.72 | 74.48 | 20.45 | 63.58 |

Source: Published Annual Reports 2014-2018

Earnings per Share

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------|------------------|-------|------------------|------------------|------------------|
| | EPS | Trend Percentage | EPS | Trend Percentage | EPS | Trend Percentage |
| 2014 | 38.39 | 100.00 | 19.92 | 100.00 | 16.88 | 100.00 |
| 2015 | 46.07 | 120.00 | 21.11 | 105.99 | 11.75 | 69.59 |
| 2016 | 47.99 | 124.99 | 20.44 | 102.64 | 14.91 | 88.30 |
| 2017 | 28.71 | 74.77 | 33.61 | 168.74 | 15.68 | 92.89 |
| 2018 | 38.68 | 100.74 | 19.88 | 99.81 | 17.53 | 103.84 |

Source: Published Annual Reports 2014-2018

Price Earnings Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-----------|------------------|-----------|------------------|------------------|------------------|
| | P/E ratio | Trend Percentage | P/E ratio | Trend Percentage | P/E ratio | Trend Percentage |
| 2014 | 25.56 | 100.00 | 25.40 | 100.00 | 22.40 | 100.00 |

| | | | | | | |
|------|-------|--------|-------|--------|-------|--------|
| 2015 | 21.89 | 85.64 | 21.80 | 85.83 | 24.60 | 109.82 |
| 2016 | 10.07 | 39.40 | 12.50 | 49.21 | 13.60 | 60.71 |
| 2017 | 15.79 | 61.78 | 21.30 | 83.86 | 24.50 | 109.38 |
| 2018 | 28.97 | 113.34 | 30.00 | 118.11 | 30.50 | 136.16 |

Source: Published Annual Reports 2014-2018

Return on Capital Employed

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------|------------------|-------|------------------|------------------|------------------|
| | ROCE | Trend Percentage | ROCE | Trend Percentage | ROCE | Trend Percentage |
| 2014 | 85.52 | 100.00 | 61.66 | 100.00 | 82.27 | 100.00 |
| 2015 | 76.23 | 89.14 | 33.09 | 53.67 | 68.68 | 83.47 |
| 2016 | 67.28 | 78.67 | 35.52 | 57.61 | 38.03 | 46.23 |
| 2017 | 88.05 | 102.95 | 40.89 | 66.32 | 31.40 | 38.17 |
| 2018 | 63.00 | 73.66 | 37.82 | 61.34 | 33.91 | 41.22 |

Source: Published Annual Reports 2014-2018

DEBT COVERAGE RATIO

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| | Debt coverage ratio | Trend Percentage | Debt coverage ratio | Trend Percentage | Debt coverage ratio | Trend Percentage |
| 2014 | 0.626 | 100.00 | 2.49 | 100.00 | 1.180 | 100.00 |
| 2015 | 0.166 | 26.46 | 24.77 | 994.70 | 0.782 | 66.26 |
| 2016 | 0.299 | 47.84 | 28.60 | 1148.77 | 12.837 | 1088.08 |
| 2017 | 0.236 | 37.70 | 23.81 | 956.41 | 22.064 | 1870.21 |
| 2018 | 0.210 | 33.50 | 18.20 | 730.98 | 14.953 | 1267.45 |

Source: Published Annual Reports 2014-2018

Debt - Equity Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| | Debt - equity ratio | Trend Percentage | Debt - equity ratio | Trend Percentage | Debt - equity ratio | Trend Percentage |
| 2014 | 0.216 | 100.00 | 0.35 | 100.00 | 0.30 | 100.00 |
| 2015 | 0.220 | 101.92 | 0.62 | 178.99 | 0.58 | 189.33 |
| 2016 | 0.263 | 121.95 | 0.86 | 246.82 | 0.78 | 256.79 |
| 2017 | 0.222 | 102.56 | 0.58 | 166.55 | 0.63 | 207.85 |
| 2018 | 0.199 | 92.32 | 0.47 | 135.47 | 0.44 | 145.77 |

Source: Published Annual Reports 2014-2018

Fixed Assets to Long Term Funds Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|---------------------------------------|------------------|---------------------------------------|------------------|---------------------------------------|------------------|
| | Fixed assets to long term funds ratio | Trend Percentage | Fixed assets to long term funds ratio | Trend Percentage | Fixed assets to long term funds ratio | Trend Percentage |
| 2014 | 0.180 | 100.00 | 0.176 | 100.00 | 0.193 | 100.00 |
| 2015 | 0.176 | 97.72 | 0.193 | 109.46 | 0.224 | 115.78 |
| 2016 | 0.198 | 109.82 | 0.250 | 142.20 | 0.237 | 122.71 |
| 2017 | 0.182 | 101.09 | 0.204 | 115.89 | 0.158 | 81.82 |
| 2018 | 0.174 | 96.76 | 0.199 | 112.81 | 0.188 | 97.30 |

Source: Published Annual Reports 2014-2018

Interest Coverage Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|
| | Interest coverage ratio | Trend Percentage | Interest coverage ratio | Trend Percentage | Interest coverage ratio | Trend Percentage |
| 2014 | 1216.94 | 100.00 | 442.14 | 100.00 | 91.80 | 100.00 |
| 2015 | 1464.12 | 120.31 | 30.71 | 6.94 | 46.90 | 51.09 |
| 2016 | 691.82 | 56.85 | 19.03 | 4.30 | 43.50 | 47.39 |
| 2017 | 668.75 | 54.95 | 53.48 | 12.10 | 12.37 | 13.48 |
| 2018 | 435.80 | 35.81 | 98.36 | 22.25 | 13.72 | 14.95 |

Source: Published Annual Reports 2014-2018

Shareholders Equity Ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|---------------------------|------------------|---------------------------|------------------|---------------------------|------------------|
| | Shareholders equity ratio | Trend Percentage | Shareholders equity ratio | Trend Percentage | Shareholders equity ratio | Trend Percentage |
| 2014 | 0.9937 | 100.00 | 0.97 | 100.00 | 0.988 | 100.00 |
| 2015 | 0.9983 | 100.46 | 0.75 | 76.80 | 0.992 | 100.35 |
| 2016 | 0.9970 | 100.33 | 0.71 | 73.24 | 0.872 | 88.19 |
| 2017 | 0.9976 | 100.39 | 0.76 | 78.15 | 0.778 | 78.69 |
| 2018 | 0.9979 | 100.42 | 0.82 | 83.92 | 0.850 | 86.05 |

Source: Published Annual Reports 2014-2018

Sales To Capital Employed

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|---------------------------|------------------|---------------------------|------------------|---------------------------|------------------|
| | Sales to capital employed | Trend Percentage | Sales to capital employed | Trend Percentage | Sales to capital employed | Trend Percentage |
| 2014 | 3.06 | 100.00 | 26.50 | 100.00 | 2.30 | 100.00 |
| 2015 | 2.82 | 92.18 | 16.14 | 60.90 | 3.41 | 148.38 |
| 2016 | 2.87 | 93.73 | 20.40 | 76.98 | 1.37 | 59.65 |
| 2017 | 3.18 | 103.90 | 16.17 | 61.01 | 1.23 | 53.41 |
| 2018 | 2.11 | 69.09 | 17.26 | 65.11 | 1.62 | 70.22 |

Source: Published Annual Reports 2014-2018

Equity Dividend Cover

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|
| | Equity dividend cover | Trend Percentage | Equity dividend cover | Trend Percentage | Equity dividend cover | Trend Percentage |
| 2014 | 3.34 | 100.00 | 3.25 | 100.00 | 2.10 | 100.00 |
| 2015 | 3.29 | 98.57 | 3.49 | 107.44 | 1.30 | 62.21 |
| 2016 | 3.42 | 102.52 | 5.07 | 156.00 | 2.12 | 101.30 |
| 2017 | 1.43 | 42.86 | 5.56 | 170.93 | 3.91 | 186.33 |
| 2018 | 2.76 | 82.63 | 3.29 | 101.11 | 2.33 | 111.10 |

Source: Published Annual Reports 2014-2018

Net Asset Value Per Share

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-----------------|------------------|-----------------|------------------|------------------|------------------|
| | Net asset value | Trend Percentage | Net asset value | Trend Percentage | Net asset value | Trend Percentage |
| 2014 | 82.35 | 100.00 | 63.86 | 100.00 | 52.48 | 100.00 |
| 2015 | 111.43 | 135.31 | 79.80 | 124.96 | 48.36 | 92.15 |
| 2016 | 136.38 | 165.61 | 96.92 | 151.78 | 52.13 | 99.34 |
| 2017 | 76.73 | 93.17 | 120.49 | 188.68 | 73.10 | 139.28 |
| 2018 | 99.53 | 120.86 | 86.86 | 136.03 | 85.71 | 163.31 |

Source: Published Annual Reports 2014-2018

Market price to net asset value

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL Technologies | |
|------|-------------|------------------|-------------|------------------|------------------|------------------|
| | P/NAV ratio | Trend Percentage | P/NAV ratio | Trend Percentage | P/NAV ratio | Trend Percentage |
| 2014 | 11.92 | 100.00 | 7.92 | 100.00 | 7.21 | 100.00 |
| 2015 | 9.05 | 75.95 | 5.77 | 72.79 | 5.98 | 82.94 |
| 2016 | 3.54 | 29.73 | 2.64 | 33.28 | 3.89 | 53.97 |
| 2017 | 5.91 | 49.58 | 5.94 | 74.99 | 5.26 | 72.94 |
| 2018 | 11.26 | 94.47 | 6.87 | 86.67 | 6.24 | 86.58 |

Source: Published Annual Reports 2014-2018

Dividend pay-out ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL TECHNOLOGIES | |
|------|-------------------------|------------------|------------------------|------------------|------------------------|------------------|
| | Dividend pay-outs ratio | Trend Percentage | Dividend pay-out ratio | Trend Percentage | Dividend pay-out ratio | Trend Percentage |
| 2014 | 33.86 | 100.00 | 30.12 | 100.00 | 47.39 | 100.00 |
| 2015 | 30.39 | 89.74 | 28.42 | 94.35 | 76.60 | 161.65 |
| 2016 | 29.17 | 86.16 | 19.57 | 64.95 | 46.96 | 99.10 |
| 2017 | 69.67 | 205.76 | 17.85 | 59.26 | 25.51 | 53.83 |
| 2018 | 36.20 | 106.90 | 30.18 | 100.19 | 42.78 | 90.28 |

Source: Published Annual Reports 2014-2018

Dividend yield ratio

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL TECHNOLOGIES | |
|------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | Dividend yield in | Trend Percentage | Dividend yield in | Trend Percentage | Dividend yield in | Trend Percentage |
| 2014 | 1.32 | 100.00 | 1.2 | 100.00 | 2.12 | 100.00 |
| 2015 | 1.39 | 104.79 | 1.3 | 109.93 | 3.11 | 147.20 |
| 2016 | 2.90 | 218.70 | 1.6 | 131.98 | 3.45 | 163.22 |
| 2017 | 4.41 | 333.08 | 0.8 | 70.67 | 1.04 | 49.21 |
| 2018 | 1.25 | 94.32 | 1.0 | 84.82 | 1.40 | 66.31 |

Source: Published Annual Reports 2014-2018

Financial leverage

(Rs in Crore)

| Year | TCS | | WIPRO | | HCL TECHNOLOGIES | |
|------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | Financial leverage | Trend Percentage | Financial leverage | Trend Percentage | Financial leverage | Trend Percentage |
| 2014 | 1.0008 | 100.00 | 1.002 | 100.00 | 1.011 | 100.00 |

| | | | | | | |
|------|--------|--------|-------|--------|-------|--------|
| 2015 | 1.0007 | 99.99 | 1.034 | 103.13 | 1.022 | 101.07 |
| 2016 | 1.0014 | 100.06 | 1.055 | 105.31 | 1.024 | 101.24 |
| 2017 | 1.0015 | 100.07 | 1.019 | 101.68 | 1.088 | 107.61 |
| 2018 | 1.0023 | 100.15 | 1.010 | 100.80 | 1.079 | 106.69 |

Source: Published Annual Reports 2014-2018

Calculation of Value of the Company

Tables 2.1, 2.2 and 2.3 show the analysis of capital structure of selected companies on the basis of Net Income Approach Method.

Value of TCS Ltd

Table 2.1 : Value of TCS Ltd

(Rs in Crore)

| Particulars | Year Ended | | | | |
|---|------------|-----------|----------|-----------|-----------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1. EBIT | 4174.11 | 5007.28 | 5147.13 | 6379.92 | 8720.44 |
| 2. Interest | 3.43 | 3.42 | 7.44 | 9.54 | 20.01 |
| 3. Net Income (1-2) | 4170.68 | 5003.86 | 5139.69 | 6370.38 | 8700.43 |
| 4. Equity Capitalisation Rate (K_e) | 3.91 | 4.57 | 9.93 | 6.33 | 3.45 |
| 5. Market Value of Equity ($3/4*100$) | 106602.58 | 109534.50 | 51756.68 | 100588.30 | 252051.46 |
| 6. Market Value of Debt | 50.74 | 18.25 | 40.37 | 35.74 | 41.12 |
| 7. Total Value of the Company(5+6) | 106653.32 | 109552.75 | 51797.05 | 100624.04 | 252092.58 |
| 8. Overall Cost of Capital rate ($1/7*100$) | 3.91 | 4.57 | 9.94 | 6.34 | 3.46 |

Table 2.1 shows the overall cost of capital and value of TCS. In 2013-14, overall cost of capital was 3.91 per cent whereas in 2014-15, it was 4.57 per cent. The overall cost of capital was increased as compared to the previous year as results of some of the secured loans were repaid. At the same time value of the company was increased due to increases in net income available to equity shareholders. In 2015-16, the overall cost of capital was almost doubled from 4.57 per cent to 9.94 per cent. During the year, loans were increased from Rs. 18.25 crores to Rs. 40.37 crores. According to net income approach, increases in debt in the capital structure results in decreases in the overall cost of capital and increases in the value of the company. But here, though increases in the debt did not result in the decreases in overall cost of capital because equity capitalization rate was increased heavily due to drop in market value of equity from Rs. 1008.54 to Rs. 483.24. In 2016-17, the overall cost of capital was decreased from 9.94 per cent to 6.34 per cent and value of the company was increased. It was the result of decreases in equity capitalization rate from 9.93 per cent to 6.33 per cent. In 2017-18, the overall cost of capital was decreased from 6.34 per cent to 3.46 per cent and value of the company was also increased from Rs.100624.04 crores to Rs.252092.58 crores.

Value of WIPRO Ltd**Table 2.2 : Value of Wipro Ltd**

(Rs in crores)

| Particulars | Year Ended | | | | |
|---|------------|----------|----------|-----------|-----------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1. EBIT | 3183.4 | 3586.5 | 3744.7 | 5797.2 | 5764.1 |
| 2. Interest | 7.2 | 116.8 | 196.8 | 108.4 | 58.6 |
| 3. Net Income (1-2) | 3176.2 | 3469.7 | 3547.9 | 5688.8 | 5705.5 |
| 4. Equity Capitalisation Rate (K_e) | 3.94 | 4.59 | 8.00 | 4.69 | 3.33 |
| 5. Market Value of Equity ($3/4*100$) | 80675.48 | 75639.46 | 44348.75 | 121171.44 | 171165 |
| 6. Market Value of Debt | 238 | 3822.4 | 5013.9 | 5530.2 | 4744.1 |
| 7. Total Value of the Company (5+6) | 80913.48 | 79461.86 | 49362.65 | 126701.64 | 175909.10 |
| 8. Overall Cost of Capital rate ($1/7*100$) | 3.93 | 4.51 | 7.59 | 4.58 | 3.28 |

Table 2.2 presents the overall cost of capital and the value of WIPRO which was 3.93 per cent in 2013-14 whereas in 2014-15, it raised to 4.51 per cent. During the year, the loans were increasing from Rs. 238 crores to Rs.3822.4 crores. And value of the company was decreased from Rs. 80913.48 crores to Rs. 79461.86 crores. In 2015-16, the value of the company was decreased to Rs.49362.65 crores. At that time, the equity capitalization was increased from 4.59 per cent to 8 per cent. In 2016-17, the value of the company was increased to Rs.126701.64 crores and overall cost of capital was decreased to 4.58 per cent. It was due to decreases in equity capitalization rate (4.69 per cent) and increases in debt capital (Rs.5530.2 crores). In 2017-18, the value of the company was increased to Rs.175909.10 crores and overall cost of capital was decreased to 3.28 per cent. During the year, the equity capitalization rate also decreased to 3.33 per cent.

Value of HCL Technologies Ltd**Table 2.3 : Value of HCL Technologies Ltd**

(Rs.in crores)

| Particulars | Year ended | | | | |
|---|------------|----------|----------|----------|----------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1. EBIT | 1190.66 | 894.32 | 1222.01 | 1254.18 | 1391.27 |
| 2. Interest | 12.97 | 19.07 | 28.09 | 101.36 | 101.39 |
| 3. Net Income (1-2) | 1177.69 | 875.25 | 1193.92 | 1152.82 | 1289.88 |
| 4. Equity Capitalisation Rate (K_e) | 4.46 | 4.07 | 7.35 | 4.08 | 3.28 |
| 5. Market Value of Equity ($3/4*100$) | 26380.26 | 21531.15 | 16237.31 | 28244.09 | 39341.34 |
| 6. Market Value of Debt | 40.89 | 25.33 | 513.73 | 1397.39 | 1030.16 |
| 7. Total Value of the Company (5+6) | 26421.15 | 21556.48 | 16751.04 | 29641.48 | 40371.50 |
| 8. Overall Cost of Capital rate ($1/7*100$) | 4.51 | 4.15 | 7.30 | 4.23 | 3.45 |

Table 2.3 shows the overall cost of capital and value of HCL Technologies which was 4.51 per cent in 2013-14 and value of the company was Rs. 26421.15 crores. In 2014-15, the value of the company decreased to Rs. 21556.48 crores and overall cost of capital decreased to 4.15 per cent. During the year, the total debt was decreased from Rs. 40.89 crores to Rs. 25.33 crores. In 2015-16, the overall cost of capital was increased to 7.30 per cent and the value of the company was decreased to Rs. 16751.04 crores. At the time, total debt was increased to Rs. 513.73 crores. During the year, the equity capitalization rate was increased heavily from 4.07 per cent to 7.35 per cent. It was due to

drops in the market value of equity. In 2016-17, the overall cost of capital was decreased to 4.23 per cent and value of the company was increased to Rs. 29641.48 crores. During the year, the debt content was increased enormously from Rs.513.73 crores to Rs. 1397.39 crores. In 2017-18, the overall cost of capital was decreased to 3.45 per cent and value of the company was increased to Rs. 40371.5 crores. During the year, the equity capitalization rate was decreased from 4.08 per cent to 3.28 per cent. It was as a result of good growth in market price of equity from Rs. 384.22 to Rs. 534.7.

In information technology business where the markets tend to be volatile and the business risk tends to be high, it may be necessary to reduce financial risk by having large proportion of equity and the companies want to ensure high liquidity as it enables them to make rapid shifts. Therefore the company used equity financing instead of borrowing.

Findings of the Study

The following are the major findings of the study relating to the present study.

- It is found out from the study that the capital gearing ratios of the three selected companies were in low gear. This low gearing capital ratio denotes the trading on thick equity. It means the equity shareholders' funds are more than the fixed interest bearing securities such as preference shares, debentures and loans.
- It is evident from the study that the proprietary ratio of the selected companies is better, because all the year the proprietary ratio was more than 50 per cent. It indicates the safety to the creditors of the company.
- It is found out from the study that the Return on Equity Ratio was better in TCS. In TCS, the ROE was more than 30 per cent during the study period and maximum to 46.62 per cent in the year 2013-14. In WIPRO and HCL Technologies, it was more than 20 per cent in all the years. It indicates that all the three companies earned adequate return to their equity shareholders.
- It is deduced from the study that the EPS of TCS keep good track of profitability in all the years. It always earned more than Rs. 38 and maximum to Rs. 47.99 during the study period. In WIPRO, the highest EPS and the lowest EPS were Rs. 33.61 and Rs. 19.88 respectively. In HCL Technologies, the EPS was below than Rs. 20 in the study period. The highest and the lowest EPS was Rs. 17.53 and Rs. 11.75 respectively.
- It is found out from the study that the P/E ratio of the sample companies were low in the year of 2016-17. It indicates that the income of these companies was very low in the year due to the consequence of recession during that year.
- It is found out from the study that the Return on Capital Employed was better in TCS as compared to WIPRO and HCL Technologies. In TCS, the ROCE was more than 65 per cent in all the years of the study and the maximum was 88.05 per cent in the year of 2016-17. It indicates the efficient use of long-term funds compared to other companies. In WIPRO and HCL Technologies the ratio was more than 30 per cent in all the years and the maximum was 61.66 per cent and 82.27 per cent respectively. It indicates that the inadequate utilization of the assets of the company as compared with TCS.
- It is understood from the study that the debt-coverage ratio of TCS indicates the good debt paying capacity of the company as compared to WIPRO and HCL Technologies. In case of TCS was it less than 1 per cent in all the years and maximum to 0.626 per cent. In WIPRO and HCL Technologies, it was more than 1 per cent and maximum to 28.60 per cent and 22.06 per cent respectively. So, the debt paying capacity of TCS was very high when compared with WIPRO and HCL.
- It is concluded from the study that the Debt-Equity Ratio of WIPRO and HCL Technologies show a healthy sign to the creditors. Higher ratio indicates that the claims of creditors are

greater than the owners. But in the case of TCS it was lower during the study period, it indicated that the ratio is favourable to the owners and unfavourable to the creditors.

- It is observed from the study that the fixed assets to long-term funds ratio of the selected companies were less than 0.25 per cent in the study period, which was very low when compared to the Ideal fixed assets to long-term funds ratio of 0.67 per cent. This indicates that the fixed assets are purchased with short-term funds, which is not a prudent policy.
- It is found in the study that the Interest Coverage Ratio of TCS shows a very high capacity to meet its interest commitments, which as high as 1464.12 in 2014-15 and it is always more than 400 per cent in the study period. The WIPRO and HCL Technologies were also in good capacity to meet their interest commitments.
- It is inferred from the study that the shareholders equity ratio of WIPRO and HCL Technologies was more than 0.70 per cent and TCS was more than 0.90 per cent in all the years. It indicates that the shareholders' equity is larger in proportion to total assets. Therefore, the financial position of the selected companies was strong
- It is inferred from the study that the Sales to Capital Employed of HCL Technologies reveals that the company's efficiency in the utilization of the capital employed as compared with WIPRO and TCS.
- It is understood from the study that the equity dividend coverage ratio of WIPRO shows a good sign to the company, whereas TCS and HCL Technologies ratio revealed that they are not good as compared with WIPRO. This shows that these companies have retained minimum amount for financing its future operation as compared with WIPRO.
- It is observed from the present study that the net asset value per share of TCS showed high values in all the years as compared with WIPRO and HCL Technologies. It indicates that the TCS has huge reserves and potential. WIPRO and HCL Technologies also had high book values but not as in the case of TCS.
- It is inferred from the study that the market price to net asset value per share of WIPRO and HCL Technologies was low in all the years as compared to TCS. It indicates that the WIPRO and HCL have consistently higher returns as compared to TCS
- It is found from the study that the dividend pay-out ratio of TCS always more than 30 per cent in the study period with a maximum of 69.67 per cent in 2016-17. It indicates that the company TCS follows a liberal distribution policy. In the same manner dividend pay-out ratio of HCL Technologies also more than 25 per cent in the study period with a maximum of 76.60 per cent in the year 2014-15. But WIPRO does not show a good distribution policy as compared to TCS and HCL Technologies, hence it follows a conservative policy regarding dividends.
- It is inferred from the study that the Dividend Yield Ratio of all the selected companies shows a better trend. It reveals the fact, that the companies have offered high dividend per share.
- According to the financial leverage analysis it is inferred that the financial leverage of sample companies is low. It explains that the companies having debt content in the capital structure at lower level. But the EPS gets diluted with increase in equity.

Suggestions

The followings are the suggestions based on the present study to improve the Indian IT companies.

- It is suggested that our Indian IT companies must concentrate on the home market because in India we are having more unexplored opportunities in this field.
- It is recommended that our Indian IT companies should improve their productivity by strengthening and improving the skilled labour force, because, Indian IT companies have to compete and face the rising competition from the global as well as national levels.
- It is suggested that the proportion of debt and equity in the capital structure should be based on the industry and marketing situation in which the company is operating. The companies, which do not design their capital structure in a pre-planned way, have to face difficulties in rising funds on favourable terms in the long-term. Because, The monetary and fiscal policies of the government will also affect the capital structure of the company.
- It is suggested that in case the return on investment is higher than the fixed cost of funds, the company should prefer to raise funds having a fixed cost such as debentures, loans and preference share capital.
- It is suggested that the company should able to repay the debt within the scheduled period because so as to boost the goodwill of the company in the credit market and also to avoid problem in future for rising further debt.
- It is suggested that IT Companies should follow the policy of financing the long-term projects of the company through long-term sources, these are in the form of equity, and the short-term projects are through short-term sources by issue of debt instruments such as loans from bank and financial institutions.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON PRODUCTION AND MARKETING OF BRICKS
IN MADURAI DISTRICT**

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Introduction

Brick is essentially a small unit for use in the construction of walls, piers, buttresses and arches. By the massing of bricks in quantity with mortar joint of lime stone or cement, greatly varied forms of construction are erected, having massive or delicate proportions, but always capable of taking their place as the supporting frame work, for the carrying of floors, roofs, bridges and commercial structures involving the erection of machinery. However a common building material, brick is the most remarkable one in the building industry.

Brick manufacturing, being complementary to the building industry, plays a significant role in the process of urbanization and economic development. Rapid growth of population and expansion of cities have resulted in increasing demand for better housing. This has led to the development of industries manufacturing modern building materials such as burnt bricks, tiles, cement, iron and steel plumbing materials and so on.

Statement of the problem

The brick industry, which flourishes around towns and cities, has vast employment potentialities. The significant feature of this industry is that it provides good employment opportunity to women, especially, rural women. In rural areas, the agricultural labourers are kept busy only for 3 to 4 months and are left unemployed and fully idle for the rest of the year. For them the bricks industry provides employment to earn their livelihood.

Since there are lots of problem faced by brick makers and there are not much studies concentrating on brick units, hence an effort is taken by the researcher to study the present state of handmade brick units.

Objective of the study

- To study the origin and growth of brick industry in India in general and Tamilnadu in particular.
- To examine the activities and functions involved in the production and marketing of bricks.
- To find out the problems encountered by manufacturers relating to production and marketing of bricks.
- To suggest measures to overcome the problems and make brick manufacturing is a successful venture.

Analysis of factors affecting production and marketing channels according to personal factors Relationship between respondents personal factors and factors affecting production

| SI.NO | Factors | F | P | Significance |
|--------------|--------------------|----------|----------|---------------------|
| 1 | Age | 1.867 | .160 | Not significant |
| 2 | Level of Education | 1.659 | .181 | Not significant |
| 3 | Family members | 2.475 | .089 | Not Significant |
| 4 | Place | .034 | .853 | Not significant |
| 5 | Income per month | 16.836 | .000** | Significant |

It is evident from the table p value is less than 0.01, null hypothesis is rejected at 1 percent level of significant with respect to respondent's income per month ($P=.000, P<.010$).

Factors affecting production on the basis classification of the respondents

| Si. No | factors affecting production | VH | H | M | L | VL | Percentage | Ranks |
|--------|------------------------------|----|----|----|---|----|------------|-------|
| 1 | Quality of clay | 17 | 70 | 73 | 0 | 0 | 38.93 | 1 |
| 2 | Availability of labour | 7 | 65 | 28 | 0 | 0 | 25.27 | 5 |
| 3 | Fuel price | 10 | 31 | 58 | 0 | 1 | 23.27 | 8 |
| 4 | Labour & cost | 5 | 29 | 66 | 0 | 0 | 22.60 | 11 |
| 5 | Rainy season | 79 | 18 | 3 | 0 | 0 | 31.73 | 2 |
| 6 | Transportation of cost | 11 | 28 | 60 | 1 | 0 | 23.27 | 8 |
| 7 | Availability of raw mat | 6 | 76 | 17 | 1 | 0 | 25.80 | 3 |
| 8 | Breaching of contract | 1 | 45 | 53 | 0 | 1 | 23.00 | 9 |
| 9 | Dual contract | 2 | 30 | 63 | 5 | 0 | 21.93 | 13 |
| 10 | Higher advance | 5 | 30 | 60 | 5 | 0 | 22.67 | 10 |
| 11 | Cost of production | 9 | 68 | 23 | 0 | 0 | 25.73 | 4 |
| 12 | Demand for bricks | 5 | 67 | 27 | 1 | 0 | 25.13 | 6 |
| 13 | Supply of bricks | 4 | 56 | 34 | 6 | 0 | 24.27 | 7 |
| 14 | Premium price | 4 | 23 | 73 | 0 | 0 | 22.07 | 12 |
| 15 | Uniform price | 2 | 24 | 74 | 0 | 0 | 21.87 | 14 |

Source: Primary data

From the above table shows that 1st rank of factors affecting production is quality of day, and 2nd rank is rainy season, and 3rd rank is availability of raw material, and 4th rank is cost of production, and 5th rank is availability of labour, and 6th rank is demand for bricks, and 7th rank is supply of bricks, and 8th rank is fuel price and transportation of cost, and 9th rank is breaching of contract, and 10th rank is higher advance, and 11th rank is labour & cost, and 12th rank is premium price, and 13th rank is dual contract, and 14th rank is uniform price.

Findings

- Majority of the respondents (91%) working in brick units were male.
- Majority of the respondents (85%) fell under the age group of 35- 50yrs.
- Thus it is inferred that the majority of the respondents (36%) were illiterate.
- Thus it is inferred that 79% of the respondents chose their work spot as kalavasal, and 21 % were champer.
- Majority of the respondents (89%) were engaged in production of clay bricks.
- Majority of the respondents (56%) had the income level of 10,000-20,000.
- Majority of the respondents (43%) chose this profession as it is their family business.
- Majority of the respondents (85%) were brick operates from rural.
- Majority of the respondents (97%) were from proprietorship form of business.
- Majority of the respondents (44%) fall in the experience of 10-15yrs.
- Majority of the respondents (90%) were running their business in own land.
- Majority of the respondents (75%) used only own capital.
- Majority of the respondents (89%) used lorry for carrying clay and mud.
- Bore well is used as a major source of water for making brick
- Majority of the respondents (60%) were disbursed wages weekly.
- Majority of the respondents (67%) distributed festival advance.
- Majority of the respondents (87%) said brick price is 0 – 5Rs.
- Majority of the respondents (67%) used wooden moulds for making bricks.
- Majority of the respondents (56%) had investment below 10lakhs.

- Majority of the respondents (40%) had 10- 20 members engaged in the units.
- All the respondents (100%) took 20-30 days in a kiln in the brick units.
- Majority of the respondents (70%) produced below 25,000 bricks per kiln in the unit.
- Majority of the respondents (51%) had below 10lakhs bricks production per annum.
- All the respondents (100%) worked 5-10 months per annum.
- All the respondents (100%) have drawn clay and mud from quarry.
- There is a no significant difference in the personal factors and factors affecting production
 - On the basis of age group of the respondents.
 - On the basis of level of education of the respondents
 - On the basis of family members of the respondents.
 - On the basis of place of the respondents.
 - On the basis of gender of the respondents.
- There is a no significant difference in the personal variables influence marketing channels
 - On the basis of age group of the respondents.
 - On the basis of level of education of the respondents
 - On the basis of family members of the respondents.
 - On the basis of place of the respondents.
- There is a significant difference in the personal factors and variables influence marketing channels
 - On the basis of income per month of the respondents.
 - On the basis of gender of the respondents.

Suggestions

- Improvement needed in commercial banks in providing loans to the brick units comparing to private banks and other sources of capital..
- The Government should increase amount of raw material given to the quarries in event districts / Taluks.

Conclusion

The present study is meaningfully appropriate and relevant as it is concerned with an interesting valuable sector of the economies of two developing districts. This study highlighted existing conditions, problems and prospects of the clamp kiln units in Madurai district. It is noted that these brick units are grouping enterprises, inviting large number of small entrepreneurs into this business. However, these units have wide scope to develop further, it encounters with several constraints. Protecting this business activity is not only needed for promoting enterprises, but also it is need of the society to supply required bricks for construction of housing and other building.

One can be reasonably optimistic that the brick works of Madurai district are well poised for spectacular growth. The findings of the study and a few constructive suggestions made therein will be of immense use to the champions of the cause of the brick units including the workers and the consumers to flourish in this trade.

However, the united efforts on the part of the brick manufacturers with due encouragement from the government and other allied concerns would cad the brick manufacturing venture towards a prosperous future.

Emerging Trends in Banking, Insurance and International Trade
**IMPROVEMENT OF SMEs WITH GREEN MARKETING
IN MADURAI CITY**

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Abstract

Green marketing is the latest trend in the marketing strategy which promotes eco-friendly products and services. It organizes various activities such as product adjustment, modification of production processes, packaging, labeling and advertising strategies. It is a set of marketing tools and elements that allow the enterprise to serve the target market without harming natural environment. Green product, Green price, Green distribution and Green promotion are the main components of Green Marketing. Green product is significant as public concern for the environment increases. However, process of going green is expensive in terms of installing new technology and equipment, training people, absorbing external costs and converting waste into recycled products. These costs are inevitably integrated into final price of the green product to make green price a premium one. Despite all these challenges, firms that deliver eco-friendly products can increase their business performance and enjoy competitive advantage over those who are not delivering eco-friendly products. The present research paper aims at analyzing the business performance of those small scale enterprises following green marketing strategies in Madurai district. It also examines the various challenges faced by small scale manufacturing enterprises in following green marketing strategies in Madurai district. The study is completely based on primary data provided by the small scale manufacturers adopting green marketing practices in the district. A sample of 112 small scale manufacturing enterprises following these practices in Madurai district has been taken for analyzing the impact of green marketing on the business performance measured in terms of return on capital and market share. The sample respondents have been chosen based on simple random sampling method. Data have been analysed using percentage analysis and regression analysis. The challenges faced by the small scale manufacturers adopting green marketing strategy have been examined using weighted ranking technique.

Introduction

Small Scale Enterprises play a key role in Indian economy. These enterprises are labour intensive and create job opportunities. They offer a higher productivity of capital than capital intensive enterprises as they have low investment per worker. These units facilitate dispersal of industries, rural development and decentralization of economic power. They promote entrepreneurial talent, stimulate personal savings and enable innovation through appropriate indigenous technology. They provide dynamism and encourage competition. Contributions of these enterprises to India's industrial production, exports and employment are very significant. About three million SSI units employing nearly 16.7 million persons account for 35 per cent of India's total exports and about 40 per cent of industrial output. However, the concern of the Small Scale Sector for environmental preservation is very low. Further, the knowledge on green marketing practices is also considerably less in this sector.

Green marketing is the latest trend in the marketing strategy which promotes eco-friendly products and services. It organizes various activities such as product adjustment, modification of production processes, packaging, labeling and advertising strategies. It is a set of marketing tools and elements that allow the enterprise to serve the target market without harming natural environment. Green process, Green promotion, Green distribution and Green price are the main components of Green Marketing. A product is green if its production process is eco-friendly. Green process is significant as public concern for the environment increases. However, the process of going green is expensive in terms of installing new technology and equipment, training people, absorbing external costs and converting waste into recycled products. These costs are inevitably integrated into final price of the green product to make green price a premium one.

A number of social scientists offer various criteria for measuring performance. Maltz et al. proposed five performance indices for evaluating firm's performance, namely, financial performance, market share, customer satisfaction, process development and people development. The marketing

literature indicates the advantages of pursuing green initiatives, improved firm's performance and its capabilities. In this context, the present research paper aims at analyzing the business performance of those small scale enterprises following green marketing strategies in Madurai district. It also examines the various challenges faced by small scale manufacturing enterprises in following green marketing strategies in Madurai district.

Objectives of the Study

The objectives of the study are

- To study the implementation of green marketing practices by Small Scale Entrepreneurs in the district and examine the impact of these practices on the financial performance of the manufacturing enterprises.
- To analyse the obstacles in implementing the green marketing practices and find out the ways to overcome them.

Methodology

The study is completely based on primary data provided by the small scale manufacturers adopting green marketing practices in the district. A sample of 112 small scale manufacturing enterprises in Madurai district has been taken for analyzing the impact of green marketing on the business performance measured in terms of return on capital (profit rate). The sample size has been determined using the following formula:

$N = Z^2 P(1-P) \div e^2$, where N = sample size, Z = 1.96 for 5 per cent level of significance, P = the ratio of number of small scale manufacturing enterprises in the industrial categories chosen for the present study to the total number of small scale manufacturing enterprises in the district. There were 15,266 small scale manufacturing enterprises (as on 31-03-2017) in the district. The list of automobile, chemical and food processing small scale manufacturing enterprises has been prepared from the records of DIC, Madurai. There were 1207 small scale automobile, chemical and food processing industrial units (as on 31-03-2017) in the district. Using the above formula the sample size has been determined as 112 industrial units.

The sample respondents have been chosen based on simple random sampling method. A well structured interview schedule has been framed by the researcher herself for eliciting the necessary information from the sample respondents. The questions have been formulated in accordance to the objectives of the present work. Data have been analysed using percentage analysis and regression analysis. The regression line fitted for studying the impact of green marketing strategies on the firm's performance measured in terms of return on capital (profit rate) is given below:

$$PR = a_0 + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + a_5X_5 + \mu$$

Where PR = Profit Rate; X₁ = Size of the enterprise; X₂ = Green process; X₃ = Green promotion; X₄ = Green distribution; X₅ = Green price and μ = Disturbance term

The challenges faced by the small scale manufacturers in adopting green marketing strategies have been examined using weighted ranking technique.

Results and Discussion

The impact of green marketing practices on the firm's performance measured in terms of profit rate has been analysed using Regression analysis. The coefficients of the Linear regression line have been estimated using OLS method. The results are furnished in Table 1.

Influencing the Profit Rate

Table 1 : OLS Estimates of Green Marketing Practices

| Sl. No. | Factors | Food Processing Industry | Chemical Industry | Pooled |
|---------|------------------------|--------------------------|--------------------|--------------------|
| 1. | Size of the enterprise | 2.241** (2.154) | 0.444 (0.258) | 1.714** (1.982) |
| 2. | Green process | 1.087* (3.268) | 0.564 (1.219) | 0.941** (3.571) |
| 3. | Green promotion | 0.719* (2.887) | 1.095** (2.380) | 0.815* (3.817) |
| 4. | Green distribution | 0.035 (0.105) | 0.767 (1.053) | 0.021 (0.073) |
| 5. | Green price | -0.156 (-0.393) | -0.095 (-0.201) | -0.133 (-0.441) |
| | Constant | 15.016* (7.649) | 12.234* (3.357) | 15.120* (9.152) |
| | R ² value | 0.257 | 0.370 | 0.257 |
| | F value | 5.044* | 3.171* | 7.336* |
| | Sample size | 79 | 33 | 112 |

Source: Primary data

Figures in the brackets are 't' values

* indicates one per cent level of significance

** indicates five per cent level of significance

The significant F values indicate that the linear regression lines fitted for both food processing and chemical enterprises have been statistically significant. The R² value has been 0.257 in the case of food processing industry, showing that 25.7 per cent of variations in the profit rate of food processing enterprise have been explained by all the independent variables included in the model. This value has been 0.37 in the case of chemical industry, revealing that 37 per cent of variations in the profit rate of chemical enterprise have been explained by all the independent variables included in the model. The regression analysis shows that the green marketing practices for ensuring green promotion have positively and significantly determined the firm's performance measured in terms of profit rate. Further, the green marketing practices for achieving green process in the manufacturing of food items have positively and significantly determined the firm's performance. The inference is that green marketing practices for green promotion and green process enable the small scale entrepreneurs engaged in these industrial categories to increase the profit rate.

The obstacles in the implementation of green marketing strategies by small scale entrepreneurs in Madurai district have been analysed using weighted ranking technique. These obstacles were ranked using the weighted scores and the results are given in Table 2.

Table 2 : Results of Weighted Ranking Technique

| Sl. No. | Obstacles | Weighted Scores | | |
|---------|---------------------------------|------------------------------|------------------------------|----------------|
| | | Food Processing Industry | Chemical Industry | Total |
| 1. | Lack of Information | 316 (83.54) | 146 (96.97) | 462 (87.50) |
| 2. | High Costs | 391 (91.14) | 230 (90.91) | 621 (91.07) |
| 3. | Poor access to technical skills | 369 (81.01) | 155 (90.91) | 524 (83.93) |
| 4. | Weak Legal Structure | 350 (83.54) | 163 (93.94) | 513 (86.61) |

| | | | | |
|-----|--------------------------------------|------------------------------|------------------------------|----------------|
| 5. | Fall in Rate of Return | 377 (93.67) | 217 (90.91) | 594 (92.86) |
| 6. | Poor Access to R & D | 341 (72.15) | 168 (78.79) | 509 (74.11) |
| 7. | Lack of Government Support | 220 (50.63) | 173 (81.82) | 393 (89.88) |
| 8. | Lack of Alternate Technology | 289 (67.09) | 102 (63.64) | 391 (66.07) |
| 9. | Fear of Success | 211 (39.24) | 213 (93.94) | 424 (55.36) |
| 10. | Fall in Demand for the Green Product | 301 (89.87) | 181 (96.97) | 482 (91.96) |
| | Sample size | 79 | 33 | 112 |

Source: Primary Data

Figures in the brackets are percentages to the number of entrepreneurs responded to the total number of sample entrepreneurs in the respective industrial category.

High cost, poor access to technical skills and fall in rate of return due to the adoption of green marketing practices have been the most severe obstacles in the implementation of green marketing strategy by small scale food processing enterprises in the study area. For chemical industry high cost of production, fall in rate of return due to the adoption of green marketing strategies and fear of success have been the most severe obstacles in the implementation of green marketing strategy by small scale chemical enterprises in the district.

Conclusion

Industrialization is a solution for increasing investment, output, employment and income in an economy. All industries, irrespective of size and technology they use, inevitably produce discharges and waste that are capable of polluting the environment. Thus, entrepreneurs should learn to strike a balance between ecological principles and growth of their enterprises. This alone will enable us to achieve sustainable economic development. The small scale entrepreneurs should go one step further in addressing the sustainable vision through a trade of between profitability and sustainable environment. These entrepreneurs are of the view that high cost of green marketing practices and fall in rate of return due to adoption of these practices have been the major operational obstacles in adopting these strategies. They should realize that these changes mean not merely expenses but also it is a matter of developing knowledge on green marketing practices which are required for sustainable development. They must understand that there will be some difficulties initially but after sometimes implementation of green process will result in more profit. In this regard, the government may also offer subsidy for implementing and may consider tax concessions to these small scale enterprises practicing the green marketing strategies for boosting the green image.

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A STUDY ON CAUSES AND IMPACT OF STRESS AND THE COPING STRATEGIES AMONG ARTS AND SCIENCE COLLEGE STUDENTS IN TIRUNELVELI DISTRICT

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Abstract

College students are exposed to a considerable amount of stress, which necessitate successful and constantly changing coping strategy. Stress arises when the combination of internal and external pressures exceeds the individual's resources to cope with their situation. Students stress is an unavoidable phenomenon which is often seen in their lives. In present days stress, anxiety and depression is commonly found among the students globally. These psychological problems badly affect the health of our students. This study strived to find the level of stress, anxiety and depression among boys and girls; science and arts students. These two groups are equally subdivided into two more faculty wise (Science and Arts) groups. Normally, college students face a variety of stresses in their day to day educational environmental. There are different reasons for causing stress to the college students such as their excessive workload, frequent examinations, continuous assignments, and physical fitness. This study highlights the causes of stress, impact of stress, and the coping strategies of stress among arts and science college students. The present study consisted sample of 120 students divided in two groups (Boys and Girls) each group has 60 students. The present paper examines the sources and effects of stress on the college students. It is expected that the findings of the present study will assist college students to deal with stress and help advance knowledge on coping strategies to face life stress.

Keywords: *Causes, Impact and Coping strategy of Stress.*

Introduction

Stress is an unavoidable phenomenon in every aspects of human life. **Stress** is your body's way of responding to any kind of demand. It can be caused by both good and bad experiences. When people feel **stressed** by something going on around them, their bodies react by releasing chemicals into the blood.

For students currently attending college, however, the process is often stressful and frustrating. The competition for grades, the need to perform well, relationships, career choices, and many other aspects of the college environment cause stress. Before condemning stress outright, we need to understand that stress is only harmful when it is excessive. Much of the stress that we all experience is helpful and stimulating. The challenges of life tend to be stressful and an attempt to avoid stress completely would lead to a rather boring existence. The problem comes when you experience too much stress. Although some stress reactions are part of deeper and more serious emotional problems, many are not, and can be handled with relatively simple counselling and stress-management techniques.

Conceptual Definition

Meaning of Stress : A primary meaning of stress is the level of importance of something. Physically, stress means the level of pressure of force exerted on something. Stress is a general term applied to various psychological (mental) and physiologic (bodily) pressures experience of felt by people throughout their lives.

Definition of Stress : Stress is defined as “a state of psychological and physiological imbalance resulting from the disparity between situational demand and the individual’s ability and motivation to meet those needs.

Types of Stress

Stress may be classified into the following three types.

Acute Stress : Acute stress is the most common form of stress. It comes from demands and pressures of the recent past and anticipated demands and pressures of the near future. Acute stress is thrilling and exciting in small dose, but too much is exhausting.

Episodic Acute Stress : The symptoms of episodic acute stress are the symptoms of extended over arousal, persistent tension headaches, migraines, hypertension, chest pain, and heart disease. Treating episodic acute stress requires intervention on a number of levels, generally requiring professional help, which may take many months.

Chronic Stress : Chronic stress comes when a person never sees a way out of a miserable situation. It is the stress of unrelenting demands and pressures for seemingly interminable periods of time. With no hope, the individual gives up searching for solutions.

Causes of Stress : Many students deal with stress in college, which can be a significant factor in the considered phenomenon. In fact, due partially high percentage of college freshmen drop out of their school. Specifically the causes of stress may differ according to the situations, person’s age, income level, environment, etc. The causes of stress may be classified into three broad categories such as environmental, psychological, and biological.

Impact of stress : The impact of stress has become a challenge for any organizations. It provides the output of low productivity, absenteeism, drug abuse, and hypertension among the employees as described by Jha and Ratnawat (2014).The academic stress may be classified into two types positive and negative. Academic stress has a major impact on the college students, and it reduces the student’s academic achievements, placements, work quality as well as their other performance related to their study.

Coping Strategies : Coping strategy is a way to reduce or avoid the impact of stress. There are several methods of coping strategies to reduce the stress such as distraction, social diversion, task, emotional avoidant, proactive, reactive and nonproductive as said by Mundia Lawrence (2010). The coping strategies have been categorized into two different types. There are healthy coping strategies and unhealthy coping strategies.

Review of Literature

Causes of Stress : Elamurugan. B (2014) Studied stress level among the engineering college students the primary motive of the study is to find out the common symptoms of stress among the engineering college students. There are four factors have been considered for the study namely interpersonal, intrapersonal, academic and environmental sources of stress. Finally, it reveal the conclusion that the top five sources of stress is change in sleeping habits, vacations / breaks and change in eating habits, increased work load, and new responsibilities. Male students affected by the cause of stress than female one.

Impact of Stress : Sharmila. S (2015)’s “psychological effects of stress on college students.” The objective of the study was to analyses the psychological stress among the college students. The researcher employed the statistical tools such as chi-square test, regression and correlation. It is found that the economic condition affect mental stresses of college students, the same economic condition may cause various stress.

Coping Strategies : Bhukar and Sanjeev Kumar (2013) have emphasized Stress level and the coping strategies among the college students. There are two group of education students has been select by the authors’ namely professional students belonging to physical education and engineering professionals. For this reasons four factors have been considered such as frustration and inhibition,

overload, time-urgent and aggressive behavior and coping strategies. The results also indicate that the coping strategy was higher in boys than girls of each professional. The physical education students have better coping strategy compared with engineering students.

Objectives

- To find out the greater stress level for Arts and Science College Students.
- To know the coping strategies are used to overcome from their stress.
- To assess the purpose of using coping strategies.

Methodology

The study is based on primary data which is collected through questionnaire with the help of 120 respondents (students). The tools for the study is Chi-Square and Weighted Average Method (Likert Scale).

Level of stress

For finding out the relationship between Arts and Science college students' level of stress and marital status of students, the following null hypothesis is formulated, **“There is no significant relationship between Arts and Science college students' level of stress and marital status of students”**. To test the above hypothesis, chi-square test is applied. The computed results of chi-square test are presented in table 5.1.

H₀ - There is no significant relationship between Arts and Science college students' level of stress and marital status of students

Table 5.1 : level of stress for arts and science college students and marital status

| S. No. | Category | Chi-Square Value | P Value | Inference |
|---------------|------------------|-------------------------|----------------|------------------|
| 1. | Family | 8.371 | 0.079 | Not Significant |
| 2. | College | 4.521 | 0.340 | Not Significant |
| 3. | Friends | 6.459 | 0.167 | Not Significant |
| 4. | Society | 4.733 | 0.316 | Not Significant |
| 5. | Technology | 2.863 | 0.581 | Not Significant |
| 6. | Finance | 6.149 | 0.188 | Not Significant |
| 7. | Cultural | 6.596 | 0.159 | Not Significant |
| 8. | Place of living | 9.319 | 0.054 | Not Significant |
| 9. | Health condition | 2.802 | 0.591 | Not Significant |
| 10. | Neighbors | 8.017 | 0.091 | Not Significant |

Source: Derived Data

The 'P' value for level of stress namely Family, College, Friends, Society, Technology, Finance, Cultural, Place of living, Health condition and Neighbors is more than 0.05, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between students' level of stress and marital status.

Overcome from stress through Coping strategies

The table below illustrates that any coping strategy helps in getting the best out of their stress among Arts and Science college students in Tirunelveli district. The likert scale method was used in following table 6.1

Table 6.1 : Overcome from Stress through Coping Strategies

| S. No. | Variables | Total value | Weighted average score | Rank |
|--------|-----------------------------------|-------------|------------------------|------|
| 1. | Counseling | 211 | 1.76 | XIV |
| 2. | Listening Music | 427 | 3.56 | II |
| 3. | Mobile Games | 367 | 3.06 | VIII |
| 4. | Using Face Book, Whatsapp, E-mail | 406 | 3.38 | VI |
| 5. | Watching Comedy channel | 420 | 3.50 | IV |
| 6. | Watching Favorite Actor /Actress | 395 | 3.29 | VII |
| 7. | Talk to friends/Parents | 441 | 3.68 | I |
| 8. | Playing with friends and Kids | 425 | 3.54 | III |
| 9. | Diversification of Work | 283 | 2.36 | XI |
| 10. | Drugs & Alcohol | 170 | 1.42 | XV |
| 11. | Exercise | 280 | 2.33 | XII |
| 12. | Meditation/Yoga | 247 | 2.06 | XIII |
| 13. | Sleeping | 416 | 3.47 | V |
| 14. | Stay alone | 331 | 2.76 | IX |
| 15. | Crying | 310 | 2.58 | X |

Source: Primary Data.

As per Likert Scale method, the variables are ranked as per the weighted score. Majority of the respondents are used coping strategies for overcome from stress is talk to friends/Parents, thus the researcher gives first rank to the mean score 3.68.

Conclusion

Everyone has stress but too much stress can be bad for a person. College students seem to have stress all around them. Trying to deal with life as well as trying to get a degree. Is there really a way to reduce the stress? I am sure there are many ways to help reduce stress for Arts and Science college students. Most of the students still have stress about the financial issues, how they are going to make time for studying, having family, friends, or even partner issues, worry about what the economy holds for them after they receive their degree, and just being a college student. Parents those who are working in Government and Private concern are advised to spend more time with their children during their leisure time. So that, the relationship between parents and youth can be strengthened. Create a comfortable atmosphere to the students in the college and hostels and in the family in order to feel home away from home. And one of the best friends to plays a major role in get the student out of stress. Each student is different with what stresses them as well as how well they cope with it. Everyone is different in and it takes that person to relieve the stress in their life and find different ways to do something.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON CONSUMER SATISFACTION TOWARDS RETAIL
SUPERMARKETS IN MADURAI REGION**

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Introduction

Supermarket shopping is often categorised as a self-service retail environment. For supermarket retailers wanting to build relationships with their customers, being able to track their levels of 'satisfaction' with the key elements of the supermarket environment is extremely important. From the retailer's perspective the aim is to minimise the reasons for complaints and dissatisfaction and the cost of a service recovery plan whilst establishing a track of direct feedback from customers about their reactions to those key elements. Satisfaction is a consumer's post-purchase evaluation of the overall service experience. It is an affective reaction in which the consumer's needs, desires and expectations during the course of the service experience have been met or exceeded. Satisfaction in this sense could mean that a supermarket has just barely met the customer's expectations, not exceeded nor disappointed those expectations. The benefits of taking the customer's response beyond satisfaction at this level by exceeding expectations, is a competitive strategy many retailers aspire to achieve. Against this background this study was designed to investigate customers' satisfaction levels with a range of key elements, which Madurai to the retail offer presented by Supermarkets in Madurai region. Factors of particular interest in a retail supermarket environment are ambience, friendliness of staff, specialised foods on offer, merchandise variety, prices, check out procedure and accessibility.

Retailing

Retail is derived from the French word "retailer". It means to cut off a piece or to break bulk. Retailer is defined as dealer or trader who sells goods in small quantities, or one who repeats or relates. Retailing is the last stage in movement of goods or services to the consumer. Retailing can thus be defined as consisting of all such activities involved in the marketing of goods and services directly to the consumer. Retailing encompasses the business activities involved in selling goods and services to consumers for their personal, family or household use. It includes every sale to the final consumer – ranging from cars to apparel to meals at restaurants to movie tickets. Retailing is the last stage in the distribution process. Retailing today is at a fascinating crossroads. On the one hand, retail sales are at their highest point in history. Wal-Mart is now the leading company in the world in terms of sales—ahead of Exxon Mobil, General Motors and other manufacturing giants. New technologies are improving retail productivity. There are lots of opportunities to start a new retail business—or work for an existing one—and to become a franchisee. Global retailing possibilities abound. On the other hand retailers face numerous challenges. Many consumers are bored with shopping or do not have much time for it. Some locales have too many stores, and retailers often spur one; another into frequent price cutting (and low profit margin). Customer service expectations are high at a time when more retailers offer self-service and automated systems at the same time, some retailers remain unsure what to do with the Web; they are still grappling with the emphasis to place on image enhancement, customer information and feedback, and sales transactions.

Customer Satisfaction

“SATISFACTION is a person’s feelings to pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”.

As this definition makes it clear, satisfaction is a function of perceived performance and expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied, if the performance exceeds expectations; the customer is highly satisfied or delighted. Customer satisfaction occurs when the value and customer service provided through a retailing experience meet or exceed consumer expectations. If the expectations of value and customer service are not met, the consumer will be dissatisfied: “Retail satisfaction consists of three categories: “shopping systems satisfaction which includes selection and actual purchasing of products; and consumer satisfaction derived from the use of the product. Dissatisfaction with any of the three aspects could lead to customer disloyalty, decrease in sales, and erosion of the market share.”

Objectives of the Study

Following are the objectives of the study.

- To Study the opinion of retail supermarkets at Madurai.
- To find out the factors influencing buying decision of the consumer visiting retail supermarkets in Madurai.

Scope of the Study

The study will help us to understand customers, preference and their needs expected from the business owners. This study will not only help me as a student but also to know the current customer satisfaction, preference and problems of the customer that they are facing today. This study will be effective for the survey of the supermarket and as well as manufacturers. According to this study we can know about the customer needs and wants taste and preferences that they are facing day today.

Methodology

This study is based on survey method. Non-Probability – Convenience sampling has been used in this study and survey consists of a sample of 120 respondents from the Supermarkets, in Madurai region. The secondary data were collected from various journals, magazines, newspapers, websites...etc. For analysing the primary data the various tools and techniques were used in this study.

Table : 1

| S. No | Particulars | Frequency | Percentage |
|-----------------------|--------------------|------------------|-------------------|
| Age | | | |
| 1. | Below 15 | 24 | 20 |
| 2. | 15-30 | 22 | 18.3 |
| 3. | 31-45 | 30 | 25 |
| 4. | 46-60 | 18 | 15 |
| 5. | Above 60 | 26 | 22 |
| Gender | | | |
| 6. | Male | 36 | 30 |
| 7. | Female | 84 | 70 |
| Marital Status | | | |
| 8. | Married | 68 | 57 |
| 9. | Unmarried | 52 | 43 |
| Education | | | |
| 10. | School Level | 23 | 19 |

| | | | |
|-----------------------|-----------------------|----|----|
| 11. | Graduate | 53 | 44 |
| 12. | Post Graduate | 27 | 23 |
| 13. | Others | 17 | 14 |
| Occupation | | | |
| 14. | Govt Employee | 47 | 39 |
| 15. | Private Employee | 31 | 26 |
| 16. | Business | 15 | 13 |
| 17. | Agriculturist | 7 | 6 |
| 18. | Others | 20 | 17 |
| Family Type | | | |
| 19. | Joint | 41 | 34 |
| 20. | Nuclear | 79 | 66 |
| Monthly Income | | | |
| 21. | Below 10,000 | 5 | 4 |
| 22. | 10001-20000 | 12 | 10 |
| 23. | 20001-30,000 | 33 | 28 |
| 24. | 30001-40000 | 48 | 40 |
| 25. | 40001-50000 | 10 | 8 |
| 26. | Above 50000 | 12 | 10 |
| Living Place | | | |
| 27. | Municipal Corporation | 37 | 31 |
| 28. | Town panchayat | 18 | 15 |
| 29. | Municipality | 24 | 20 |
| 30. | Village | 21 | 18 |
| 31. | Others | 20 | 17 |
| House Living | | | |
| 32. | Own | 53 | 44 |
| 33. | Rental | 19 | 16 |
| 34. | Leased | 15 | 13 |
| 35. | Others | 33 | 28 |

Table 2

| S. No | Reason for making Purchase | 3 | 2 | 1 | Total | Mean Weight | Rank |
|--|----------------------------|-------------|-------------|------------|--------------|-------------|------|
| | | G | N | B | | | |
| 1. | Price | 37 (111) | 58 (116) | 25 (25) | 120 (252) | 2.1 | VI |
| 2. | Discount and Offer | 65 (195) | 40 (80) | 15 (15) | 120 (290) | 2.41 | I |
| 3. | Exchange of Products | 43 (129) | 67 (134) | 10 (10) | 120 (273) | 2.27 | IV |
| 4. | Self Service | 23 (69) | 74 (148) | 23 (23) | 120 (240) | 2 | VII |
| 5. | Customer Care | 49 (147) | 67 (134) | 4 (4) | 120 () | 2.37 | II |
| 6. | After Sales and Services | 36 (108) | 67 (134) | 17 (17) | 120 (259) | 2.15 | V |
| 7. | Product Quality | 48 (144) | 62 (124) | 10 (10) | 120 (278) | 2.31 | III |
| Source : Primary Data G – Good N – Neutral B – Bad | | | | | | | |

Findings

- Most of the respondents (70%) are female.
- Most of the respondents (25%) are of 31-45 years.

- Most of the respondents (57%) are married.
- Majority of the respondents (44%) are Graduate Level.
- Most of the respondents (39%) are Government Employees.
- Most of the respondents (66%) are Nuclear Family.
- Most of the respondents (40%) are 30,000 – 40,000 annual income groups.
- Majority of the respondents (20%) are lived in Municipality.
- Majority of the (44%) are have own house.

Suggestion

From this study, we found that the customers were highly satisfied with the comfort and indifferent with the Discount and offer. The companies should frame new policies related to return and exchange of clothes which assists the customers in the event of need for return. Quality and Price are the most important factors which influence the customers regarding readymade apparel purchase. Mostly, the acceptance and rejection decision of purchase depends upon the price and quality of the product. Hence, companies should focus more on the quality and price of the product. There is also a segment of our society whose income is low but they want to wear the branded clothes. The companies should plan new strategies to increase their sales by introducing low range of clothes especially for this segment.

Conclusion

Retailing is playing a vital role in our Indian economy. Retail store is b part of the retail business. Nowadays, retail stores is being a part of the human beings. It ensures the prosperity of the nation in terms of employment creation and deployment of resources. It is also increase the standard of living of the people. They are providing lot of innovative services to their customers like all things under one roof, desired goods, affordable prices, ambience facility etc. Hence, the retail stores should adopting customer- friendly marketing strategies in terms of selling the best quality products and services continuously to the consumers.

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Emerging Trends in Banking, Insurance and International Trade
**ATTITUDE OF PASSENGERS TOWARDS MINIBUS SERVICES
IN TIRUNELVELI**

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Abstract

India is a land of villages, people living in rural areas and in interior parts of the towns and cities was not facilitated with the adequate transport. The state transport services in rural areas do not meet all the requirements of the rural people up to their expectation. They are unable to play the hire charges of auto rickshaws and other hired vehicles. In order to overcome such difficulties, the State Government has introduced minibus services. This mode of transportation is introduced mainly for the purpose of linking the people living in unserved rural areas to certain parts of neighboring towns. These buses are operated only by the private parties but the fare is fixed by government. In the modern era, the minibus services are unavoidable to the student community as well as the general public and render valuable services to the passengers. They help to fulfill the ambitions of the father of the nation, Mahatma Gandhiji once said that the village should be improved if at all India is to be improved to a large extent. This study comprise the Tirunelveli District, the questionnaire has been prepared to assess the attitude of passengers. For analysing the attitude, 100 persons were selected by using convenience sampling. Besides, in order to assess the perception of the passengers different techniques/tools have been used. The objectives of the study analyze the socio economic status of the sample respondents and to analyze the attitude of passengers towards minibus services.

Keywords: *Minibus, Passengers, Attitude, Transport*

Introduction

Good transport, busy workshops and fertility make a nation great and prosperous. Transport plays a crucial part in sustaining and increasing the economic growth. A well-developed transport network facility reflects the integration and interdependence of the different sectors by aiding quick and adequate movement of men and material. In countries like India road transport demands a higher priority since it forms the backbone of the passenger mobility system and is the principal carrier of developmental process from one part of the country to another. The more extensive and continuous production in any sector, the greater will be the need for transport facilities. Transport development helps to open up remote regions and resources for production and helps in fuller utilisation of resources. An efficient public transportation system is essential for improving the standard of life of the community. Generally transports are classified into roadways, railways, waterways and airways. It plays a predominant role in conveying people and goods from one place to another.

Objectives of the Study

- To assess the opinion regarding the availability of physical facilities
- To study the opinion about the safety aspects of this bus.

Operational Definition of Concepts

Minibus : A stage carriage constructed on a wheel base of not exceeding 390 cms., and carrying or adapted to carry more than six passengers but not more than twenty five passengers excluding the driver and conductor.

Passenger : A travels in a transportation vehicle excluding the crew members of the transportation vehicle.

Attitude : "Attitude may be defined as the person's feeling towards minibus services".

Historical Background of Minibus Services

The transport services provided by the Government to the public is increasing day by day. More than 18,000 buses are operated throughout the State. These facilities are available in rural, semi-urban and urban areas. Apart from this public transport system, recognizing the need to provide public transport facilities to the people of unserved or inadequately served, semi-urban and rural areas, the Government introduced the "Mini-bus Services Scheme " to be operated by private individuals from 1997. Considering the benefits of this scheme ' Government modified this scheme in 1999 enabling operations of Mini Buses in the rural areas for a total distance of 20 kms, with an overlapping distance of 4 kms on the served sectors . This modified scheme has been challenged before the Court of Law and Government is taking appropriate steps to have the matter sorted out. Presently 3959 mini buses are plying in Tamilnadu. The Government is also exploring the possibility of bringing out a "New Mini Bus Policy" by formulating a State-wide comprehensive Area Scheme.

In Tamil Nadu the mode of transport service for the rural people is State owned buses, supplemented with private buses. The problem associated with the city buses is that the people had to walk not less than two kilometers from their residence to catch bus. The introduction of the city buses was also not sufficient to cater to the needs of the people. People were not able to enjoy the fruits of convenient transportation from their residence to their work spot and back. Moreover, the number of trips operated by these city buses was inadequate. These buses, on an average, had two trips one in the morning and the other in the evening. Hence, these people had to return from their work spot before their work time and sometimes even a bit late. These people did not prefer the city buses and depended on bicycles for their daily travel. Considering the importance of road transport in rural areas the government of Tamil Nadu introduced the minibus scheme in 1997. This was introduced with the intention of providing the rural population with the required transport facilities to go to the urban area for their business, marketing activities, education, hospitals and other urgent needs. As per the Government order, private operators were allowed to ply minibuses in the unserved rural areas for a total distance of 16 kilometers and are allowed to ply in the served areas in the approved route, wherever necessary. Moreover, the minibuses have to be constructed as per the specifications in terms of the size of the buses, the colour (green and yellow) wheel base (not to exceed 390 cm) seating capacity (minimum-6 and maximum-25) and so on mentioned by the Government. The government amended the scheme in 1999 under the Tamil Nadu Motor Vehicle Rules, 1989 to permit the plying of the minibuses in the remote rural areas up to 16 kilometres with an overlapping distance of four kilometers in the approved route scheme, wherever necessary.

Regulation of Minibus Operation

As per the Tamil Nadu Motor Vehicles Act, 1988, the Government has decided to permit plying of minibuses in the unserved rural areas except Chennai city by private operators only. The State Government made various restrictions and conditions to regulate the operations of minibus services.

Maximum number of holding minibus permits : The maximum number of holding minibus permits by a person is limited to five only.

Permission of spare bus : A person operating three minibuses can be allowed one spare bus.

Size of the wheel of minibus : The wheel base of the minibus should not exceed 390 cm.

Painting of minibus : Every minibus should be painted using Green and Yellow only. The Green colour starting from front side and edging rear side and the yellow colour starting from rear side and edging front side and the words 'Minibus' shall also be inscribed on both the sides of the vehicles in bold letters within a circle of 40cm diameter.

Seating capacity of minibus : The minimum number of seats is 6 and maximum of seats limits to 25 only excluding driver and conductor.

Benefits of Minibus Services

Minibus operations render a lot of benefits to various segments of the society. They are given below:

Benefits to the Rural People : Before the minibus operations came into force, the rural people used to settle at homes earlier in the nights. Also they could not reach the towns in the early morning. At present the situation has changed. The minibuses are operated through villages in the early morning as well as in the late night.

Benefits to Entrepreneurs : Some of the entrepreneurs have come forward to establish their organisations in the rural areas, because many minibuses are operated in the rural areas. This has reduced the manufacturing cost. Hence, the entrepreneurs get the benefit of reduced cost of manufacture by the use of minibuses.

Benefits to Farmers : The minibus can be referred to God's gift to the farmers. They can sell the agricultural produce, some of which are perishable in nature, immediately in the nearby towns with the help of minibuses. They can carry their agricultural commodities through minibus economically so that they can get fair price and reasonable profit from the commodities.

Benefits to Students : The students studying in the urban areas and residing in the rural areas are benefited more by the minibus operations. It was very tedious for them to wait for a long time both in the morning and the evening to catch a bus to go to schools and colleges and come home back. However they are highly advantageous due to the operation of minibuses.

Benefits to Employees : The other sector of people getting benefits by the minibus is employee sector. The cost of living in the town may be greater than that of villages. If they are employed, they have to depend totally on the minibuses. They could reach their offices on time and return home safely and quickly by the operation of minibuses.

Benefits to Housewives : The housewives utilize the minibuses as their mode of transport to go to bazaars and return home. They can catch the minibuses at their doorsteps itself. So they feel comfort in getting the buses for shopping purposes. Also in their leisure hours the housewives visit friends and relatives houses, temples and particularly hospitals and so on easily with the help of minibuses. Since the minibuses stopping are in proximity to the residences, the women passengers in particular feel that it is safe and secured.

Review of Literature

Noor et al. (2014), minibus service is noteworthy in terms of the level of comfort and convenience that it affords its users. Although their findings found no problem about the frequency of access, they however, discovered that the horrendous state of the bus is causing discomfort to users. They therefore concluded that bus size and bus design are integral in influencing consumer's convenience and comfort. For the transit bus, accessibility and reliability are key problems that needed to be addressed.

Manoj kumar, Vikas Anand & Anup Srivastava (2016), This study measures the level of customer satisfaction with the quality of services offered by Uttar Pradesh State Public Transport Corporation (UPSRTC), Uttar Pradesh State in India. The study was conducted on over 2,000 passengers in the course of June 2015 and October 2015. The various dimensions that are considered include safety, behavior, facilities, response to quarries, comfort, cost, availability etc. The study results reveal that the passengers highly dissatisfied from attributes.

Ponrahono et al. (2016) found that spatial disparity exist in the level of satisfaction of urban and rural public transport users in Malaysia. The disparity in level of users satisfaction is influenced by socio-demographic and trip characteristics of the passengers. For instance, passengers that were dissatisfied with bus services in rural areas are higher than urban centres. The study concludes that attributes of service quality like travel time, waiting time, regularity of service, service reliability, comfort, cleanliness and crew behaviour is influenced by location of passengers.

Methodology

The study is based on primary data which is collected through questionnaire with the help of 100 respondents. The tool used for the study is Weighted average method.

Opinion Regarding the Availability of Physical Facilities

Table 4.1 Opinion Regarding the Availability of Physical Facilities

| S. No | Physical facilities | Total value | Average score | Rank |
|-------|---|-------------|---------------|------|
| 1 | Cleanliness in the bus | 405 | 4.05 | III |
| 2 | Adequate moving space inside the bus | 395 | 3.95 | VI |
| 3 | Proper window/shutters | 399 | 3.99 | IV |
| 4 | Adequate provisions for keeping luggage | 362 | 3.62 | XI |
| 5 | Availability of Audio and Video | 415 | 4.15 | I |
| 6 | Proper steps | 378 | 3.78 | IX |
| 7 | Adequate space for standing | 388 | 3.88 | VII |
| 8 | Availability of proper ropes | 376 | 3.76 | X |
| 9 | Proper light | 413 | 4.13 | II |
| 10 | Comfortable seating arrangement | 387 | 3.87 | VIII |
| 11 | Distance between the seats is adequate | 396 | 3.96 | V |
| 12 | Fan facilities | 268 | 2.68 | XII |

Source: Primary Data

From the above table it is clear that Availability of Audio and Video gets the first rank followed by Proper light, Cleanliness in the bus, Proper window/shutters, Distance between the seats is adequate, Adequate moving space inside the bus, Adequate space for standing, Comfortable seating arrangement, Proper steps, Availability of proper ropes, Adequate provisions for keeping luggage, Fan facilities.

Opinion about the Safety Aspects of the Bus

Table 5.1 : Opinion about the Safety Aspects of the Bus

| S. No | Safety aspects | Total Value | Average score | Rank |
|-------|---|-------------|---------------|------|
| 1 | The speed of the bus is normal | 399 | 3.99 | II |
| 2 | There is no problem of theft inside the bus | 403 | 4.03 | I |
| 3 | Smooth driving of bus | 384 | 3.84 | III |
| 4 | All front lights are properly maintained | 375 | 3.75 | V |
| 5 | Availability of First – aid box | 351 | 3.51 | IX |
| 6 | Availability of spare wheel | 364 | 3.64 | VII |
| 7 | Availability of proper windows | 372 | 3.72 | VI |
| 8 | Following the traffic rules by the crew | 381 | 3.81 | IV |
| 9 | Availability of hand ropes | 359 | 3.59 | VIII |
| 10 | Allowing Limited Passengers | 337 | 3.37 | X |

Source: Primary Data

From the above table it is clear that there is no problem of theft inside the bus gets the first rank followed by the speed of the bus is normal, Smooth driving of bus, Following the traffic rules by the crew, All front lights are properly maintained, Availability of spare wheel, Availability of hand ropes, Availability of First – aid box, allowing Limited Passengers.

Conclusion

The introduction of minibuses on the routes where city buses do not ply is really a boon to people who cannot afford either a two or three-wheeler. Minibus has helped in sharing the load and reducing the rush during peak hours. Rural vendors and farmers have found a convenient transport in minibus for ferrying their goods to the city market. The minibus drivers quite helpfully drop passengers wherever they want to disembark. The minibus is well equipped with tape recorders and FM making the ride enjoyable. The frequency and nominal fares have made minibus the popular mode of transport.

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Emerging Trends in Banking, Insurance and International Trade
**BUYING BEHAVIOUR AND BRAND LOYALTY TOWARDS
FOOTWEAR IN TIRUNELVELI DISTRICT**

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Abstract

Footwear is the product to protect human feet from effects of all biological damages. The necessity of using footwear was recognized back in the Ice Ages when people realized that they had to keep their feet warm in order to keep themselves healthy. Footwear has undergone a series of changes passing through a journey of inventions. The fashion industry has seen a spurt of growth in the past few years, more so in India. An important part of this fashion boom is the footwear industry. An industry as varied as any other, the footwear industry in India is one of the most competitive and vibrant. With customers becoming increasingly fashion conscious and spendthrift, and the industry becoming more global in its appeal, the consumers' purchase pattern has also seen a shift in terms of various parameters. However, in a diverse Indian market, the entire consumer base can be segmented to use the Bottom of the Pyramid approach. This study comprises the Tirunelveli District, the questionnaire has been prepared to assess the buyer behavior and brand loyalty. For analyzing the buying behavior of foot wear 100 samples were selected by using convenience sampling. The objective of the study is to analyze the demographic profile, purchasing behavior and brand loyalty of footwear was analyzed.

Keywords: Footwear, Buyer Behavior and Brand.

Introduction

Instead of trying to market what is easier for us to make, we must find out much more about what the consumer is willing to buy.... We must apply our creativeness more intelligently to people, and their wants and needs rather than to products.

- Charles G. Mortiner

Change is the law of nature. The mind of human being, a by-product of nature is change prone. Marketing is a dynamic process because it is the sum total of changing human beings, their changing buying power, ever changing attributes and buying motives. Change proneness renders this highly situational social science a very comprehensive as well as a very complex field of study. It is not only the primary activity but also the object-fulfilling function of a business. The buyer is omnipresent but neither omniscient nor omnipotent. Still, marketing is the whole business, seen from the buyer's angle of vision. The marketing mix has to be consumer-oriented, but it cannot remain insensitive to the impact of the ever changing exogenous forces. Inertia against change may be detrimental. That is why, every marketing activity is "bound upon the wheel of change" and "marketing is concerned with change, adopting to change and creating change".

Consumer is the fulcrum around which all marketing activities revolve. Marketing involves the interaction of several business activities, the aim of which is to fulfil the needs and desires of the consumers. The mission of present-day marketing is not 'telling and selling', but 'satisfying customer needs' and 'customer delight'. Consumer-oriented approach to marketing is widely accepted and practised by the dynamic business firms. Thus, present day marketing is consumer-oriented rather than product-oriented.

Meaning and Origin of Footwear

Footwear occupies a predominant position in the list of products purchased. They are used by all categories of people, children, young and old, male and female. Footwear is the product to protect the feet from all biological damages and is made of leather, plastic, rubber or eco-friendly materials. The changing lifestyles had made footwear an important accessory for both men and women.

Archeologists state that footwear was in use from early human period i.e., copper age. Footwear was considered as a sign of power and status in Roman society and most Romans wore footwear, but slaves and peasants remained barefoot. The Vedic period's Great epic Ramayan states that Bharata ruled Ayoudhya with Rama's Paduka which shows that footwear was in use in India from very ancient period. The Sun temple in Gujarat shows the statue of Sun God wearing a belt and long shoes.

Types of Brand

BATA : Bata footwear was a well-known product supplying the footwear customers all over the world with about 1 million per day. Bata Shoe Company was founded in the year 1894 by a cobbler family of Thomas Bata, his brother Antonin and sister Anna in Zlin, Czechoslovakia. Bata products have good demand among the Indian customers and the Company's pricing policy is attractive.

VKC Pride : VKC Group is a leading Indian origin footwear company and the largest organized and branded PU footwear sector (Polyurethane) in India. Mammed Koya founded VKC Group as footwear manufacturing and marketing Company at Calicut (Kerala) in 1984. The Company's policy "Quality at low price" with modern varieties made the Company popular among the South Indian customers.

Paragon : Paragon Group India's No.1 rubber footwear company and ISO certified company for contributing for the eco-friendly manufacturing and packing materials was established in the year 1975 by K.U.Thomas in Kottayam (Kerala). With assured supply, durability and good quality the Company had created a wide network of satisfied customers all over the country.

Khadims : Khadims a popular fashion footwear brand and a leading manufacturing and organized footwear retailer in India was formed by acquiring a small shop at Chitpur (Kolkata) by S.P.Roy Burman in the year 1965. With the assurance of customer delight at moderate price the brand had become a fashionable brand of the new millennium.

Objectives of the Study

The present research entitled 'Footwear Market Climate: The Buyer Speaks' (A study of behavioral determinants of footwear marketing) aims at achieving the following specified objectives:

- To gain insight into buyer's brand preferences, attributes considered in buying, sources of information and shopping behavior towards footwear.
- To understand factors, which lead towards brand shifting brand switching and also those factors which increase brand loyalty towards footwear.
- To know the dominant role of family members and other reference groups in different areas of purchase decisions regarding footwear such as budgeting, brand selection, shop selection and actual act of purchase

Review of Literature

Buyer behavior

Fathima Adeela Beevi (2014) in her study on power of advertisements on buying habit among 130 women respondents of Malappuram district of Kerala state used percentage analysis and found that advertisement had positive impact on the women buying behavior. The study also revealed that the women consumers mostly depended on the television advertisement.

Shiau Pei Shih, Szuchiang Yu and Hui Chin Tseng (2015) in their study on consumers' buying behavior and consumer satisfaction in beverages industry in Tainan, among 150 respondents used Pearson correlation coefficient, multiple regression analysis and found that there was positive correlation between product attribute and consumer purchase decision. The study also revealed that consumer buying behavior was positively related to consumer satisfaction.

Brand Loyalty

Krishna Kumar and Kavitha (2014) in their article on brand loyalty of footwear among 100 students used percentage analysis and one sample t – test and found that product quality, style, brand name, price and promotion had significant relationship with purchase of footwear by the students. It was also found that the students were always searching to wear different style of footwear for different occasions and were easy to change their brand because they were variety seekers. They also suggested that the manufacturers and marketers should fulfill the requirements of student’s categories and thereby retain them for a long period.

Yu-Syuan Chen, Tso-Jen Chen and Cheng-Che Lin (2016) in their study on analysis of purchasing decisions and brand loyalty for smart phone consumers among 250 consumers used percentage analysis and found that life style, price, internal functions, quality, logo of the brand and after sales service were the factors influencing the purchase decisions of smart phone consumers while customers’ perceived value, brand experience, trust, satisfaction, service quality and commitment were the key factors to make the customers become loyalists.

Repeat Purchase Behavior of Footwear

Table 6.1 : Repeat Purchase Behavior of Footwear

| S. No | Type | Total value | Weighted average score | Rank |
|--------------|--|--------------------|-------------------------------|-------------|
| 1. | Fashionable and elegant models induce repeated purchase of the product | 424 | 4.24 | I |
| 2. | Product features induces repeated purchase of the product. | 393 | 3.93 | III |
| 3. | The Store environment induces me to make repeat purchases. | 364 | 3.64 | IX |
| 4. | Service quality stimulates repurchase the brand | 381 | 3.81 | V |
| 5. | Store ambience induces me to make repeat purchases | 348 | 3.48 | XII |
| 6. | Good quality products offered stimulates me to repurchase the brand | 358 | 3.58 | XI |
| 7. | Durability of the product induces repeated purchase | 369 | 3.69 | VIII |
| 8. | Reasonable price induces repeated purchase of the product | 361 | 3.61 | X |
| 9. | Regular discounts offered by the brand leads to repeated purchase | 402 | 4.02 | II |
| 10. | I repeatedly buy brand ,as it gives me satisfaction | 385 | 3.85 | IV |
| 11. | Satisfaction leads to brand loyalty | 372 | 3.72 | VI |
| 12. | I repeatedly buy as I am loyal to the brand | 370 | 3.70 | VII |

Source: primary data

From the above table it is clear that Fashionable and elegant models induce repeated purchase of the product get first rank followed by Product features induces repeated purchase of the product, The Store environment induces me to make repeat purchases, Service quality stimulates repurchase the brand, Store ambience induces me to make repeat purchases, Good quality products offered stimulates me to repurchase the brand, Durability of the product induces repeated purchase, Reasonable price induces repeated purchase of the product, Regular discounts offered by the brand leads to repeated purchase, I repeatedly buy brand ,as it gives me satisfaction, Satisfaction leads to brand loyalty, I repeatedly buy as I am loyal to the brand.

Brand Loyalty of Footwear**Table 7.1 : Brand Loyalty of Footwear**

| S. No. | Type | Total value | Weighted average score | Rank |
|--------|---|-------------|------------------------|------|
| 1. | Attractive brand name makes me to be loyal to the brand | 399 | 3.99 | I |
| 2. | The brand name is easy to pronounce and remember. | 374 | 3.74 | VI |
| 3. | The popularity of the brand name induces me to be loyal. | 374 | 3.74 | VI |
| 4. | The brand offers good quality products. | 377 | 3.77 | IV |
| 5. | Comfort ability of the product makes are to be loyal | 372 | 3.72 | IX |
| 6. | The materials used in the product are not harmful | 373 | 3.73 | VIII |
| 7. | Durability of the product induces me to be loyal | 380 | 3.80 | III |
| 8. | Satisfaction of the product makes me loyal to the brand | 376 | 3.76 | V |
| 9. | The brand provides good value for money | 384 | 3.84 | II |
| 10. | The brand offers good quality products at reasonable prices | 364 | 3.64 | X |

Source: primary data

From the above table it is clear that Attractive brand name makes me to be loyal to the brand get first rank followed by The brand name is easy to pronounce and remember, The popularity of the brand name induces me to be loyal, The brand offers good quality product, Comfort ability of the product makes are to be loyal, The materials used in the product are not harmful, Durability of the product induces me to be loyal, Satisfaction of the product makes me loyal to the brand, The brand provides good value for money, The brand offers good quality products at reasonable prices.

Conclusion

In the present era building a network of brand loyal customers is the key for success of any business to sustain in the market. Organizations can make their customers loyal by satisfying their expectations and needs. Customer satisfaction is the degree to which customer expectations are met or exceeded. In today's competitive environment customer satisfaction is essential for any business to sustain in the market. A deep understanding of such expectations would help marketing managers to design better marketing program and to make the customers as brand loyalists. Footwear market is not an exception for this. Footwear industry provides lot of opportunities for marketers

Indian footwear market is set to experience a phenomenal growth in the coming years. The use of a marketing plan alone cannot attract today's smart consumers. Hence the organization must strengthen their brands by advertising so that the business would be more successful. In the long run, product quality and services offered by dealers always stand ahead of the selling power for the Company. Customer retention strategy is the order of the day. It is necessary to build long term loyal relationships as the new economy is becoming more customer centric.

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Emerging Trends in Banking, Insurance and International Trade
**MANAGEMENT MARRIAGES AND DIVORCES (WITH
SPECIAL REFERENCE TO STRATEGIC PLANNING OF
CORPORATE 2018-2019)**

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Abstract

This study has explained the management mergers, acquisitions and divestitures are being positive or negative. The paper has started with point of explaining what is all about strategies and its types followed by arguments on strategy positive and arguments on strategy negative and eventually it ends up with future impact filled conclusion. To be short term, it looks negative but later on it touches and reaches the real objective of the corporate that is helping and lifting any corporate from developing stage in to developed stage. Unanimously the researcher affirmed that strategy is highly positive and led corporate progress

Keywords: *strategy, strategy positive , strategy negative*

Introduction

Strategic planning is important to an organization because it provides a sense of direction and outlines measurable goals. Strategic planning is a tool that is useful for guiding day-to-day decisions and also for evaluating progress and changing approaches when moving forward. In order to make the most of strategic planning, your company should give careful thought to the strategic objectives it outlines, and then back up these goals with realistic, thoroughly researched, quantifiable benchmarks for evaluating results.

Difference between strategy positive and negative

Arguments on Strategy Positive:

Discharges Board Responsibility: The first reason that most organizations state for having a strategic management process is that it discharges the responsibility of the Board of Directors.

Forces an Objective Assessment : Strategic management provides a discipline that enables the board and senior management to actually take a step back from the day-to-day business to think about the future of the organization. Without this discipline, the organization can become solely consumed with working through the next issue or problem without consideration of the larger picture.

Provides a Framework for Decision-Making : Strategy provides a framework within which all staff can make day-to-day operational decisions and understand that those decisions are all moving the organization in a single direction. It is not possible (nor realistic or appropriate) for the board to know all the decisions the executive director will have to make, nor is it possible (nor realistic or practical) for the executive director to know all the decisions the staff will make.

- Strategy provides a vision of the future, confirms the purpose and values of an organization, sets objectives, clarifies threats and opportunities, determines methods to leverage strengths, and mitigate weaknesses (at a minimum).
- As such, it sets a framework and clear boundaries within which decisions can be made. The cumulative effect of these decisions (which can add up to thousands over the year) can have a significant impact on the success of the organization. Providing a framework within which the executive director and staff can make these decisions helps them better focus their efforts on those things that will best support the organization's success.

Supports Understanding & Buy-In : Allowing the board and staff participation in the strategic discussion enables them to better understand the direction, why that direction was chosen, and the associated benefits. For some people simply knowing is enough; for many people, to gain their full support requires them to understand.

Enables Measurement of Progress : A strategic management process forces an organization to set objectives and measures of success. The setting of measures of success requires that the organization first determine what is critical to its ongoing success and then forces the establishment of objectives and keeps these critical measures in front of the board and senior management.

Provides an Organizational Perspective : Addressing operational issues rarely looks at the whole organization and the interrelatedness of its varying components. Strategic management takes an organizational perspective and looks at all the components and the interrelationship between those components in order to develop a strategy that is optimal for the whole organization and not a single component.

Arguments on Strategy negative

The Future Doesn't Unfold As Anticipated : One of the major criticisms of strategic management is that it requires the organization to anticipate the future environment in order to develop plans, and as we all know, predicting the future is not an easy undertaking. The belief being that if the future does not unfold as anticipated then it may invalidate the strategy taken. Recent research conducted in the private sector has demonstrated that organizations that use planning process achieve better performance than those organizations who don't plan - regardless of whether they actually achieved their intended objective. In addition, there are a variety of approaches to strategic planning that are not as dependent upon the prediction of the future.

It Can Be Expensive : There is no doubt that in the not-for-profit sector there are many organizations that cannot afford to hire an external consultant to help them develop their strategy. Today there are many volunteers that can help smaller organizations and also funding agencies that will support the cost of hiring external consultants in developing a strategy. Regardless, it is important to ensure that the implementation of a strategic management process is consistent with the needs of the organization, and that appropriate controls are implemented to allow the cost/benefit discussion to be undertaken, prior to the implementation of a strategic management process.

Long Term Benefit vs. Immediate Results : Strategic management processes are designed to provide an organization with long-term benefits. If you are looking at the strategic management process to address an immediate crisis within your organization, it won't. It always makes sense to address the immediate crises prior to allocating resources (time, money, people, opportunity, cost) to the strategic management process.

Impedes Flexibility : When you undertake a strategic management process, it will result in the organization saying "no" to some of the opportunities that may be available. This inability to choose all of the opportunities presented to an organization is sometimes frustrating. In addition, some organizations develop a strategic management process that become excessively formal. Processes that become this "established" lack innovation and creativity and can stifle the ability of the organization to develop creative strategies. In this scenario, the strategic management process has become the very tool that now inhibits the organization's ability to change and adapt.

A third way that flexibility can be impeded is through a well-executed alignment and integration of the strategy within the organization. An organization that is well aligned with its strategy has addressed its structure, board, staffing, and performance and reward systems. This alignment ensures that the whole organization is pulling in the right direction, but can inhibit the organization's adaptability. Again, there are a variety of newer approaches to strategy development used in the private sector (they haven't been widely accepted in the not-for-profit sector yet) that build strategy and address the issues of organizational adaptability.

Management Marriages and Divorces

- An **Acquisition** of a company occurs when all or part of a company is purchased by another company. Sometimes an acquisition takes the form of a sale of a company's assets. At other times, the shareholders of a target company sell their shares to a buyer. The assets or shares of a target company may be purchased directly by another company. In other instances, the buyer creates a subsidiary for the purpose of acquiring the shares or assets of the target.
- A **Merger** is a form of an acquisition that is structured by combining the target company with the acquirer (or its acquisition subsidiary) into one legal entity. Sometimes the target merges with the acquirer or its subsidiary, and the target is the surviving legal entity. In other cases, the acquirer or its acquisition subsidiary is the surviving legal entity in a merger. Whether or not the deal is structured as a tax-free reorganization will affect the tax treatment of any new shares of the acquirer's stock that you receive in exchange for your old shares.
- A **Divestiture** can be any among a broad range of transactions that result in a portion of a company, such as a subsidiary, a division, or a line of business, being sold to another party.

This year proved to be quite a robust one for mergers and acquisitions for Indian corporates.

Buoyed by the recently-implemented Insolvency and Bankruptcy Code (IBC) and an extremely competitive atmosphere in the mobile and e-commerce space, dealmaking reached new highs in 2018.

As the government continued to push for resolutions, there was a wave of consolidation in sectors most affected by the build-up in non-performing loans such as financial services, energy and steel. There was also a feeding frenzy in the consumer goods and e-commerce space as foreign companies swooped in to take aim at India's massive customer base.

The trend is expected to extend into 2019. In addition, as Internet penetration increases, especially in rural areas, consumer goods will experience an unprecedented level of deal activity as companies merge with each other to gain the upper hand.

While this could be tempered by an outflow of capital and election uncertainty, the relative weakness of the Indian currency could see a lot more acquisitions by foreign companies.

Here are some of the largest deals that grabbed headlines this year:-

A global retail giant buys India's largest e-commerce firm

- In a move with decidedly global implications given its war against Amazon, Walmart announced plans to acquire a 77% stake in Flipkart for around \$16 billion in May 2018. At the time, the possibility of a future IPO of Flipkart was also mooted.
- The deal, which was completed in August, also included \$2 billion of fresh equity funding to support Flipkart's expansion plans as it takes on Amazon's Indian subsidiary for the top spot in India's e-commerce market. Flipkart is said to be building its logistics and supply chain network by on boarding 'kirana' stores, making moves into the online grocery space and sustaining its discount-heavy model. Walmart, meanwhile, continues to expand its wholesale business in India.

The merger of India's No.3 and No.4 telecom players finally gets approved

In August 2018, Vodafone's Indian subsidiary and Idea Cellular received the final approval for their merger from the National Company Law Tribunal(NCLT). The deal, which has been in the works since last year, will create India's largest telecom operator by subscribers (430 million) and revenue market share (37%) and help the two struggling companies fend off competition from market leaders Airtel and Reliance Jio.

Vodafone will own a 45% stake in the combined entity. Meanwhile Idea's shareholders will take a 29% stake and Aditya Birla Group, Idea's parent, will own 26%. The merged entity, which is highly leveraged, will try and capitalise on lower network costs, the promotion of value pricing packages and a joint push into data 5G services.

A state-run energy giant is created to help the government meet its disinvestment target

In January 2018, Oil and Natural Gas Corporation Ltd. (ONGC) announced the acquisition of a 51% stake in Hindustan Petroleum Corporation Limited (HPCL) in a deal aimed at helping the central government meet its disinvestment target for 2017-18. The move follows a well-established precedent of the government relying on transactions between firms it owns to help it out during periods of financial stress.

ONGC spent a total of nearly 370 billion (\$5.2 billion) on the purchase of a majority stake in the state-backed refiner, with most of this amount being funded through loans thereby exacerbating the former's debt woes.

Tata Steel takes over another steel firm after submitting the highest bid for it in an insolvency auction

In May 2018, Tata Steel successfully submitted the winning bid for bankrupt rival Bhushan Steel in an auction. The 352 billion (\$4.9 billion) offer for a 73% stake in Bhushan Steel was approved by the NCLT. Bhushan Steel was one of the 12 major non-performing accounts submitted by the Reserve Bank of India to the NCLT for resolution proceedings under the IBC last year.

The merger will help Tata Steel improve its domestic capacity and make inroads into the automotive steel industry, which is dominated by Bhushan Steel. The steel industry is set to witness an even bigger deal soon, should ArcelorMittal's 420 billion bid for the bankrupt Essar Steel be approved.

Hindustan Unilever to buy GSK's consumer nutrition brands in one of India's largest consumer goods deals

- Earlier this month, Hindustan Unilever Ltd (HUL), the Indian subsidiary of consumer good giant Unilever, said it would purchase GlaxoSmithKline's (GSK) key consumer nutrition brands like Horlicks and Boost, thereby putting an end to months of speculation and discussions.
- The all-stock deal, which also includes a majority stake in GSK's Bangladesh unit and distribution rights to medical brands, is valued at 317 billion (\$4.5 billion) and will see HUL take over GSK's consumer healthcare operations and merge them with itself. The deal is slated for completion at the end of 2019, by which time HUL is expected to become India's largest publicly-listed food and refreshments company.

Merger of three public-sector banks

In September 2018, India's Finance Minister, Arun Jaitley, announced the consolidation of Bank of Baroda (BoB) and Vijaya Bank, which had a bad loan ratio of 5.4% and 4.1%, respectively, with the struggling Dena Bank, which had a bad loan ratio of 11%. As a result of its poor financial health, Dena has been placed on the RBI's Prompt Corrective Action (PCA) watchlist.

The merged entity will become the third-largest bank in India and have nearly 9,500 branches and a bad loan ratio of 5.7%. Bank of Baroda is the largest of the trio with 10.3 trillion of total business and a pan-Indian presence, while the regional-focused Vijaya and Dena have 2.8 trillion and 1.8 trillion of business, respectively.

As India's public-sector banks have borne the brunt of the country's bad loan problem, the Modi administration's approach has been to have smaller, weaker banks swallowed by larger ones, just as in the case of State Bank of India acquiring five associate banks last year.

And there was one large international deal in the agrochemicals space

In July 2018, India's UPL Ltd, a maker of crop protection and agrochemical products, said that it was acquiring Arysta Life Science Inc, the farm pesticides business of the US's Platform Platform

Specialty Products Corp, for \$4.2 billion. The combined entity is expected to be the fifth-largest agrochemicals company in the world.

The all-cash deal will cement UPL's strength in the global market for crop protection products by giving it greater access to markets like China, the US, Africa and Latin America. However, it represents a significant change of pace for a company with a track record of smaller deals in the hundreds of millions of dollars region and could push it into an unenviable debt position.

Conclusion

One size does not match all. Several firms think that the most effective way to get ahead is to expand business boundaries through mergers and acquisitions (M&A). Mergers produce synergies and economies of scale, increasing operations and cutting prices. Investors will take comfort within the idea that a merger can deliver increased market power. The same thing happens with the X merger deal between Y and Z. They think that merger is helpful for both the companies but it not matched for both of them. Both Y and Z synergies shows diversification is that the main goal of the firms to extend the revenue and to attain the value gain because of the amendment in mode of technology and increase in the competition for the well established firms.

Throughout the phase of merger web bubbles also the main cause for over valuation of shares. In distinction Z was the victim of net bubble. This type merger failure cases shows support to restrict the companies to merge with the other companies. it has a right to govern the market and make stable the market. It is thought of defending domestic companies from foreign rival and they encourage their zone mergers. So the European doesn't want any problems like dis-economies of scale, clashes of cultures and reduction of flexibilities by the merger of other companies. So the merger is highly regulated to avoid major concentration of economic power in any zone. The merger deals cases like x and z helps to make strict rules to restrict the merger and acquisition (M&A) of companies with the other companies. Therefore, it led India to progress.

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Emerging Trends in Banking, Insurance and International Trade
**A STUDY ON OCCUPATIONAL DISEASES OF WORKERS IN INDIA
CEMENT INDUSTRY**

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Abstract

Cement industry plays a vital role in infrastructure development in India. It is also associated with few environmental impacts which may lead to health hazards when unnoticed. The aim of this study was to investigate the health risks associated with the man power working in the cement factory at Tirunelveli district. This study aims at identifying the major health problems of the workers of India cement Ltd Sankarnagar, and to provide guidelines for management to reduce the risk associated and to maintain the health of the employees. The required data are collected through direct investigation and interaction with workers. For analyzing the health issues of workers in cement industry 100 samples were selected by using convenience sampling. The objective of the study is to know the socio-economic profile and also analyses the major health problems and satisfactory level of workers. The Garratt's ranking technique used to analyze the health issues and Chi square is applies to know the relationship between the demographic profile and monthly income.

Key Words: *Occupational health, Risk assessment, Major hazards, Safety measures, Ergonomics, etc.*

Introduction

Telecommunication, petroleum, coal, fertilizer, iron, steel and cement etc. are the key infrastructure sectors of India. Cement industry is also plays a significant role, in the rapid growth and development of a country because cement is a fundamental requirement of all constructions activities. Cement is used in housing, dams, bridges, industrial construction, roads etc, so cement is basic material which is used in all types of constructions.

In the growth of Indian manufacturing industries, egalitarian considerations of a nation, building objectives have had limited attraction as objectives for industrialization. It was mainly the profit-centre that have determine their proliferation and continues to do so even after intendance, expect for what the public sector has been doing but not with much consideration for productivity or profitability.

These observations apply not only in jute and textiles or iron and steel, but also in cement, automobiles, sugar and even perhaps the paper industries, particularly in the respect of the private sector leviathan. The impact of economic factors like the supply of raw materials, cost of labour, cost of infrastructure and economic of location have all determine the growth and development of Indian industries but one major factor has always been the profit incentive.

In olden days, various types of building materials were used for construction of public historical and religious buildings sand, stone and in the special case; marbles were used for this purpose. The house of ordinary citizens was usually made of mud and thin bricks. In few cases lime and pazzolona were used for getting beautiful finishing for the interior surface. There were very good builders and mesons that have created beautiful & excellent temples, buildings and bathing ghats thousand of years ago, still they are famous for their work and shape. However, gradually cement and new types of material had developed in Europe. In 1824 an English man Joseph Aspadin, patented on artificial made by calcinations of an argillaceous limestone known as Portland cement. Because concrete made from it resembled a famous building stone obtained from the ISLE of Portland near England.

Definition of Cement

Cement is a hydraulic made of finely ground nonmetallic, inorganic material when mixed with water it forms a paste that sets and hardens by hydration which retains its Strength and stability even under water.

Cement is produced by grinding and mixing of argillaceous and calcareous materials like clay and limestone and then burning the mix at very high temperature (approx 1450) for calcinations.

- The cochineal product is known as clinker.
- The clinker is cooled and small quantity of gypsum added which is Finally ground.

Types of Cement

- Ordinary Portland cement (O.P.C)
- Portland Pozzolona Cement (P.P.C)
- Special cement

Ordinary Portland cement: This type of cement gives enough comprehensive strength after soaking in water for 3 days, 7days and 28 days. This is suitable for all types of modern civil engineering constructions. The Ordinary Portland Cement is popularly known as grey cement, which is produced by grinding clinker with 5 per cent gypsum. It is used in all general concrete construction, mass and reinforced concrete. It accounts for about 70.60 per cent of the total production. Indian Standard has classified OPC in three grades based on the strength of cement.

These grades are:

1. Grade - 33-IS-269-1989
2. Grade - 43-IS-6112-1989
3. Grade - 53-IS-12269-1987

These types of cement are suited for all modern types of constructions including all kinds of masonry and concrete works such as pre-cast and pre-stressed concrete. They are also suitable for all kinds of repair works in masonry and concreting. The higher the grade of cement used, the greater would be the economy, durability and technical advantages. Moreover construction time is also reduced.

Portland Pozzolona Cement : It is grayish in color and made by grinding of limestone and clay. Burning of limestone and clay at very high temperature and cooling the resultant product is called clinker, grinding the clinker with of gypsum in ball mill to a finally ground powder. This is known as Portland cement. This cement is produced by adding 10 to 25 % pozzolanic materials to the ope clinker then grinding together.

It is cheaply manufactured because it uses fly ash/burnt clay/coal waste as the main ingredient. PPC has a lower heat of hydration, which is of advantage in preventing cracks where large volumes are being cast. PPC accounts for 18.3 per cent of the production.

Special Cement: There are six Types of special cement the types are:

1. **Hydrophobic Cement:** It is obtained by adding water replant firm forming substance such as satiric acid and oleic acid by grinding Portland cement clinker. This type of cement is reduces wetting ability of cement grains. Hence it imparts more time for mixing, transporting, compacting & finishing etc.
2. **Low heat Cement:** This type of cement is used for larger mass concrete works in dams, Piers etc. It is necessary to have a much lower heat of hydration, so that chances of developing construction cracks are minimized. This can be done either by adding some pozzolanic material and granulated blast furnace slag to the cement while grinding by changing the chemical composition of the cement.
3. **Rapid Hardwearing Cement:** This type of Portland cement gives the desired strength in 3.7 and 28 days if soaked in water. But sometimes cement is required high strength in 24 hours as is given by ordinary Portland cement at 3 days. This type of cement is called rapid hardening

cement or high early strengthening cement. This sets and hardens much quickly than ordinary Portland cement.

4. **Quick Setting Cement:** The % of gypsum added reduced, which accelerate the setting action. The setting action of this cement is very fast. This type of cement is used for the underwater constructions.
5. **Sulphate Resistance Cement:** This cement is prone is liable for deterioration under sulphate environments. Thus a Portland cement, which less than 5% of C3A is highly resistant to sulphatic action. This cement is known as sulphate resistant cement. This cement used for sea shore structure canal lining, culverts etc.
6. **White Cement:** Portland cement is grayish in color. The color is due to complex formed with iron oxide present in the cement. The proportion of Iron oxide in the cement is reduced to less than 0.4% the color of the cement becomes white. Iron oxide present in cement raw mix helps in improving the burning conditions of cement clinker. White cement is generally used for decorative works only in view of its high cost.

Portland Blast Furnace Slag Cement (PBFSC):It is made by grinding granulated blast furnace slag/steel industry by product (up to 65%), gypsum (5%) and clinker (balance). PBFSC has a heat of hydration even lower than PPC and is generally used in construction of dams and similar massive construction. It contributes nearly 10 per cent to the total.

Specialized Cement: Oil Well Cement: is made from clinker with special additives to prevent any porosity.

Rapid Hardening Portland cement: It is similar to OPC, except that it is ground much finer, so that on casting the compressible strength increases rapidly.

Water proof Cement: OPC with small portion of calcium stearate or non-saponifiable oil to impart waterproofing properties

1. **Blended Cement:** Mixing Portland clinker, gypsum and other insert materials in suitable proportions and grinding the mixture to get a thorough and intimate mix obtain it.
Portland Pozzolona Cement (PPC) - Clinker + Gypsum + Pozzolona (Flyash, burnt clay etc)
Portland blast furnace slag - Cement Clinker + Gypsum + granulated slag
Masonry Cement- Cement Clinker + Gypsum +Pozzolona (Limestone Powder admixtures etc
PPC-Suitable for most of the applications as stated in OPC ideally suited for domestic consumption like plastering, brickwork, mass concreting works like dams, large foundation. This cement enhances the impermeability and cohesiveness of concrete.
As a result durability is enhanced. It also generates low heat of hydration. It is cheaply manufactured because it uses flyash/burnt clay/coal waste as the main ingredient. PPC has a lower heat of advantage in preventing cracks where large volumes are being cast. PPC Account for 18.3% of the production.
2. **Slag Cement:** Common application is similar to those of OPC. However besides that it has more sulphate resistance properties than OPC and is suitable for coastal construction. It is made by grinding granulated blast furnace slag, still industry by product (up to 65%), gypsum (5%) and clinker (balance). PBFSC has a heat of hydration even lower than PPC and is generally used in construction of dams and similar massive construction. It contributes nearly 10 per cent to the total.
3. **Masonry Cement:** Exclusively mines for masonry works and plaster only.
4. **Low heat Portland cements:** Grinding and chemical composition are similar to those of OPC. All applications requiring very early strength, very high early removal of from works, very high handling of pre-cast element, high grade precast and prestressed concrete product, slip form, cooling tower and pill tower.
5. **Sulphate Resistant Cement:** The chemical composition is designed in such a manner that C3A content in cement restricted to 5 per cent and other chemical constituents are similar to OPC. Used in structures in contact with soil or water having enough Sulphat concentration.

- 6. Oil Well Cement:** This is a special kind of cement for use in the drilling of wells to fill the space between the steel lining tubes and the well wall. It sets slowly in order to give the slurry made with it sufficient time to reach the large depths of the oil wells. However once set it develops strength rapidly and remains stable at high temperature.
- 7. Super Sulphat cement:** Intergrading makes super Sulphat cement, a mixture of 80-85 per cent selected granulated slag with 10-15 per cent calcium Sulphat and about 5 per cent of Portland clinker. It may be applied where high Sulphat, acid and organic oil attacks on structure is expected.
- 8. High alumina cement:** The chemical composition is designed in such a manner that the total alumina content is at least 32 per cent. This cement is ideally suited for high temperature cast able refractory.
- 9. Grey Portland cement:** Chemical composition is similar to OPC expect the following limitations, which ensures very strength, increased cohesiveness and increased durability factor towards chemical attack. All applications where high-strength concrete is required ideally suited for railway prestressed concrete sleepers, bridges and slip form construction.

Description Limits as per IRST -40 OPC as per IS-Spec

LSF 0.8-1.02 0.66-1.02

C3S45%Min – C3A

10% Max – Fineness

3700 Min –

Review of Literature

The study of **Raju M. Rathod and Bhavesh Patel (2010)** highlighted that the Chemical companies need health and safety practices significantly in their article entitled “Employee Health and Safety Practices in Some Selected Chemical Companies of Gujarat State”.

The study of **P. Katsuro, C. T. Gadzirayi, Taruwona M, and Suzanna Mupararano (2010)**, indicated health and safety problems and their impact in their article entitled “Impact of occupational health and safety on worker productivity: A case of Zimbabwe food industry”.

The study conducted by **Phadtare & Kulkarni (2012)** stated that, if workers health is good they can work with full capacity & efficiently which is valuable, in their article entitled, “A study of Industrial Accidents, Employees welfare & safety measures with special reference to MIDC Baramati”. A study conducted by Koshan stated that the cement industry was the only one where provisions were adequately enforced. The study of Zachariah, based on a sample survey of manufacturing undertakings in Bombay, it was observed that better working conditions and adequate provision of welfare services would contribute to harmonious industrial relations.

Objectives of the Study

- To study the various Labour welfare measures and satisfactory levels of employees in the organization
- To study in detail the effectiveness of HR practices and benefits related to Health and Safety standards available at selected cement factory.

Methodology

The study based on primary data which is collected through questionnaire with the help of 120 respondents. The tools used for the study is weighted average method and Garrett ranking method.

Problems of Cement industry

The main impediments to the growth of cement industry in India may be broadly listed as follows:

Shortage of capital: The cement industry is capital-intensive in nature. On account of its record on declining profitability, it is unable to raise the required finance from the capital market.

Power shortage: Power is an important infrastructure, which the cement industry needs. The cement industry is being adversely affected with the State Electricity Boards (SEBs), raising costs year after year accompanied by diminishing quality of power supplied, in terms of frequent voltage fluctuations, power cuts and interruptions. By installing captive power plants the Indian cement industry is today supplementing grid power supply as a result, capacity has crossed 700MW.

Location problems: Cement industries are mainly situated in Western and Southern regions producing about 71 per cent of the total output, while the Northern and Eastern regions account for 29 per cent of total output. The Southern and western regions consume only 57 percent of their total output, while the Northern and Eastern regions consume 43 percent of their total production. There is excess production in the Southern and Western regions while there is excess demand from Northern and Eastern regions. These factors lead do heavy transport cost.

Shortage of coal: Coal shortage affects production of cement industry resulting in idle capacity and under utilization of capacity. Coal requirement by the industry today, stands at 13mt, which is just 6 per cent of the total cost produced in India. As a result, industry sources say that, cement manufactures are left at the mercy of traders in coal, who charge exorbitant prices. By 2005 AD, the need for coal will go up to 25mt per annum.

The availability and movement of coal has been a perennial problem of the cementindustry. Ninety per cent of the coal deposits occur in the four states of Bihar, Orissa, West Bengal and Madhya Pradesh. Barring Madhya Pradesh, none of the other states have any limestone deposits and hence coal has to be hauled over very long distances. Keeping in view the likely production of 737mt of cement in 2001, coal requirement will have to be doubled to level of 21mt and about 15mt will have to be moved by rail against 8 mt by rail in 1996

Analysis and Interpretation satisfaction level of the employess

| S. No | Particulars | Total value | Weighted average Score | Garratte rank |
|-------|----------------------|-------------|------------------------|---------------|
| 1. | Working hours | 414 | 3.45 | II |
| 2. | Sitting arrangement | 420 | 3.5 | VI |
| 3. | Conveyance Allowance | 416 | 3.47 | I |
| 4. | Overtime Allowance | 390 | 3.25 | V |
| 5. | Increment / Bonus | 405 | 3.38 | III |
| 6. | Transportation | 402 | 3.35 | IV |
| 7. | Safety measure | 353 | 2.94 | VII |

Source : Primary data

Majority of the respondents are satisfaction level of the employee for conveyance allowance, thus the researcher gives first rank to them mean to the mean score 3.47.

Rank the Following Health Problems Faced

| S. No | Particulars | Total scores | Average scores | Garrett Rank |
|-------|-------------------|--------------|----------------|--------------|
| 1. | Eyes strain | 4901 | 40.84 | IV |
| 2. | Nose irritation | 4218 | 35.15 | VII |
| 3. | Skin diseases | 5451 | 45.43 | II |
| 4. | Threat irritation | 5510 | 45.92 | I |
| 5. | Blood poisoning | 5325 | 44.38 | III |
| 6. | Lungs irritation | 4781 | 39.84 | V |
| 7. | Heart stroke | 4284 | 35.7 | VI |
| 8 | Hearing disorder | 4025 | 33.54 | VIII |

Source : Primary data

Majority of the respondents are health problem faced in threat irritation, thus the researcher gives first rank to them mean to the average score 45.92.

Conclusion

In conclusion, after analyzing the data it can be stated that the overall satisfaction levels of employees about Labour welfare, Health and Safety measures in the organization cover under study are satisfactory. However, a few aspects are not satisfied with prevailing welfare measures provided by the organization. Therefore it is suggested for further improvement

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Emerging Trends in Banking, Insurance and International Trade
**STRATEGIC INITIATIVES FOR ENHANCING WORK LIFE BALANCE
OF HEALTH CARE EMPLOYEES IN PRIVATE HOSPITALS
IN TIRUNELVELI**

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Abstract

Work-life balance is now playing an important role in deciding the job related performance of employees in any industry. With swelling obligations in the work place, it is very difficult to the employees to maintain a fair level of work life balance. Such circumstances impact on workers physiologically and psychologically. The hectic life of retention and excelling in healthcare job has put tremendous pressure on healthcare employees' life and leads to work life imbalance which is a problem that poses a big risk to workers well being, their performance as well as the organizational performance. This paper aims to study how the work life balance is important for the health care employees and also the strategic initiatives for improving work life balance among healthcare employees. One hundred and twenty health care employees from four private hospitals are taken as sample for the study. The questionnaire is used to collect the data from the sample respondents. Secondary data are collected from books, journals and websites. SPSS 16.0 has been used to analyze the data. The factors extracted from factor analysis are 'work plan and work advancement' and 'employee and employer relationship'. One way ANOVA test is used to examine the relationship between the personal and work profile and the initiatives for improving work life balance. Based on the findings of the study, suitable suggestions are made.

Keywords: *Work Life Balance, Strategic initiatives*

Introduction

In the present working world, most of the time is spent by the employees in their organization leaving less time to take care of their personal and family needs. The increased amount of competition in any business, advancement in information technology, the need for speedy and quality services has taken considerable time of the workers, sometimes even after the working hours. A central characteristic of work-life balance is the amount of time a person spends at work. There are indications that long work hours may harm personal health, endanger safety and increase stress. In the present working world, most of the time is spent by the employees in their organization leaving less time to take care of their personal and family needs. The increased amount of competition in any business, advancement in information technology, the need for speedy and quality services has taken considerable time of the workers, sometimes even after the working hours. A central characteristic of work-life balance is the amount of time a person spends at work. There are indications that long work hours may harm personal health end anger safety and increase stress.

Work life balance helps in describing a balance between person's person and working life. The term work life balance is given preference as it includes the experience of working mothers and helps in exploring new ways of working and living for them. Managing a balance between family and work life is the biggest challenge for both working people and the organization. Particularly for work life balance, it has become more difficult to strike a balance between the two. They hospitals have work life balance policies for them. Work life balance policies and programs will help them in balancing their personal and professional schedules. This will ultimately give the feeling of satisfaction.

Statement of Problem

Work life balance the imperative instrument in the modern working life of any individual irrespective of their occupation. It is normally a challenging exercise among the occupants to manage work situation, family circumstances and the intervention of these two at different conditions. In addition to that the influence of predictable and extraneous factors relevance to work life balance and imbalances are countless service. Healthcare and its essence for the day to day life have been perceived seriously among the public the employees working in that sector needs strategic initiatives. The topic entitled “strategic initiatives for enhancing work life balance of health care employees in private hospitals in Tirunelveli” is taken for the research.

Review of Literature

Crosbie and Moore (2004) in their article entitles “Work –life balance and working from home” studied working from home and work life balance of sample females who carried out paid work at home for 20 hours or more per week. The study concluded that home working was not panacea for modern working life. Personality skills and aspirations should be given careful consideration by those who are thinking of working from home. Those who have tendency to work long hours outside the home might find that home life is even further marginalized by work life.

Shilip Kulshrestha (2005) in their article entitled “A Descriptive Study on Work Life Balance of Woman employees in Banks” This study was conducted in Private Banks in Jodhpur to find out whether the working female employees were able to practice a sense of control and a balance between Professional and family life. For the said purpose primary research methodology has been used. Findings revealed that banking sector of Jodhpur is suffering through intense work life imbalance. Departments where the working force mainly comprises of line staff suffer tremendously as compared to other support staff in the workforce. It was concluded that a formal communication strategy is plays a vital role to create awareness about Human resource polices among the bank employees working at different cadre at different places, that will not only educate but also create awareness and healthy relationship among the employees.

Objectives of the Study

- To examine the strategic initiatives to improve work life balance of the health care employees
- To find out the relationship between the strategic initiatives to improve work life balance and the personal profile of the respondents.

Methodology

This study is based on both the primary data and secondary data. The primary data are collected with the help of questionnaire.. Secondary data are collected from newspaper, magazines, reports and websites. SPSS 16.0 is used to analyses the data. Statistical tools like Factor analysis ,mean, Coefficient of variation and one way ANOVA are used to analyses the primary data collected from the respondents.;

Analysis an Interpretation of Data

The analysis of primary data is done in four parts

- Personal and work profile of the respondents
- KMO test of sampling adequacy
- Factor analysis
- One way ANOVA to find out the relationship between strategic initiatives to improve work life balance and the personal profile of the respondents.

Personal Profile of the Respondents

The Personal profile of the respondents are examined and shown in Table 1

Table 1 : Personal Profile

| Personal Profile | Category | No. of respondents | Percentage |
|-------------------------|------------------|---------------------------|-------------------|
| Age | Below 20 years | 50 | 41.7 |
| | 20-39 years | 30 | 25.0 |
| | 30 -40 years | 12 | 10.0 |
| | 40 -50 years | 13 | 10.8 |
| | Above 50 years | 15 | 12.5 |
| | Total | 120 | 100.0 |
| Gender | Male | 33 | 27.5 |
| | Female | 87 | 72.5 |
| | Total | 120 | 100.0 |
| Education | HSC | 18 | 15.0 |
| | Under graduation | 42 | 35.0 |
| | Post graduation | 20 | 16.7 |
| | Diploma | 30 | 25.0 |
| | Any other | 10 | 8.3 |
| | Total | 120 | 100.0 |
| Income | Rs.10000-20000 | 29 | 24.2 |
| | Rs.20000-30000 | 32 | 26.7 |
| | Rs.30000-40000 | 36 | 30.0 |
| | Above 50000 | 23 | 19.2 |
| | Total | 120 | 100.0 |

- 41.7 percent of the respondents are in the age group of below 20 years
- 72.5 per cent of the respondents are female
- 35 percent of the respondents are graduates
- 30 percent of the respondents are in the income group of Rs.30000 –Rs.40000

Work profile of the respondents

The work profile of the respondents are examined and shown in Table 2

Table 2 :Work Profile of the respondents

| Work Profile | Particulars | No. of respondents | Percentage |
|---------------------|---------------------------|---------------------------|-------------------|
| Present Position | Staff Nurse | 25 | 20.8 |
| | Clinical nurse specialist | 22 | 18.3 |
| | Nurse practitioner | 15 | 12.5 |
| | Registered nurse | 33 | 29.2 |
| | Lab assistant | 20 | 15.0 |
| | Any others | 5 | 4.2 |
| | Total | 120 | 100 |

| | | | |
|-----------------|-------------------|------------|--------------|
| Work Experience | <1 year | 50 | 18.3 |
| | 1-5 years | 22 | 41.7 |
| | 6-10 years | 18 | 15.0 |
| | 11-20 years | 17 | 14.2 |
| | >20 years | 13 | 10.8 |
| | Total | 120 | 100.0 |
| Monthly Salary | Up to Rs.5000 | 60 | 21.7 |
| | Rs.5000-Rs.10000 | 26 | 50.0 |
| | Rs.10000-Rs.15000 | 15 | 12.5 |
| | Rs.15000-Rs.20000 | 14 | 11.7 |
| | above Rs.20000 | 5 | 4.2 |
| | Total | 120 | 100.0 |
| Shift System | General shift/ | 70 | 58.3 |
| | Night shift | 40 | 33.3 |
| | Alternative | 10 | 8.3 |
| | Total | 120 | 100.0 |

- 29.2 percent of the respondents are registered nurses.
- 41.7 percent of the respondents are having the work experience of 1- 5 years.
- 50 percent of the respondents are in the monthly salary of Rs.5000 – Rs.10000
- 58 percent of the respondents are working in the general shift.

KMO Test of Sampling Adequacy

KMO test is done to examine which the results are satisfactory. The result of KMO result must be more than standardized 0.50

KMO and Bartlett's Test

| | |
|--|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .710 |
| Bartlett's Test of Sphericity Approx. Chi-Square | 898.788 |
| Df | 276 |
| Sig. | .000 |

It is noted for table that Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity is significant which more than the Standard mean of 0.06 is.

Rotated Component Matrix

| S. No | Initiatives | Component | |
|---|---|-------------|-------|
| | | F1 | F2 |
| Work Plan and Advancement | | | |
| 1 | Planning the work | .967 | .008 |
| 2 | Job analysis specifications/descriptions | .942 | -.038 |
| 3 | Providing a flexi approach towards the work | .927 | .021 |
| 4 | Conduct frequent training programme | .857 | -.130 |
| 5 | Effective communication system | .846 | .018 |
| Employer - Employee Relationship | | | |

| | | | |
|----|---|-------|-------------|
| 6 | Being empathetic towards the employees | .023 | .786 |
| 7 | Providing space for the personal lives of the employees | .171 | .723 |
| 8 | Workers' participation in management | -.049 | .690 |
| 9 | Family get-together at the work place | .200 | .575 |
| 10 | Organizational culture | -.006 | .522 |

F1:Work Plan and Advancement : Factor one has loading for the five statements, namely, Planning the work (.967), Job analysis specifications/descriptions (942), Providing a flexi approach towards the work (927), Conduct frequent training programme (857), Effective communication system (.846).

F2: Employer - Employee Relationship: Factor one has loading for the five statements, namely, Being empathetic towards the employees (.786), Providing space for the personal lives of the employees (.723), Workers' participation in management (.690), Family get-together at the work place (.575), Organizational culture (.522).

Differences across Personal Profile

| S.No | Statements | | Age | Gender | Education | Income |
|------|---|---------|------|--------|-----------|--------|
| 1 | Planning the work | F value | .984 | .940 | 1.11 | .237 |
| | | P value | .000 | .334 | .006 | .000 |
| | | Result | N | S | S | N |
| 2 | Job analysis specifications/descriptions | F value | .746 | 1.96 | .668 | .476 |
| | | P value | .006 | .005 | .001 | .007 |
| | | Result | S | S | N | S |
| 3 | Providing a flexi approach towards the work | F value | .878 | 1.95 | 1.13 | 1.39 |
| | | P value | .008 | .003 | .004 | .002 |
| | | Result | S | N | N | N |
| 4 | Conduct frequent training programme | F value | .353 | .009 | .290 | 1.88 |
| | | P value | .841 | .944 | .884 | .136 |
| | | Result | N | N | S | N |
| 5 | Effect communication system | F value | .986 | .081 | 2.306 | .882 |
| | | P value | .008 | .003 | .006 | .003 |
| | | Result | S | N | S | N |
| 6 | Being empathetic towards the employees | F value | .339 | .223 | .132 | .390 |
| | | P value | .008 | .009 | .000 | .007 |
| | | Result | S | S | N | S |
| 7 | Providing space for the personal lives of employees | F value | .597 | .797 | 2.89 | .899 |
| | | P value | .000 | .003 | .025 | .004 |
| | | Result | N | N | S | N |
| 8 | Workers' participation in management | F value | .180 | 3.18 | 1.59 | 1.35 |
| | | P value | .016 | .006 | .008 | .002 |
| | | Result | S | S | S | N |
| 9 | Family get-together at the work place | F value | .823 | 1.77 | .502 | .672 |
| | | P value | .001 | .007 | .008 | .001 |
| | | Result | N | S | S | N |
| 10 | Organizational culture | F value | .237 | .027 | 1.37 | .135 |
| | | P value | .007 | .000 | .000 | .009 |
| | | Result | S | N | N | S |

Age: Since the p value is more than 0.05, there is significant association between the age of the respondents and the strategic initiatives namely ‘Job analysis specifications/descriptions’, ‘Providing a flexi approach towards the work’, ‘Effect communication system’, ‘Family get-together at the work place’.

Gender: Since the p value is more than 0.05, there is significant association between the gender of the respondents and the strategic initiatives namely ‘Planning the work’, ‘Job analysis specifications/descriptions’, ‘Providing a flexi approach towards the work’, ‘Effect communication system’, ‘Being empathetic towards the employees’, ‘organization culture’.

Education: Since the p value is more than 0.05, there is significant association between the Education of the respondents and the strategic initiatives namely ‘Planning the work’, ‘Conduct frequent training programme’, ‘Effect communication system’, ‘Providing space for the personal lives of employees’, ‘Family get-together at the work place’.

Income: Since the p value is more than 0.05, there is significant association between the Income of the respondents and the strategic initiatives namely ‘Job analysis specifications/descriptions’, ‘Being empathetic towards the employees’, ‘Organizational culture’.

Differences across Work Profile

| S.No | Statements | | Present Position | Work Experience | Monthly salary | Shift System |
|------|---|---------|------------------|-----------------|----------------|--------------|
| 1 | Planning the work | F value | 1.69 | 1.25 | 1.86 | 1.12 |
| | | P value | .003 | .005 | .002 | .000 |
| | | Result | N | S | N | N |
| 2 | Jobanalysis specifications/descriptions | F value | 1.25 | .641 | .898 | .828 |
| | | P value | .002 | .006 | .008 | .009 |
| | | Result | N | S | S | S |
| 3 | Providing a flexi approach towards the work | F value | .247 | 1.81 | .553 | .096 |
| | | P value | .000 | .003 | .007 | .008 |
| | | Result | N | N | S | S |
| 4 | Conduct frequent training programme | F value | .824 | .416 | .082 | .070 |
| | | P value | .005 | .007 | .008 | .002 |
| | | Result | S | S | S | N |
| 5 | Effect communication system | F value | 1.11 | 2.48 | 3.34 | .746 |
| | | P value | .007 | .008 | .003 | .006 |
| | | Result | S | S | N | S |
| 6 | Being empathetic towards the employees | F value | .737 | .637 | 2.62 | .375 |
| | | P value | .000 | .007 | .003 | .000 |
| | | Result | N | S | N | N |
| 7 | Providing space for the personal lives of employees | F value | 1.28 | .236 | .480 | .809 |
| | | P value | .005 | .000 | .003 | .006 |
| | | Result | S | N | N | S |
| 8 | Workers’ participation in management | F value | .979 | .784 | .1.21 | 1.82 |
| | | P value | .004 | .007 | .000 | .006 |
| | | Result | N | S | N | S |
| 9 | Family get-together at the work place | F value | 1.63 | .835 | 1.328 | .834 |
| | | P value | .008 | .004 | .004 | .000 |
| | | Result | S | N | N | N |
| 10 | Organizational culture | F value | .600 | .799 | 3.88 | .102 |
| | | P value | .001 | .008 | .005 | .000 |
| | | Result | N | S | S | N |

Present position: Since the p value is more than 0.05, there is significant association between the Present position of the respondents and the strategic initiatives namely 'Conduct frequent training programme', 'Effect communication system', 'Providing space for the personal lives of employees', 'Family get-together at the work place'.

Work experience: Since the p value is more than 0.05, there is significant association between the Work experience of the respondents and the strategic initiatives namely 'Planning the work', 'Job analysis specifications/descriptions', 'Conduct frequent training programme', 'Effect communication system', 'Being empathetic towards the employees', 'Workers' participation in management', 'Organizational culture'.

Monthly Salary: Since the p value is more than 0.05, there is significant association between the Monthly Salary of the respondents and the strategic initiatives namely 'Job analysis specifications/descriptions', 'Providing a flexi approach towards the work', 'Organizational culture'.

Shift System: Since the p value is more than 0.05, there is significant association between the Shift System of the respondents and the strategic initiatives namely 'Job analysis specifications/descriptions', 'Providing a flexi approach towards the work', 'Effect communication system', 'Providing space for the personal lives of employees', 'Workers' participation in management'.

Suggestion

- Long working hour is not in the interest of the profession and patients in general. Hence the hospital management should take steps to balance their working women.
- Hospital working environment should be happy place to work. This will lead to nursing staff keep being at work places. This is the responsibility of the hospital authorities to look into the important issue. The nursing staff should be counseled wherever needed and issue concerning to them should be sorted out.
- The nature of job in the nursing profession is such that it is very difficult to get time to attend social functions. However this cannot be ground for excuse. For this purpose hospital authorities should understand the importance of this and accordingly by making some alternative arrangements, the staff should be allowed to attend the social functions, otherwise these section of the society will be sidelined from the society.
- It is reality that now a days because of work pressure and other family responsibilities it is very difficult to give time for self. However, it is not impossible to manage. Now in this regard the nursing staff should plan their daily routine in such a way that, they can manage sometime for themselves. If possible weekend outings should be planned with family or friends whenever possible.

Conclusion

It was concluded in that strategic initiative to sustain or impede a healthy work life relationship is multifaceted and likely to differ depending on an individual's life circumstances, value and priorities. Managing both professional and personal life effectively and efficiently has become a major challenge for health care employees. Innovative, robust and cost-effective options will prove to be sustainable options in the long run and finally an instrument for competitive advantage. It is also true that these staffs are equally important for the growth of the organization.

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IMPACT OF ONLINE ADVERTISING

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Abstract

Advertising has come a long way today. More and more new medium is being explored each day to make a successful advertising campaign. Internet that has in recent times picked up as advertising medium has become the favorite of the advertiser in no time. Online advertisement, also called internet advertising uses the internet to deliver promotional marketing messages to consumers.

Keyword: *online advertising, buying behavior, Benefits of online advertisements*

Introduction

In the latest decades, one of the essential problems of companies they is the knowledge of how the consumer will respond to various things that will be used for achieving their ultimate goal The study of consumer behavior became a concern for marketers, as they may learn how consumers choose their goods and services required to meet multiple needs. Which are the factors that are influencing their choice. For this purpose companies now attracts towards online advertising because online advertising has grown rapidly in the last decade. The numbers of peoples becomes very high day by day in connecting and spending more time online. Additional devices (such as mobile phones and televisions) are able to provide further internet connectivity. The beginning of online advertising was in 1994 when. Hot wire sold first Banner on the company's own site, and later online advertising evolved to become a key factor in which companies achieve fair returns for their products and services.

Review of Literature

Bezjian-Avery, Calder and Iacobucci (1998) on interactivity in advertising define interactivity as non-linear presentation of advertising with choices of information for the consumers. Advertising copy characteristics and consumer psychographic orientation moderate the effect of interactivity.

Lockerby and Hong's (1998) pioneering study of the applicability of traditional advertising reach and frequency exposure estimation model in Web advertising shows similar belief in the exposure of Web advertising as other offline media. They show that five out of the six reach and frequency models can accurately predict the reach and frequency of an online schedule or a mixed with online and offline media advertising.

Lee and Lockerby's (1999) study shows that length of audience measurement period greatly affects the results especially in website traffic measurement. Changing from one-day to seven-day can make a jump of 71% in audience size, and changing from one-week to one-month can increase 55% in audience size.

Objectives of the Study

The important objectives of the study are:

- To study the role of online advertising in creating awareness the young adult consumers buying behavior.
- To know deeply about the various important concepts of online advertising
- To analyze the impact of online advertising in the study area.

Methodology

The primary data for the study was collected by using a structured questionnaire. The sample size for the study consists 120 respondents. The questionnaire was prepared in such away so as to gather data from the respondents, which will be helpful in attaining the objectives of the study. The collected data was carefully scrutinized, tabulate and analyze using simple statistical techniques like percent

Kind of Products online Advertising

| Statement | 1 | 2 | 3 | 4 | 5 | Total | Rank |
|--|------------|------------|------------|------------|------------|--------------|-------------|
| Fashion/Jewellery/clothing/Footwear | 150 | 88 | 66 | 44 | 23 | 373 | 2 |
| Consumer electronics – (Mobile/computer/Small kitchen appliances/ Health care appliances /Software | 145 | 96 | 69 | 48 | 20 | 378 | 1 |
| Household/products (Luggage/home décor /home furnishing /FURNITURE-curtains/Bedspreads/ Bathroom Towels/Bed Pillows /Home storage& Organization/ Bedding sets/ Blankets/ Bed sheets/Carpets/ Rugs/ Sports equipment/ Toys/ Baby products/ Cutlery& Utensils) | 115 | 104 | 75 | 48 | 22 | 364 | 6 |
| Grocery / Gourmet (Gourmet Chocolates/ bakery products /honey spreads/Snack Foods /Imported Food items/ Grocery products /Cooking/Essentials everages/Snack /Essentials / Baby care | 145 | 84 | 75 | 44 | 23 | 371 | 4 |
| Automotive accessories (motorbike & car accessories, side mirrors, etc | 125 | 92 | 69 | 44 | 22 | 372 | 3 |
| Others | 125 | 96 | 72 | 50 | 22 | 365 | 5 |
| Total | 825 | 560 | 426 | 278 | 133 | 2222 | |

Statements Regarding Online Advertising

| Statement | VSA | SA | A | N | D | SD | VSD | Total | Rank |
|---|------------|-----------|----------|----------|----------|-----------|------------|--------------|-------------|
| Friends influencing online shopping | 147 | 102 | 100 | 68 | 51 | 30 | 13 | 511 | 2 |
| Family members influencing online shopping | 140 | 102 | 105 | 68 | 51 | 30 | 13 | 509 | 3 |
| Read/seen news report about online shopping | 126 | 84 | 130 | 76 | 51 | 28 | 17 | 512 | 1 |
| Press adopts a positive view towards online shopping | 119 | 96 | 115 | 84 | 57 | 22 | 13 | 506 | 4 |
| Mass media reports have influenced me to try online | 119 | 84 | 100 | 100 | 57 | 30 | 10 | 500 | 5 |
| Recommend my friends to use online shopping | 119 | 84 | 110 | 84 | 57 | 28 | 13 | 495 | 6 |
| Online reviews help me to choosing a shopping website | 96 | 102 | 90 | 92 | 54 | 28 | 14 | 476 | 9 |

| | | | | | | | | | |
|---|------|------|------|-----|-----|-----|-----|------|----|
| Share review about shopping sites on social network and blogs | 96 | 84 | 130 | 76 | 60 | 34 | 12 | 492 | 8 |
| Consider suggestions of online peers while choosing a shopping website | 140 | 96 | 51 | 92 | 51 | 30 | 12 | 472 | 10 |
| I consider e-mails from shopping sites seriously and review the discounts offered | 133 | 78 | 51 | 84 | 60 | 34 | 12 | 452 | 12 |
| I have purchased products from online based on suggestions from my friends, family and online reviews | 96 | 84 | 95 | 80 | 57 | 32 | 16 | 456 | 11 |
| I will ask my friends and family suggestions before purchasing online | 133 | 78 | 100 | 80 | 60 | 28 | 14 | 493 | 7 |
| Total | 1583 | 1074 | 1177 | 984 | 666 | 354 | 159 | 5997 | |

Characteristics of online or internet Advertising

Targeting potential customers: With online advertising ads can be shown to the people who are interested in your brands and services. Also with more targeting options available like age, demographic location, language, and devices used etc. one more precisely reach out to specific group of people

Easy to track: Various tools like Google analytics, Comfiture provides us stats and data through which one can measure the performance of the campaign. We can know how many people clicked on the Ad, which Ad is performing better, hat time during the day brings maximum clicks. Considering all these results we can accordingly modify the campaign for better results

Budget control: It's entirely up to you decide how you want to spend your money. We can set the maximum amount we want to spend on the campaign and the pattern in which it should be spent.

Easy to make modification in Ad campaign: Depending on the performance of the campaign, we can easily make desired modifications so as to achieve better results. Suppose, we have an Ad words campaign wherein we see that a particular keyword is showing better result, so we can modify other keywords on the basis on the which is showing better results

Exposure to larger group of audience: With more people accessing internet, online advertising targets large no. of audience. Ad campaign run online can reach the audience worldwide. Businesses can get huge number of potential customers in short span of time as the number of targeted audience is large.

Specific campaign for specific audience: Ad campaigns are designed keeping in mind the audience to be targeted. Depending on the interest of the group of user we can run specific campaigns. We have an option of customizing the campaign wherein we can select the age-group, gender, and location of the user whom we want to target.

Conclusion

The study titled Effectiveness of online advertising’ reveals that the most effective media of advertising is online advertising. Internet advertising offers increased awareness of companies, an easy method to distribute information, advanced methods of targeting consumers, an immediate and direct line to the customers and reduced costs in performing these tasks. The main problem related to this is the interference of online advertisements in the work people and the fear of falling prey to online advertising fraud and malpractice

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Emerging Trends in Banking, Insurance and International Trade

JOB STRESS AND WORK LIFE BALANCE: A STUDY AMONG WOMEN BANK EMPLOYEES IN VIRUDHUNAGAR DISTRICT

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Abstract

The nature of work has gone through drastic changes over the last century and it is still changing at whirlwind speed. When change comes stress will appear automatically. Job stress poses a threat to physical health. Stress is a universal element and individuals in every walk of life have to face it. The employees working in different organizations have to deal with stress. Especially Bankers are under a great deal of stress due to many antecedents of stress. These stresses contribute to decreased organizational performance, decreased employee overall performance, decreased quality of work, high staff turnover, and absenteeism due to health problems such as anxiety, depression, headache and backache. Work-life balance is a concept that supports the efforts of employees to split their time and energy between work and the other important aspects of their lives. Work-life balance is a daily effort to make time for family, friends, community participation, spirituality, personal growth, self care, and other personal activities, in addition to the demands of the workplace. Hence the present study makes an attempt to study the job stress and the work life balance of women employees working in public and private sector banks in Virudhunagar district. The study is based on primary data collected from 175 women bank employees from both public and private sector banks in Virudhunagar district. The data are analyzed using various statistical tools and methods. The results of the study reveal that there exists a relationship between job stress and work-life balance among women bank employees.

Keywords: *Job Stress, Work-Life Balance, Women Bank Employees*

Introduction

The term 'stress' is an inevitable factor which may affect every individual's personal and stress which is caused owing to occupational factors are known as 'Occupational Stress'. The stress may be caused due to personal and / or occupational factors. The stress which is caused due to work factors are known as 'Job stress. Satisfaction and stress both are considered to be originated from work and family lives of individuals. Globalization has altered the working environment that has led to restructuring of jobs, greater the workload demand, part time and insecurity of job. It is perceived strongly that work is an ultimate source of stress and distress among individuals. Job stress influence employee's physical as well as mental condition, it also has considerable influence on satisfaction level of employees their performance and level of absenteeism. Stress is the imbalance between demands perceived and resources a person have. Banking sector, the backbone of the country's economy has played an important role in the prevention of the economy. But nowadays bankers are under a great deal of stress and every banker in their work is exposed to anxiety. Employees in the banks take painful effort to deliver the various needs of its customers. Work deadlines are getting compact and the individual's jobs are loaded and added with quality output. Due to work in pressure, it becomes hard to maintain balance between professional and family life. Now a day's managing work life balance is a challenge for both employers and employees particularly in service industry where employees are loaded with work at workplace and at the same time they have to balance their personal life. Work life and personal life are two sides of the same coin. Creating and managing a balance between the work and personal life is considered to be a work life balance issue.

Review of Literature

Clark, (2000) defined Work-life balance as an employee's perception that multiple domains of personal time, family care, and work are maintained and integrated with a minimum of role conflict.

Pandey (2012) defines Work-Life Balance a state of equilibrium in which the demands of both a person's job and personal life are equal.

Krishna Reddy et al. (2010) found that the number of hours worked per week, the amount and frequency of overtime, inflexible work schedule, unsupportive supervisor and an inhospitable work culture increases the likelihood of women employees to experience conflict between their work and family roles.

Dr. Vishal Samartha &Dr. Mushtiary Begum, et al. (2014) found that the stress is unavoidable in any occupation and banking is no exception. This study found that factors such as performance pressure; inadequate planning at workplace, change to adaptability; family demands and lack of efficient manpower caused more stress among the bank employees.

Mrs. Caral Lopes, Ms. Dhara Kachalia, (2016) conducted a study in private and public banks. They have shown that the technological growth has revolutionized the way banking sector works and the competition is globalised now way days because of the economic condition. The level of stress faced by the employees in banking sector is also growing rapidly. The study found that there is a significant relationship between type of the banks, age, gender and education, job, role, interpersonal relationship and Impact of occupational stress. So the banking sector employee should adopt new coping strategies for maintaining good physical and mental condition to improve productivity.

Objectives of the Study

- To analyze the level of job stress experienced by women bank employees.
- To find out the factors which cause job stress among women bank employees.
- To find out the impact of job stress on work life balance of the bank employees.

Hypothesis of the Study

- There is no significant difference in stress level among the Public and private sector bank employees.
- There is no significant relationship between job stress and work life balance.

Research Design

The present study is descriptive in nature. The study has been carried out among 175 women bank employees in both public and private sectors banks in Virudhunagar District. Respondents were asked to give their opinion towards the job stress and its impact on women employee's work life balance. Both primary and secondary data was used for the study. Convenience sampling method was used to collect the data and the collected data was analysed by using the SPSS Software.

Data Analysis and Interpretation

Table - 1: Respondents Job Stress Level

| Job stress Level | Public sector Banks | | Private sector Banks | | Total | |
|-------------------------|----------------------------|------------|-----------------------------|------------|--------------|------------|
| | NO | % | NO | % | NO | % |
| Low | 48 | 53 | 18 | 21 | 66 | 37 |
| Medium | 24 | 27 | 21 | 25 | 45 | 25 |
| High | 18 | 20 | 46 | 54 | 64 | 38 |
| Total | 90 | 100 | 85 | 100 | 175 | 100 |

It is vivid from the above Table that out of the total 175 respondents, 37 percent of the respondents perceived a low level of stress. 25 percent of the respondents perceived a medium level of stress and 38 per cent of the respondents perceived high level of stress. Out of the 90 respondents from public sector banks 53 percent of the respondents have a low level of Job stress, 27 percent of the respondents have a medium level of Job stress and only 20 percent of the respondents have a high

level of Job stress. Out of the 85 respondents from private banks 21 percent of the respondents have low level of Job stress, 25 percent of the respondents have a medium level of Job stress and 54 percent of the respondents have high level of Job stress.

Table - 2 :Factors causing Job stress

| Stress factors | Percentage of Respondents | |
|---------------------------|---------------------------|----------------|
| | Public sector | Private sector |
| Over work load | 11 | 20 |
| Work life imbalance | 21 | 25 |
| Impatient customer | 06 | 4 |
| Role Ambiguity | 14 | 11 |
| Role overload | 15 | 14 |
| Lack of colleague support | 23 | 6 |
| Working hours | 10 | 20 |

The above table shows that over work load, Working hours, work life imbalance and increased responsibilities are major factors which cause stress among the female bank employees in the banking sector.

Hypothesis Testing (ANOVA)

H0a: There is no significant difference in stress level among the Public and private sector bank employees.

Table - 3

| Sources of variation | Sum of squares | Degrees of freedom | Mean square | F | Sig |
|-----------------------|----------------|--------------------|--------------|--------------|-------------|
| Between groups | 1.754 | 2 | 0.546 | 0.623 | .526 |
| Within groups | 165.03 | 173 | 0.772 | | |
| Total | 166.784 | 175 | | | |

The significance of 'F' is more than 0.05. So, the null hypothesis is rejected and it is concluded that there is a significant difference in level of stress among the Public and private sector bank employees.

Impact of Job stress on employee Work life balance

Hoc: There is no significant relationship between Job stress and employees Work life balance. Regression analysis is used to test this hypothesis.

Table – 4 : Job stress on Employee Work life balance

| Source | Sum of | df | Mean | R 2 | F | Sig. |
|--------------|--------------|------------|--------------|--------------|---------|------|
| Regression | 5.357 | 2 | 1.810 | 0.580 | 135.390 | .000 |
| Residual | 4.125 | 173 | 0.025 | | | |
| Total | 9.482 | 175 | | | | |

It is clear from the above table that the value of R-Square is .580. Hence, it is concluded that the employee's job satisfaction depends significantly on their work-life balance.

Summary of Findings

- The findings of the study vivid that 37 percent of the respondents perceived a low level of stress. 25 percent of the respondents perceived a medium level of stress and 38 per cent of the respondents perceived high level of stress. The study also identified that there is a significant difference between the job stress levels among public sector and private bank employees.

- Majority of the respondents stated that over work load, working hours and work life imbalance are the major factors which cause job stress.
- The study also revealed that the variable Job stress have significant impact on the variable Work life balance.

Suggestions

Banks can organize various Stress management programmes to reduce stress among the female employees. Bank can strengthen the relationship with in the organization. It is also suggested that organizations should realize various stress causing factors and try to eradicate or prevent these factors to relieve work life stress of their employees. The banks have to pay more attention on strengthening of human resources policies to augment its employees' work life balance.

Conclusion

Stress in the work place has become the black plague of the present century. The performance of the employee is the most important factor as far as the success of the banking industry. This in turn is dependent on the employee's well-being. Stress can make an individual, productive, constructive and well managed Positive attitude and meditation will be helpful for coping the stress.

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Emerging Trends in Banking, Insurance and International Trade
**MARKETING CHANNELS IN CARDAMOM SALES – A CASE STUDY
IN IDUKKI DISTRICT**

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Abstract

Cardamom has more demand in local and global level. An attempt was made to identify the channel in marketing of cardamom in Idukki district. Data collected from 337 planters, auction center, wholesaler, village trader and retailer were used for analysis. The analysis revealed that there are three channels identified, among them, Channel III was the most efficient one and the most profitable one for the cardamom planters. The overall analysis of marketing efficiency by using Sheperd Method indicated that Channel III was the most efficient of all the channels in cardamom marketing. In the analysis of problem faced by planters by using Garrett Ranking Technique, it is clear that 'Price fluctuation' was the most important constraint in marketing of cardamom by the planter, followed by 'Commission' and 'Grading' in marketing of cardamom in the study area.

Keywords: *Cardamom Marketing, Channels, Marketing Efficiency, Garrett Ranking Technique*

Introduction

India produces and exports almost all the varieties of spices in size able quantities around 5.65 million tones valued approximately at three billion US dollars, and holds the important position in the world in the production of spices. Cardamom is planted and cultivated in Western Ghats of India, namely Tamil Nadu, Kerala and Karnataka, helping in economic growth, employment generation and supplementing nutrition. Cardamom of commerce is the dried ripe fruit (capsules of cardamom plant) often referred as the "Queen of Spices" because of its very pleasant aroma and taste. There is a huge demand for small cardamom in India and the world market as well. The consumption of cardamom is more in gulf countries for food culture and tradition. The volume of production therefore must also increase by leaps and bounds. During the recent years, many prospective planters have started functioning across the length and breadth of the district and many of them are increasing their area and production.

Review of Literature

Louis W. Stern (1996),⁴Marketing channels are set of interdependent organisations involved in the process of making a product or service available for use or consumption. Thus Marketing Channels refer to the path through which the cardamom travels from the planter to the ultimate consumer.

Gauri Sankar Ram (1994)⁵ Price spread refers to the difference between the value of products at plantation and retail level. Price spread shows the costs incurred and margin gained by the intermediaries involved in marketing. The charges may include payments for service charges like raw materials for the farms, processing, storage, and transportation, whole-selling and retailing.

⁴Louis W. Stern and Adel, I.EI. Ansary, 'Marketing Channels', 5th Edition, Opper Saddle River, NJ Prentice Hall, UK, 1996, p.530.

⁵Gauri SanKar Ram and B.Swarup, "Marketing Cost, Margins, Efficiency in Regulated Market", Agricultural Marketing, Vol.17, No.2, 1994, p.15.

Gopalakrishnan Nair (1987) in his thesis, 'Problems and prospects of marketing cardamom in India and abroad', outlines the problems of marketing cardamom inside and outside our country. The study has highlighted the future market possibilities abroad and suggested measures for increasing the export volume and enhancing the prospects of cardamom in India and abroad.⁶

Statement of the Problem

India, from time immemorial, has been the home of spices producing almost all varieties of spices of the world. Spices are one of the important groups of crops grown in India. One or other forms of spices are grown in different parts of the country and play an important role in the economy of the country. The quality of these spices produced and exported from the country continues to be one of the best. The hilly areas have comparatively low temperature in winter and moderate temperature in summer; therefore, the spices produced in these areas are comparatively of superior quality. Spices are used entirely as seed, bark, bulb, tuber, leaf, flower and powder etc. Cardamom cultivation is confined to a very limited tract of the tropical world. India is the second largest producer of cardamom in the world but the productivity of cardamom in India is far from satisfactory, while comparing it with the productivity of Guatemala. Indian cardamom is superior in quality, and always been out-priced by Guatemala where the home consumption is insignificant. Further, though there is a great demand for cardamom. An attempt was made to identify the various channels and analyse price-spread in marketing of cardamom in Idukki District.

Objectives

The main objectives of this paper are to identify the various channels and analyse efficient channel in marketing of cardamom in Idukki District.

Methodology

The micro study was conducted in Idukki District of Kerala, data collected through interview schedule from 337 cardamom planters, Auction centre, wholesalers, village traders and retailers. The study was conducted during March 2017 to May 2018.

Tools for Analysis

In order to assess the marketing efficiency in the sale of cardamom Shepherd's formula⁷ of the following form is used. Marketing Efficiency (ME) = Value of Produce Sold (V)/Total Marketing Cost Incurred (I)

Results and Discussions

Marketing of goods and services is a very essential feature in any business which transfers them from the hands of the producer to the ultimate consumers with various kinds of intermediaries operating in the process. The success of marketing of any produce or service depends upon the existence of a well-developed marketing channel. Cardamom plantation is not an exception to it. Marketing of cardamom requires special care because of the peculiar characteristics of cardamom in drying, grading and the like. An attempt has been made to study the marketing practices, alternative channels used for cardamom marketing, price-spread, marketing efficiency and problems of intermediaries and price analysis.

The marketing practices followed in the marketing of cardamom in the study area have been studied.

⁶ Gopalakrishnan Nair N, (1987). "Problems and prospects of marketing cardamom in India and abroad", Unpublished Ph.D. Thesis, Cochin: Cochin University of Science and Technology.

⁷ SHEPHERD, G.S. Marketing Farm Products – Economic Analysis, IOWA State University Press Ltd., USA, 1965, p.254

Preparation

Preparation of cardamom includes bleaching, cleaning and assorting, packing, grading, storage, transport and the like. Cardamom pods are removed from the plant before the pericarp turns yellow in colour. By that time the gentle touch of fingers support for separating the pods from plant. When pods are ripening fully, they do not tend to develop a good dark green colour which determines the market value. Immature cardamom pods are plucked and dried, then sold for lower price in the market. Hence the harvesting is a skilled and important process. The skilled labourers are employed to pick the ripen fruits from the plant. A rough handling may spoil the crop and lead to low production and ultimately economical loss to the planter.

Bleaching

Fumigation of cardamom with some chemicals is being done. Bleaching is one of the processes for better grading. It gives distinct trade quality. It involves fumigation of sulphur vapor on cardamom in the bleach chamber for about six to eight hours. The process of bleaching is time consuming and cost effective. The advantage of bleaching is to protect cardamom from moths or insects. The small planters do not consider it as valuable one. But, consumers prefer bleached cardamom mostly.

Cleaning and Assorting

Once bleaching is over and dried, foreign matter, stalks are removed by hand. They are then assorted mainly as per quality standard, size and colour. The different grades are separated according to bulk, climatic conditions, diseased, pest attack, age of plant. The small planter do not show any interest in cleaning and assorting while medium and large planters invariably clean and assort them before backing for sale.

Grading

Cardamom is graded by its size, color and weight as per standards determined for different varieties. The weight should be commensurate with its size and color. Grading is one part of quality assessment like drying and bleaching. The quality of cardamom is influenced by volatile oil content, percentage of refraction, freedom from thrip marks and the like. Other features like taste and typical aroma are developed depending upon the stage of maturity of the plant, the time and method of harvest.

Packing

Cardamom may be packed in different sizes of cover to meet the market requirement. The bags could be made up of polythene. It is covered by sealing to protect from air or moisture. A branded label should be printed or stuck. The label may have all relevant information about cardamom like nutrient values, weight, its usages, expiry date, data related to country specialized, barcode, producer code, packer code and the like. This information assists the trader or consumer to assess our product easily and quickly.

Transporting

Transport is a medium to move the produce from one place to other. Planter transports their cardamom by cart, van, lorry to the local market place. Lorry is a common vehicle in the study area. The freight charges vary from place to place.

Storage of Cardamom

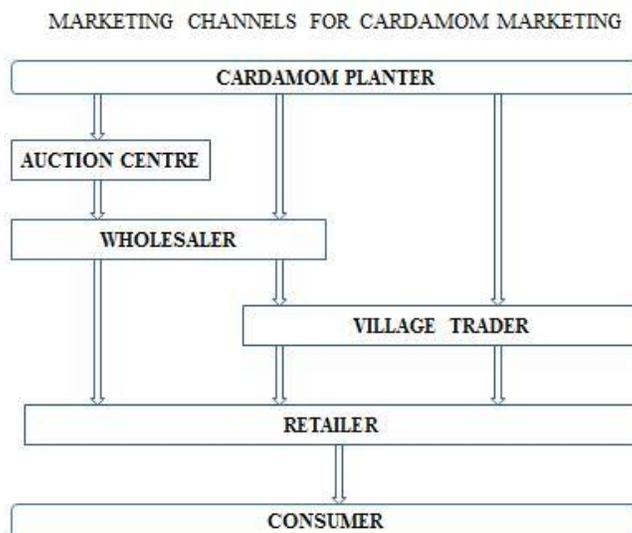
As cardamom is agricultural commodity it should be given due care since it is perishable in nature. The cardamom should be stored with proper care till it reaches the ultimate consumer. After drying, bleaching, grading, packing is done the cardamom is stored. While storing it, wooden chests

are also used by the medium and large plant. It is stored in damp-roofed dark rooms in case of wholesalers. Bleached cardamom is ready for sale, not stored for long time.

Marketing Channel

It is a set of interdependent organisations involved in the process of making a product or service available for the consumption⁸. Thus Marketing Channels refer to the path through which the cardamom travels from the planter to the ultimate consumer. The survey reveals that the integrator of the study area use three alternative channels for marketing their cardamom.

Figure 1



Marketing Channels for Marketing of Cardamom

The flow chart presented in figure 1 shows the presence of different participants in the process of marketing of cardamom. The different marketing channels identified in the marketing of cardamom in the study area are presented below.

Channel I - Cardamom Planter – Auction Center – Wholesaler – Retailer – Consumer

Channel II - Cardamom Planter –Wholesaler – Village Trader - Retailer – Consumer

Channel III - Cardamom Planter – Village Trader – Retailer – Consumer

Marketable Surplus

Marketable surplus is that quantity of the produce which can be made available to the non-planting population of the nation. In other words marketable surplus is the estimated quantity to be marketed by the planter after making some provisions for meeting one's own family needs, planter needs and social and religious needs.

Production, Domestic Use and Storage Loss Analysis

Production, Domestic Use and Storage Loss of cardamom planters is analysed and presented in Table 1.

⁸ LOUIS W.STERN and ADEL, I.EI.ANSARY, **MARKETING Channels**, 5th Edition, Oppen Saddle River, NJ Prentice Hall, UK, 1996, p.530.

Table 1 : Analysis of Production, Domestic Use and Storage Loss of Cardamom

| Sl. No. | Category | Quantity Produced | Domestic Use | Storage Loss | Quantity Sold |
|--------------|---------------------|----------------------------------|---------------------------------|------------------------------------|-------------------------------------|
| 1 | Small Size Planters | 348690 (58.4) | 34869 (5.8) | 5927.73 (1.0) | 307893.27 (51.5) |
| 2 | MediumSize Planters | 156950 (26.27) | 15695 (2.63) | 2668.15 (0.45) | 138586.85 (23.20) |
| 3 | Large Size Planters | 91800 (15.37) | 9180 (1.54) | 1560.6 (0.26) | 81059.4 (13.57) |
| Total | | 597440 (100.00) | 59744 (100.00) | 10156.48 (100.00) | 527539.52 (100.00) |

Source: Primary Data

Table 5.1 sheds light on the details that the total cardamom produced by the sample planters during the study period is 597,440 kilograms, out of which 527,539.52 kilograms were sold out because the retention for own use 59744 kilograms constituting 10 per cent of total production. The storage loss was 10,156.48 kilograms calculated.

Sale of Cardamom

The total quantum of small cardamom sold by small, medium and large planters is depicted in Table 2.

Table 2 : Quantity of Cardamom Sold by Sample Planters

| Sl. No. | Category | No of Planters | Quantity Sold | Average Quantity sold |
|--------------|----------------------|----------------|-----------------------|-----------------------|
| 1 | Small Size Planters | 197 | 307893.27 (51.54) | 1562.91 |
| 2 | Medium Size Planters | 86 | 138586.85 (23.20) | 1611.48 |
| 3 | Large Size Planters | 54 | 81059.4 (13.57) | 1501.10 |
| Total | | 337 | 527539.52 (100.00) | 1565.40 |

Source: Primary Data

It is evident from Table 5.2 that the contribution made by the 197 small planers, 86 medium size planters and 54 large size planters in a total of 527539.52 kilograms is 307893.27, 138586.85 and 81059.40 respectively which, in turn, means that the average quantity sold by small, medium and large planters amounted to 1562.91 kilograms, 1611.48 kilograms and 1501.10 kilograms respectively.

Cost of Marketing of Cardamom

Marketing functions add value to the produce to be sold but they also involve costs which have ultimate impact on profitability of the traders. The cost involved in moving cardamom from the point of production to the point of consumption otherwise known as the cost of performing marketing functions is discussed in this section.

Marketing Cost of the Cardamom Planter

The cost incurred by the planters in marketing of 100 kgs of cardamom under different marketing channels was worked out and presented in Table 3.

Table 3 : Marketing Cost Incurred by the Cardamom Planters

| Sl. No. | Particulars | Channel I | | Channel II | | Channel III | |
|--------------|---------------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | | Rs. | % | Rs. | % | Rs. | % |
| 1 | Packing | 153 | 14.53 | 168 | 16.25 | 206 | 20.00 |
| 2 | Loading | 42 | 3.99 | 61 | 5.90 | 52 | 5.00 |
| 3 | Transporting | 253 | 24.03 | 261 | 25.24 | 219 | 21.25 |
| 4 | Unloading | 32 | 3.04 | 53 | 5.13 | 65 | 6.25 |
| 5 | Weighing | 63 | 5.98 | - | - | - | - |
| 6 | Commission | 34 | 3.23 | - | - | - | - |
| 7 | Storage Cost / Loss | 263 | 24.98 | 262 | 25.34 | 258 | 25.00 |
| 8 | Incidental Charges | 213 | 20.23 | 229 | 22.15 | 232 | 22.50 |
| Total | | 1053 | 100.00 | 1034 | 100.00 | 1032 | 100.00 |

Source: Primary Data (Rs / Per 100 Kilograms)

It is seen from Table 3 that the expenses incurred by the retailers in the channel I, Channel II and Channel III are 1053, 1034 and 1032 respectively. The channel I has more expenses than channel II and Channel III since there is no auction center as intermediary.

Out of all expenditure, storage cost or loss is the highest constituting about 25 percent in all channels followed by transportation constituted between 21 percent and 25 percent in all three channels.

Cost incurred by the Retailer for Marketing of Cardamom

The retailers may buy the cardamom from the wholesalers, village traders or even planters to sell them directly to the consumers. The retailers are generally petty shoppers. They incurred some expenses to do this activity. The split of expenses incurred by the retailers are worked out and presented in Table 4.

Table 4 : Marketing Cost Incurred by the Retailers

| Sl. NO. | Particulars | Channel I | | Channel II | | Channel III | |
|--------------|---------------------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | | Rs. | % | Rs. | % | Rs. | % |
| 1 | Packing | 115 | 7.06 | 110 | 6.88 | 112 | 7.06 |
| 2 | Loading | 70 | 4.29 | 70 | 4.38 | 68 | 4.29 |
| 3 | Transporting | 120 | 7.36 | 115 | 7.19 | 107 | 6.75 |
| 4 | Unloading | 310 | 19.02 | 320 | 20.00 | 322 | 20.25 |
| 5 | Communication | 190 | 11.66 | 185 | 11.56 | 180 | 11.35 |
| 6 | Rent | 470 | 28.83 | 455 | 28.44 | 458 | 28.83 |
| 7 | Handling and storage loss | 120 | 7.36 | 115 | 7.19 | 112 | 7.06 |
| 8 | Miscellaneous | 235 | 14.42 | 230 | 14.38 | 229 | 14.42 |
| Total | | 1630 | 100.00 | 1600 | 100.00 | 1590 | 100.00 |

Source: Primary Data (Rs. / per 100 Kilograms)

It could be understood from Table 4 that the cost incurred by the retailers for marketing of 100 kilograms of cardamom worked out to be in Channel I, Channel II and Channel III are Rs.1630, Rs.1600 and Rs.1590 respectively.

Out of all expenses Rent is the major expenses in all channels constituting more than 28 per cent followed by unloading charges constituting about 20 per cent in all three channels.

Amount spent on communication is also major expenses in all three channels constituting about 11 percent.

The total marketing cost incurred in Channel I is higher when compared to Channel II and Channel III

Cost incurred by the Village Trader for Marketing of cardamom

Village traders may buy cardamom from wholesaler or planters directly and sell it to retailers. An analysis of marketing cost incurred by them was worked out and the results are presented in Table 5.

Table 5 : Marketing Cost of Village Trader in Cardamom Marketing

| Si. No. | Particulars | Channel II | | Channel III | |
|--------------|----------------------------|----------------|---------------|-------------|---------------|
| | | Rs. | % | Rs. | % |
| 1 | Transportation | 399 | 25.67 | 418 | 26.02 |
| 2 | Loading | 83 | 5.37 | 91 | 5.66 |
| 3 | Unloading | 80 | 5.15 | 91 | 5.68 |
| 4 | Packing / Stitching | 85 | 5.47 | 90 | 5.63 |
| 5 | Storage cost & Loss | 239 | 15.38 | 248 | 15.47 |
| 6 | Staff salary | 83 | 5.34 | 90 | 5.63 |
| 7 | License fee and Stationery | 102 | 6.58 | 113 | 7.03 |
| 8 | Communication | 187 | 12.04 | 193 | 12.04 |
| 9 | Miscellaneous Expenses | 295 | 19.00 | 271 | 16.88 |
| Total | | 1554.00 | 100.00 | 1605 | 100.03 |

Source: Primary Data (Rs. / Per 100 Kilograms)

It is evident from Table 5 that the village traders come under Channel II and Channel III. The total marketing cost incurred by village traders for 100 kilograms is Rs.1554 and Rs.1605 in Channel I and Channel II respectively. The high cost incurred for transportation which is about 25 per cent, storage cost is the main expenditure to the middlemen next to the miscellaneous expenses followed by communication, license fee, staff salary, packing, loading and unloading charges.

Cost incurred by the Wholesaler for Marketing of cardamom

The wholesalers buy cardamom either directly from planter or from auction centers. The marketing cost incurred by wholesaler for 100 kilograms was worked out and the results are presented in Table 6.

Table 6 : Marketing Cost of Wholesaler for Marketing of Cardamom

| Sl. No. | Particulars | Channel I | | Channel II | |
|--------------|----------------------------|-------------|---------------|-------------|---------------|
| | | Rs. | % | Rs. | % |
| 1 | Communication | 95 | 7.46 | 95 | 7.39 |
| 2 | Loading & Unloading | 110 | 8.63 | 115 | 8.94 |
| 3 | Weighing | 28 | 2.17 | 40 | 3.11 |
| 4 | Packing / Stitching | 105 | 8.24 | 110 | 8.55 |
| 5 | Cleaning | 97 | 7.60 | 98 | 7.60 |
| 6 | Grading | 182 | 14.26 | 185 | 14.39 |
| 7 | Commission | 47 | 3.69 | 0 | 0.00 |
| 8 | Storage Cost & Loss | 56 | 4.38 | 55 | 4.28 |
| 9 | Rent | 115 | 9.03 | 151 | 11.74 |
| 10 | License Fee and Stationery | 42 | 3.26 | 40 | 3.11 |
| 11 | Staff Salary | 27 | 2.12 | 25 | 1.94 |
| 12 | Transportation | 205 | 16.09 | 210 | 16.33 |
| 13 | Sales Tax | 111 | 8.69 | 110 | 8.55 |
| 14 | Labour | 26 | 2.04 | 25 | 1.97 |
| 15 | Miscellaneous Expenses | 30 | 2.35 | 27 | 2.09 |
| Total | | 1274 | 100.00 | 1286 | 100.00 |

Source: Primary Data (Rs. / Per 100 Kilograms)

It is seen from Table 6 that the total cost incurred by wholesaler in Channel I and Channel II are Rs.1274 and Rs.1286 respectively for 100 kilogram of cardamom. Among the different component of

marketing costs, transportation forms a major item costing Rs.205 in Channel I and Rs.210 in Channel II constituting 16 per cent in each Channel followed by grading, rent, tax, loading and backing. The commission paid only for auction centre under Channel I and there is no commission charge under Channel II.

Cost incurred Auction Centre for Marketing of Cardamom

Auction centre is one of mediators in cardamom marketing run by the government. Beside the various services rendered by auction centre to the cardamom planters, selling of cardamom is another important issue. The analysis of marketing cost incurred by the auction centre was worked out and the results are presented in Table 7.

Table 7 : Marketing Cost Incurred by Auction Centre

| Sl.No. | Particulars | Channel I | |
|--------------|---------------------------|-------------|---------------|
| | | Rs. | % |
| 1 | Rent | 347 | 20.00 |
| 2 | Licensee Fee | 174 | 10.00 |
| 3 | Staff Salary | 69 | 4.00 |
| 4 | Communication and Postage | 451 | 26.00 |
| 5 | Market Fee | 278 | 16.00 |
| 6 | Miscellaneous Expenses | 417 | 24.00 |
| Total | | 1736 | 100.00 |

Source: Primary Data (Rs. / Per 100 Kilograms)

Table 7 shows that the total marketing incurred by the auction was Rs.1736 per 100 kilogram of cardamom. Among the various component of cost, communication and postage forms a major item costing Rs.451 (26 per cent) followed by rent, miscellaneous, market fee, license fee and salary. The commission is revenue to the auction center.

Price-Spread in Cardamom Trade

Price spread refers to the difference between the value of products at plantation and retail level. Price spread shows the costs incurred and margin gained by the intermediaries involved in marketing. The charges may include payments for service charges like raw materials for the farms, processing, storage, and transportation, whole-selling and retailing.⁹

Price spread is the difference between the price received by the producer and price paid by the consumer. The price spread is a matter of keen academic aspect. The spread describes cost incurred and margin earned or lost in the process of moving products from producer to consumer.

The primary producer or farmer who gets an inadequate return for his product, he suffered all the world over in as much as his share in the consumers rupee is disproportionately small inequitably, disproportionate to the services rendered by them. It is a fact that on an average the farmer receives only amount 40 percent of the price paid for food products by the consumer.¹⁰

The study of price-spread in cardamom marketing is an important aspect, since it reflects the share of the producer and the different market functionaries and the cost of marketing met from the price paid by the consumer. It varies depending on the number of intermediaries involved in the marketing channel. The more the number of intermediaries, the higher the price-spread is generally, and the channel with the lowest price-spread is preferred by the planters. The price spread is one of

⁹ Gauri SanKar Ram and B.Swarup, "Marketing Cost, Margins, Efficiency in Regulated Market", **Agricultural Marketing**, Vol.17, No.2, 1994, p.15.

¹⁰ R.Elango and K.Baskaradoss, "Price Spread and Small Farmers in Tanjavur District", **Indian Journal of Agricultural Economics**, Vol.XXXIV, No.4, 1979, p.195.

the important factors that will have a decisive impact on the profit margin of the producers¹¹. Hence, an attempt has been made to analyse the spread in prices of cardamom.

Table 8: Marketing Cost and Marketing Margin in Cardamom Marketing

| Sl.No. | Particulars | Channel | I | Channel | II | Channel | III |
|------------|------------------------|---------|--------|---------|--------|---------|--------|
| | | Rs. | % | Rs. | % | Rs. | % |
| 1.0 | Producer | | | | | | |
| 1.1 | Net Price Received | 75684 | 84.09 | 76026 | 84.47 | 77978 | 86.64 |
| 1.2 | Marketing Cost | 1053 | 1.17 | 1034 | 1.15 | 1032 | 1.15 |
| 1.3 | Gross Price Received | 76737 | 85.26 | 77060 | 85.62 | 79010 | 87.79 |
| 2.0 | Auction Centre | | | | | | |
| 2.1 | Marketing Cost | 1736 | 1.93 | | | | |
| 2.2 | Marketing Margin | 2108 | 2.34 | | | | |
| 2.3 | Price Received | 80581 | 89.54 | | | | |
| 3.0 | Wholesaler | | | | | | |
| 3.1 | Price paid | 80581 | 89.54 | 77060 | 85.62 | | |
| 3.2 | Marketing Cost | 1274 | 1.42 | 1286 | 1.43 | | |
| 3.3 | Marketing Margin | 3158 | 3.51 | 2356 | 2.62 | | |
| 3.4 | Price Received | 85014 | 94.46 | 80702 | 89.67 | | |
| 4.0 | Village Traders | | | | | | |
| 4.1 | Price paid | | | 80702 | 89.67 | 79010 | 87.79 |
| 4.2 | Marketing Cost | | | 1554 | 1.73 | 1605 | 1.78 |
| 4.3 | Marketing Margin | | | 2894 | 3.22 | 3292 | 3.66 |
| 4.4 | Price Received | | | 85150 | 94.61 | 83907 | 93.23 |
| 5.0 | Retailers | | | | | | |
| 5.1 | Price paid | 85014 | 94.46 | 85150 | 94.61 | 83907 | 93.23 |
| 5.2 | Marketing Cost | 1630 | 1.81 | 1600 | 1.78 | 1590 | 1.77 |
| 5.3 | Marketing Margin | 3356 | 3.73 | 3250 | 3.61 | 4503 | 5.00 |
| 6.0 | Consumer Price | 90000 | 100.00 | 90000 | 100.00 | 90000 | 100.00 |

Source: Computed Data (Rs. / Per 100 Kilograms)

It could be understood from Table 8 that the net price received by the cardamom planter is maximum in Channel III that is Rs.77978 per kilograms as against Rs.75684 and Rs.76026 in Channel I and Channel II respectively. The price of Rs.80581 per 100 kilograms of cardamom paid by the wholesaler is higher in Channel I than Channel II which is Rs.77060. The net price received by the planter was less in Channel I due to the higher marketing cost incurred because of the payment of commission charges to auction centers.

Due to the absence of commission charges in Channel I and Channel II the planter get more prices. Marketing cost incurred by the wholesaler in Channel I and Channel II is 1.42 percent and 1.43 per cent respectively. With regard to margin gained by wholesaler is higher in channel I that is 3.51 per cent than 2.62 per cent in Channel II since one more intermediary (village trader) involved.

The marketing cost incurred by the village traders is 1.73 per cent and 1.78 per cent in Channel II and Channel III respectively. The margin gained by the village traders is 3.22 per cent in Channel II and 3.66 per cent Channel III respectively since he purchases directly from planter.

The retailer incurred cost on marketing of cardamom of 100 kilograms is 1.81 percent, 1.78 percent and 1.77 percent in Channel I, Channel II and Channel III respectively. The retailer margin is higher in Channel III due to absence of intermediary in other channels.

As per planters point of view the Channel III is the best one based on price spread analysis.

¹¹ S.Rengaraj, "A Study on the Production and Marketing of Cardamom in Idukki district, Kerala", unpublished thesis submitted to Madurai Kamaraj University, 2013.

Overview of Price Spread with their Price-Spread

The comparison was made among different channels in order to identify the channel having the lowest price-spread and the results are presented in Table 9.

Table 9 : Price Spread Under Different Marketing Channels

| Sl.No. | Particulars | Channel I | Channel II | Channel III |
|--------|------------------------|-----------|------------|-------------|
| 1 | Planter's Price | 75684 | 76026 | 77978 |
| 2 | Marketing Cost | 5693 | 5474 | 4227 |
| 3 | Marketing Margin | 8622 | 8500 | 7795 |
| 4 | Consumer Price (1+2+3) | 90000 | 90000 | 90000 |
| 5 | Price Spread (4 – 1) | 14315 | 13974 | 12022 |

Source: Primary Data (Rs. /per 100 kilograms)

Table 9 illustrates that price-spread in Channel III is lowest with Rs.12,022 per 100 kilograms chiefly because of lesser the marketing cost and higher the planters' price. The producers' price is maximum in Channel III with Rs.77,978 per 100 kilograms of cardamom followed by Rs.76026 in Channel II. The price spread in Channel I is the highest among all channels because of existence of more number of intermediaries and more marketing cost.

Marketing Efficiency

Marketing efficiency is the effectiveness or competence with which a market structure performs its designated function. It is closely related to the cost involved in flowing goods from the producer to the consumer and the quantum of service offered. A reduction in marketing cost without reduction in consumer satisfaction indicates the increase in efficiency. A higher level of consumer satisfaction at higher marketing cost might have increased efficiency if the additional satisfaction derived by consumer outweighs the additional cost incurred on the marketing process. But a change that reduces cost as well as consumer satisfaction need not indicate increase in marketing efficiency¹². In the present study the marketing efficiency of the different channels has been studied under Shepherd's method.

Shepherd's Method

The economic efficiency of the marketing system can be measured as the ratio of the consumer price per unit of broiler chicken to the marketing cost per unit. The higher the ratio the greater is the efficiency of the marketing system. The marketing efficiency of the different channels is worked out by using Shepherd's Method and the results are presented in Table 10.

Table 10 : Marketing Efficiency Analysis by Shepherd's Method

| Sl. No. | Particulars | Channel I | Channel II | Channel III |
|---------|------------------------------------|-----------|------------|-------------|
| 1 | Consumer Price (V) (Rs./ Kg) | 90000 | 90000 | 90000 |
| 2 | Total Marketing Cost (I) (Rs./ Kg) | 5693 | 5474 | 4227 |
| 3 | Marketing Efficiency (ME) | 15.81 | 16.44 | 21.29 |

Source: Primary Data

Table 7 reveals that among the three channels, Channel III is the most efficient one. The efficiency index for Channel III is the maximum with 21.29, followed by Channel II with 16.44.

¹²M.Manoharan and V.Balamurugan, "Marketing Channels in Broiler Sales – A case study in Theni District", *International Journal of Business and Administration Research Review*, Vol.1 Issue.10, April- June, 2015. Page 85 – 93.

Channel III has higher marketing efficiency than Channel I and Channel II due to absence of intermediaries' auction centers and wholesalers.

Problems in Marketing of Cardamom

The problems encountered by the cardamom planters in the marketing of cardamom were identified and they were asked to rank them in their order of importance. The problems of planters in the marketing of cardamom are analysed with the help of Garrett's Ranking Technique and the results are presented in Table 11.

Table 11 : The Problems Encountered by Planter in Marketing of Cardamom

| Sl. No. | Problem | Rank | Mean Score |
|---------|----------------------------|------------|------------|
| 1. | Price Fluctuation | I | 54.60 |
| 2. | Commission | II | 52.18 |
| 3. | Grading Issue | III | 50.21 |
| 4. | Lack of Market Information | IV | 49.25 |
| 5. | Lack of Transport Facility | V | 48.10 |
| 6. | More Intermediaries | VI | 45.67 |

Source: Primary Data

It might be observed from Table 5.10 that price fluctuation is the major problem faced by the planter with a mean score of 54.60. The planters have to pay commission to auction centers and give some quantity as sample per back which costs much. The payment of commission to auction center is the second important problem with a mean score of 52.18. The cardamom is graded before being marketed for getting better price. The grading is the third important problem with a mean score of 50.21. The information related to demand, grade, price are important for marketing any produce. Due to lack of market information the planter could not exploit the favourable market conditions. The mean score of fourth problem is 49.25. It is difficult to move the cardamom from the plantation to store or market place without suitable transport facility. It is the fifth problem of marketing of cardamom with a mean score of 48.10. There are too many middlemen acting in cardamom marketing. They are to be paid by the planter and ranked as sixth problem in cardamom marketing with a mean score of 45.67.

Conclusion

Cardamom is one of best spices in India with economic importance. The marketing of cardamom in Idukki district revealed that there are three channels identified, among them, Channel III was the most efficient one and the most profitable one for the cardamom planters. The overall analysis of marketing efficiency indicated that Channel III was the most efficient of all the channels in cardamom marketing. 'Price fluctuation' was the most important constraint in marketing of cardamom by the planter, followed by 'Commission' and 'Grading' in marketing of cardamom in the study area.

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**A STUDY ON FACTORS INFLUENCING THE DECISION ON
INVESTMENT IN CAPITAL MARKET DERIVATIVES BY THE EQUITY
INVESTORS – AN EMPIRICAL STUDY**

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Introduction

The Capital Markets in India have undergone a metamorphosis, especially in the last decade of 1990s. With computerized terminals and demat trade ushering in the markets have not only grown in size complexity, but the markets still seem to be lacking in the most vital aspect of efficiency. Efficiency of the market is the ability to reflect by change in price the information coming into the market as correctly as possible. On the information front Indian capital markets have miles to go. Availability of reliable and accurate information equal opportunities for all to trade is prerequisite for informational efficiency. This coupled with existence of circuit filters puts a limit to the extent, which the price can adequately, factor in the information coming into the markets. The complexities in the equity markets have grown multifold. The market has become a relatively more researched and protected system since the days of the Scam. But still a lot of things bear evidence to the fact that the dominance of few players who seem to be swaying or driving up and down the scrips or the market there by influencing the other participants. The problem gets a little more intricate as we dwell on the factors affecting the market and behind all these we come across a “common operator” which governs our attitude, makes decisions or leaves us elated or depressed. This important factor is the mind or the investors’ psyche, which can be studied, in greater depth to get insight into the various discrepancies found in the market such as valuation not mirroring the fundamentals and things such as over and under reactions to a particular event. This factor of the mindset of investors has been a part of study of a subject called behavioural finance and researchers in the countries like U.S., have paid significant attention to it. The study assumes significance in the context of Indian markets frequently being pronounced as inefficient in the frontier of price discovery. The markets also have an unforgettable history of scams. It also suffers from the malady of being rigged by certain operators. The study therefore assumes relevance wherein we can study various participants in the market and how individual and collective decisions affect the market. They study also looks into herd mentality, risk-related perceptions of the investors and more importantly the factors contributing to market upsurges and meltdowns.

Statement of the Problem

Investor’s attitude is quite important and affects the way one invests. It moves from across the entire spectrum from panic to frenzy, from pessimism to unbounded optimism and history repeats itself. For this reason the study of investor’s psychology becomes even more interesting and compelling.

The behavioral psychologist on the other hand studies the measurable behavior. He addresses issues such as:

- How often does a behavior occur?
- What happened before and after a given behavior?

“The fundamentalist questions why of the price movement and underlying causes, he can be compared to traditional psychologist. The behaviorist is working on technical level, he is interested in trends, their frequency, and this makes him similar to technical analyst.”

Objective of the Study

- To examine the factors influencing the decisions on going for capital derivatives by the investors

Review of Literature

Choudhry et al (2007) provided some useful insights about the benefits of integration among the stock markets relating to price equalization, market equilibrium, market efficiency and portfolio diversification. Boyle and Guthrie (2003) showed that the threat of future finding shortfalls lowers the value of the firm’s timings options of investmet, implying that the cash flow/ investment-sensitivity can be greatest for high liquidity firms and greater uncertainty has an ambiguous effect on investment. Baker et al (2003) pointed out that stock prices greatly influence investing in those firms that are equity dependent. Subramaniyam and titman (2001) argue that stock prices reflect the market’s perception of the firm’s value and perceptions can be self fulfilling so that a perception of success can generate success and vice versa. Chen et al (2003) showed that stock prices reflect some information that is not known to managers, and provide some guidance to managers in their investment decisions.

Research Methodology

The applied research design of the present study is purely descriptive in nature because of the following reasons namely it has its own confined objectives and also predetermined methodology. The scope of the study is confined to Madurai District. The 220 questionnaire are distributed among respondents of seven taluks in Madurai district. Only 180 filled in questionnaires were received. The present study is completely based on the primary data. The secondary data collected from the books, journals and magazines were used to write the conceptual framework of the study and also the review of literature. The primary data were collected with the help of a structured questionnaire. A well structured questionnaire was prepared on the basis of the objectives of the study. The data collected were analyzed in tune with the objectives of the study using factor Analysis.

Factors Influencing the Decision on Going for Capital Derivatives

In order to determine the factor’s influencing the decision on going for capital derivatives, the following 17 variables are taken into account. These variables are measured by a 5 point scale.

| | | | |
|----|-------------------------|-----|-----------------------|
| V1 | Forward contact | V10 | Puts |
| V2 | Reduction of risk | V11 | New Financial Product |
| V3 | Flow of capital | V12 | Borrowings |
| V4 | Curbing Fear | V13 | Buying call options |
| V5 | Clearing House | V14 | Warrant |
| V6 | Registration of dealers | V15 | Certification |
| V7 | Going for put options | V16 | Put overwriting |
| V8 | Trading on volatility | V17 | Formal marketplace |
| V9 | Accurate information | | |

The above 17 variables need to be narrated into factors and the inter relationship between variables has to be found out. The relationship between variables and factors, the most influencing variable on all factors altogether and the most influencing factor on all variables altogether are also to be determined factor analysis is a tool which facilitates the above applied. The results of the factor analysis through vari-max rotation is given in the following table.

Table showing the vari-max rotation factor scores

| No. | Derivative Products F1 | Strategies F2 | Market F3 | Regulations F4 | H2 |
|-----|------------------------|---------------|-----------|----------------|--------|
| 1 | .8213. | .2612. | .1617. | .4321. | .9556 |
| 2 | .1345. | .8617. | .2567. | .0921. | .8349. |

| | | | | | |
|-------------|--------|--------|--------|--------|--------|
| 3. | .4345 | .2211. | 6719. | .5432 | .9842 |
| 4. | .0492. | .1123. | .6917. | .2456 | .5538 |
| 5. | .0432 | .2951. | .0748 | .5991. | .4523 |
| 6 | .3323 | .2416 | .0540 | .7223 | .6934 |
| 7. | .4432. | .9117 | .0612 | .0455 | .8575 |
| 8. | .0040 | .5332 | .0349 | .1386 | .3047 |
| 9. | .1643 | .2432 | .6212 | .3341 | .5836 |
| 10. | .5031 | .0496 | .2932 | .1340 | .4235 |
| 11. | .2532 | .1140 | .9139 | .1132 | .9121 |
| 12 | .1040 | .5017 | .0640 | .2540 | .3311 |
| 13. | .4565 | .6712 | .1121 | .0433 | .6733 |
| 14. | .6910 | .2580 | .0710 | .1249 | .5647 |
| 15 | .0399 | .4513 | .4123 | .5223 | .6481 |
| 16. | .1212 | .7819 | .2834 | .0029 | .70645 |
| 17. | .2119 | .3987 | .6245 | .1021 | .6043 |
| Eigen value | 2.4204 | 4.3909 | 3.5093 | 1.9601 | |

Findings

From the factor analysis, it can be inferred that variables forward contract V1, Puts V10, and warrants V14 are clubbed into factor 1. The variables Reductions of risk V2, going for put options V7, Trading on volatility V8, Borrowings V12, Buying call options V13 and put overwriting V16 are clubbed into factor 2. The Variables flow of capital V3, curbing fear V4, accurate information V9, new financial products V11 and Formal market place V17 are found included in Factor 3. The variables clearing House V5, Registration of dealers V6 and certification V15 are included in factor 4.

Factor 1 The variables, Forward contract V1, Puts V10, and warrants V14 have high factor scores of .82, .56 and .69 respectively on observing these variables, they are found to be related to derivative products. So the factor is called as Derivative products factor.

Factor 2 The factor 2 consists of variables reduction of risk V2, going for put options V7, trading on volatility V8, Borrowings V12, Buying call options V13, and put overwriting V16 that are found to have high factor scores of .86, .91, .53, .50, .67, and .78 respectively while observing these variables, they are found to be related to ‘strategies’. Hence, the factor is called as ‘Strategies’ Factor.

Factor 3 The variables found in the Factor 3 V12, flow of capital V3, curbing fear V4, accurate information V9 and new financial products V11 and formal marketplace V17 have high factor scores of .67, .69, .62, .91, and .62 respectively. On observing these variables, they seem to be related to market. So, this factor is called ‘Market’ Factor.

Factor 4 The variable which are found in factor 4, namely clearing House V5, Registration of dealers V6 and certification V15 have been found to have high factor score of .60, .72 and .52 respectively. The factor is called as ‘Regulation Factor’ as these variables are found to be related to regulations frame work.

Communality (H^2) The communality shows the relationship between the variables on all factors altogether. That is, H^2 says how each variable is influencing on the factors altogether. In the above factor score table, the variables V1, V2, V3, V7, and V11, are having higher H^2 value of .96, .83, .98, .86, and .91, respectively. It seems that forward contract, reduction of risk, flow of capital, going for put options and new financial products are influencing more on the factors altogether.

Eigen value The Eigen value shows how for the factors are influencing on the variables altogether. It helps in identifying the most influencing factor for making decision on capital derivatives. The table shows that F2, (Strategies factor), F3 (Market Factor), F1 (Derivative products

Factor) and F4 (Regulation Factor) have high Eigen values of 4.39, 3.51, 2.42, and 1.96 respectively. The most influencing factor on all variables is the strategies factor, followed by market factor.

Conclusion

It is the order of the day that large number of people are making entry in the capital market, thanks to change in attitude of the general public towards the stock market operations. The stock market slam in the past devastated the country, but, at present, the investors have started feeling that there is a strong regulatory framework to check the unscrupulous practices of a few companies. The increased saving habit among the people has forced them to make a wise investment to enable them achieving desired returns with low degree of risk. A very good knowledge on capital derivatives helps the investors to adjust their strategies to the changing behavior of stock market and make them to realize their objectives.

Implications

The investors seem to give utmost importance to strategies and hence they may be enlightened with regard to types of strategy to be adopted under different circumstances. Strong capital market is desired to whom more number of investors. Unscrupulous practices of the officials of a few companies may discourage the people from making entry into capital market. Such practices need to be curbed. Transparency in the matters related to mergers and acquisitions would go a long way in attracting investors.

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Emerging Trends in Banking, Insurance and International Trade
**ATTITUDE TOWARDS INVESTMENT DECISION BY WORKING
WOMEN IN TIRUENVELI DISTRICT**

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Abstract

Women in India are now actively participating in all activities such as education, politics, media, science and technology and becoming financial independent. With a changing scenario, women has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues. The research study is focused on the analysis on Attitude towards investment decision by working women in Tirunelveli District. The sample selected for this study is 120. For data analysis and hypothesis testing was applied. This study highlights to study and analyze the attitude of working women while taking investment decisions and to study how far the working women have financial literacy to help them to take investment decisions. It also highlights the various factors that influences the working women while taking investment decisions. The different type of investment avenues by the working women. The objective of the study with that the research determines Women's awareness about different avenue & the factors affect their investment decision.

Keywords- *Attitudes, Working women, Investment avenues and Investment awareness*

Introduction

In India, women constitute around half of the total population. Though women population is almost equal to their male counterparts, the overall economic decisions are largely taken by men. In olden days, women were limited to household works and decisions only. But this scenario is changing with the increase in awareness among women due to being educated and employed. This has encouraged most women to gain knowledge about financial investments and take economic decisions and make investments in various avenues such as shares, mutual funds, debentures, commodities market and bank deposits. Now, women are stepping forward to become financially independent and take their own decisions. While taking their own financial decisions, women become more self-confident which increases their self-esteem.

Generally, it is said that women tend to take less risk while making financial investments when compared to men. This may be due to the fact that living in a male-dominated world. Women are socialized to take fewer risks while men are encouraged to take more risks. These being the reason that, woman are less inclined to make financial investments at all. All these lead to a difference in the attitude of women towards financial investments. They take a longer time to decide, are more methodical and ask more questions before investing. Apart from this, their attitude may differ according to varying social and demographic factors such as education, employment status, financial circumstances, family background etc. The financial knowledge level of women plays a major part in financial investments.

Women in India are a part of all sectors such as education, politics, media, science and technology etc., there are many women who govern many concerns and flourish in leading roles such as general managers, chief executive officers, directors, managers, others such as in middle small classes, employed women are the ones who actually saves for their families. Employed women have the quality to manage their money in an effective and efficient manner. Their thinking and attitude towards financial investments are changing and improving with time. Hence it is necessary to study

the attitude of employed women towards financial investments which in long run will help in the overall growth of Indian economy.

Various investment avenues are

Savings Account: Even though nothing in this world comes with any guarantee including our own lives, the Savings accounts in banks are as safe as anything can be. Even otherwise, the deposit of money in savings account seem to be the safest when compared to all other available avenues for savings or investments, which are subject to both market risks and volatility

Bank Fixed Deposits: Fixed deposit refers to a savings account or certificate of deposit that pays a fixed rate of interest until a given maturity date. Funds placed in a Fixed Deposit usually cannot be withdrawn prior to maturity or they can perhaps only be withdrawn with advanced notice and or by having a penalty assessed. A fixed deposit is meant for those investors who want to deposit a lump sum of money for a fixed period starting from a minimum period of 15 days to five years and above, thereby earning a higher rate of interest in return

Public Provident Fund Accounts (PPF): Non – Resident Indians and Hindu Undivided Families (HUF) are not eligible to open an account under the Public Provident Fund Scheme. Any individual may, on his own behalf or on behalf of a minor, of whom he is the guardian, subscribe to the Public Provident Fund the amount prescribed from time to time. A subscriber may apply for transfer of his account from one “Accounts Office” to another “Account Office”.

Mutual Funds: A mutual fund is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be a lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want.

Life Insurances: Insurance is a form of risk management which is used primarily to hedge against the risk of a contingent and uncertain loss. Insurance is defined as the equitable transfer of the risk of loss, from one entity to another, in exchange for payment. Insurance is essentially an arrangement where the losses experienced by a few are extended among many who are exposed to similar risks. It is a protection against financial loss that may occur due to an unexpected event. Transaction involves the insured assuming a guaranteed and known, relatively small, loss in the form of payment to the insurer in exchange for the insurer's promise to compensate or indemnify the insured in the case of a large, possibly devastating loss. The insured receives a contract called an insurance policy which details the conditions and circumstances under which the insured will be compensated.

Real Estate: In luxury estates, the Indian super rich have been investing globally. Real estate includes land and house property. It is true to say that real estate offer a rate of return which is superior to avenues such as company deposits on a long term basis. Real estate ensures high capital appreciation as compared against gold and silver particularly in the urban area

Gold/Silver: Gold has got lot of emotional value than monetary value in India. India is the largest consumer of gold in the world. In western countries, majority of stock of gold is kept in central banks. But in India, people use gold mainly as jewels. When look at gold in a business sense, anybody can understand that gold is one of the all-time best investment tool in India. Following data shows Indian gold market current scenario.

The growth in institutional participation in the silver market has been one of the key drivers behind the rise in silver prices in recent years (in particular until early 2011). Prior to 2008, the year Indian investment surged, bar and coin demand had remained relatively sluggish. This reflected the preference for jewelry and silverware as forms of investment, which explained the heavy weight of these products at this time. The shift to bars and coins, which then emerged, from the more traditional investment forms was driven essentially by under rating, although other factors, such as structural changes, also featured. Additionally, speculative motives, as opposed to wealth preservation, lifted demand, as silver prices rallied northwards through a number of key barriers. This was crucial in reinforcing bullish price expectations that have since underpinned silver investment.

Chit Funds: Chit funds have been a popular savings scheme in several parts of India. It has paved its way as a convenient finance option amongst businessmen, small scale industrialists and other small time investors. Though very often shrouded by news of fraudulence, they have still managed to retain their popularity. Chit funds evolved years ago, when the present system of banking did not exist. Few families in a village would get together to form a chit or a group, to save money and to avail of loans amongst the group formed. A sensible person is chosen to manage the group. This informal system of saving prevailed only on trust. Gradually, as groups became larger and the money involved became huge, many companies started chit fund schemes with attractive offers. Thus to provide regulation for chit funds and for matters connected therewith, the government introduced the Chit Funds Act in 1982.

Review of Literature

According to **Prof. Priya Vasagadekar's research(2014)** on working women she conclude that because of high level education, today's women are getting the best job offers with high take home pay packages. It has become the present day need for working women in India to increase their wealth. As most of the women are low in financial literacy, it becomes hardly possible for them to manage their portfolios on their own. Also the risk bearing capacity of working women in India is low. This is due to lack of sound financial knowledge.

Dr. R. Sellappan, Ms. S. Jamuna & Ms. Tnr. Kavitha (2013) find out that married women are more curious in making investment than the unmarried. As well as the younger are mostly like to invest in shares mutual funds, insurance and fixed deposits than the older women. The middle age persons prefer to invest in real estate source of investment. So the government, Bankers and Financial institutions can introduce lot of schemes of investment based on segmentation of the age and marital status factors to acquire more funds.

V.R.Palanivelu & K.Chandrakumar (2013) highlights that certain factors of working women like education level, awareness about the current financial system, age of investors etc. make significant impact while deciding the investment avenues.

Objective

- To know the level of awareness about investment avenues
- To assess the working women preferences towards investment avenues

Methodolgy

The study is based on primary data which is collected through questionnaire with the help of 120 respondents. The tools used for the study is weighted average method and Garrett ranking method.

Level of Awareness about Investment Avenues

| S. No | Investment Avenues | Total Value | Weighted Average Score | Rank |
|--------------|-------------------------------------|--------------------|-------------------------------|-------------|
| 1 | Saving bank account | 320 | 2.67 | I |
| 2 | Investment in fixed deposits | 261 | 2.18 | IV |
| 3 | Investment in public provident fund | 200 | 1.67 | VII |
| 4 | Investment in Mutual fund | 175 | 1.46 | IX |
| 5 | Investment in Life insurance | 268 | 2.23 | III |
| 6 | Share market investment | 202 | 1.68 | VI |
| 7 | Investment in real estate | 218 | 1.82 | V |
| 8 | Investment in Gold and jewelry | 288 | 2.40 | II |
| 9 | Investment in Chit funds | 188 | 1.57 | VIII |

Majority of the respondents are use saving bank account for investment, thus the researcher gives first rank to the mean score 2.67

Working Women Preference towards Investment Avenues

| S. No | Investment avenues | Total Score | Average Score | Rank |
|-------|-------------------------------------|-------------|---------------|------|
| 1 | Saving bank Deposits | 8232 | 68.6 | I |
| 2 | Investment in fixed deposits | 6552 | 54.8 | II |
| 3 | Investment in public provident fund | 5043 | 42.03 | V |
| 4 | Investment in Mutual fund | 4174 | 34.78 | VII |
| 5 | Investment in Life insurance | 5857 | 48.80 | III |
| 6 | Share market investment | 2012 | 16.76 | IX |
| 7 | Investment in real estate | 4259 | 35.49 | VI |
| 8 | Investment in Gold and Jewelry | 5684 | 47.36 | IV |
| 9 | Investment in Chit funds | 2777 | 23.14 | VIII |

Majority of the respondents are more aware and used savings bank to invest their money, thus the researcher gives first rank to the average score 68.6

Conclusion

At present, many women in both urban and rural areas are well educated and are employed in various sectors to earn their living. Such working women have more responsibilities to take care of their family and their duties at workplace simultaneously. Though these working women possess adequate amount of knowledge about investment avenues, many are dependent on their family members to save their earnings in the form of investments compared to a few who take an individual decision. Hence it is observed from the research that a working women's family background is a major factor that influences their attitudes towards investment decisions. Moreover, the working women prefer to involve their male family members like husband or father or brothers to take investment decisions to play safe and to avoid extra burden in addition to their regular tasks both at home and at workplace. Whereas some who do not have a supportive family are able to take investment decisions and in such situations their investments give a great support for their future. In general, working women's awareness towards investment avenues needs to be increased by the government, banks, post offices, insurance companies, stock exchanges and various other financial institutions to attain better attitude of working women towards investment decisions.

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A STUDY ON DIGITAL MARKETING IN THENI TOWN

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Abstract

Digital marketing is the avenue of electronic communication which is used by the marketers to endorse the goods and the services towards the marketplace. The supreme purpose of the digital marketing is concerned with consumers and allows the customers to intermingle with the product by virtue of digital media. This editorial concentrates on the magnitude of digital promotion for both customers and marketers. An efficient Digital payments system reduces the cost of exchanging goods and services, and is indispensable to the functioning of the interbank, money, and capital markets. Thus there are number of factors which affect the usage of e-commerce payment systems. Among all these user base is most important success of e-commerce payment systems also depends on consumer preferences, ease of use, cost, industry agreement, authorization, security, authentication, non-refutability and reliability and anonym

Keywords:*Digital Marketing, Digital Payment Types, Profile of the Online Respondents.*

Introduction

Digital marketing is often referred to as 'online marketing' 'internet marketing' or 'web marketing'. The term digital marketing has grown in popularity over time, particularly in certain countries. In the USA online marketing is still prevalent, in Italy is referred as web marketing but in the UK and worldwide, digital marketing has become the most common term, especially after the year 2013. Digital marketing umbrella term for the marketing of products or services using digital technologies, mainly on, the internet but also including mobile phones, display , advertising and any other digital medium.

Digital marketing has been considered a new form of marketing and provided new opportunities for companies to do businesses. Marketing activities conducted via digital channels enable advertisers to directly communicate with potential customers in a rapid velocity and regardless the geographical location. Digital marketing has been recently referred as one of the best means to cut through the mess and interact directly with the consumer. Hence, with the trend toward direct, one-to-one marketing, additional attention is being paid to the use of the digital channels as a means of effectively advertising to consumers. While considering digital channels, the recent development is mobile marketing. Indian mobile market is one of the fastest growing markets due the increase in the number of middle-income consumers, and is forecasted to attain millions of users in the upcoming decade. Thus, research on digital channel advertising would impact greatly on the way business is done. The development and widespread use of internet technologies have transformed the way society communicates both in their daily and professional life. One of the for the most part important indicators of this transformation is emergence of new communication tools. New communication tools emerging with the development of technologies are called "digital marketing". When we talk about digital channels, what comes to intellect are Face book, Twitter, Instagram and similar social networks that are used online and virtual platforms like web sites, micro blogs and search engines. With the advent of new communication to customers with digital channels, already available communication tools are now fetching to be called as "traditional communication tools". Traditional communication tools are printed (journals, newspapers etc.), visual (television, cinema etc.) and audio (radio) communication tools.

Types of Digital Payment System

Credit Card: A Credit Card is a piece of plastic, 3-1/8 inches by 2-1/8 inches in size, that carries information that allow you to make purchase now pay for them later. Credit Cards from visa master card or any other network allow you to pay for purchase or services by borrowing from the credit card company. To purchase goods from merchant who accept credit card such as merchant has credit card reader to purchase the payment transaction to withdraw cash from **ATM**. You then repay by making monthly payment toward the amount borrowed, that is you don't have to repay the whole borrowed amount in fill at one go.

Debit Card: Debit Card is a prepaid card and also known as **ATMcard**. An individual has to open an account with the issuing bank which gives debit card with a personal id number, when he makes a purchase he enter his pin number on shop pin pad. When the card is slurped through the electronic terminal it dial the acquire a baking system either master card or visa card that validate the pin and finds out from the issuing bank whether to accept or decline the transaction the customer can never overspend because the system reject any transaction which exceeds the balance in his account the bank never face a default because the amount spent is debited immediately from the customer account with almost every bank account you are issued a debit card.

Smart Card: Smart Card was first introduced in Europe most of these methods are known as stored value card. A smart card is about the size of a credit card, made of a plastic with an embedded microprocessor chip that holds important financial and personal information. The microprocessor chip is loaded with the relevant information and periodically recharged. In addition to these pieces of information, systems have been developed to store cash onto the chip. The money on the card is saved in an encrypted form and is protected by a password to ensure the security of the smart card solution. In order to pay via smart credit is necessary to introduce the card into a hardware terminal. The device requires a special key the issuing bank to start a money transfer in either direction. Smart Cards can be disposable or rechargeable.

Digital Wallet (Electronic Wallet): Electronic Wallets being very useful for frequent online shoppers are commercially available for pocket, palm – sized, handheld, and desktop PCs. They offer a secure, convenient, and portable tool for online shopping. They store personal and financial information such as Credit Cards, Passwords, PINs, and much more. To facilitate the Credit Card order process, many companies are introducing Electronic Wallet services. E – Wallets allow you to keep track of your billing and shopping information so that it can be entered with one click at participating merchants' sites. E – Wallets can also store e checks, e – cash and your credit card information for multiple cards.

Electronic Cheque: Electronic Cheque is messages that contain all the information that is found on an ordinary Cheque but it uses digital signature for signing and endorsing and has digital certificate to authenticate bank account. There are many websites that accept Electronic Cheque are typically used in orders processed online and are governed by the same laws that apply to paper checks. Electronic Cheque offer protective measures such as authentication and digital signatures to safeguard digital transactions.

Electronic Cash: Similar to regular Cash, e – cash enables transactions between customers without the need for banks or other third parties. When used, e – cash is transferred directly and immediately to the participating merchants and vending machines. Electronic Cashes a secure and convenient alternative to bills and coins. E – Cash usually operates on a smartcard, which includes an embedded microprocessor chip. The microprocessor chip stores cash value and the security features that make electronic transactions secure. When e- cash created by one bank is accepted by other reconciliation must occur without any problem cash must be storable and receivable. Most E – Cash is transferred directly from the customer's desktop to the merchant's site. Therefore, E – Cash transactions usually require no remote authorization or personal identification.

Objectives of the Study

- To study the awareness of digital marketing
- The Impact of this paper is to recognize the usefulness of digital marketing in the competitive market
- To study the impact of digital marketing on consumer purchase.

Research Methodology

Primary Data: The research is done through observation and collection of data through questionnaires.

Secondary Data: Secondary data is collected from journals, books and magazines to develop the theory.

Sample Size: The sample size is determined as 200 respondent's opinion from the customers who presently Purchasing products with a help of digital marketing.

Profile of the Online Respondent

Table - 1: Profile of the Online Buyer

| | Category | Number of Respondents | Percentage of Respondents |
|--------------------------------|----------------|-----------------------|---------------------------|
| Gender | Male | 140 | 70 |
| | Female | 60 | 30 |
| | Total | 200 | 100 |
| Age | Below 18 Years | 34 | 17 |
| | 19-30 Years | 50 | 25 |
| | 31-45 Years | 66 | 33 |
| | Above 45 Years | 50 | 25 |
| | Total | 200 | 100 |
| Profession | House Wife | 22 | 11 |
| | Employee | 100 | 50 |
| | Business | 46 | 23 |
| | Students | 16 | 8 |
| | Any other | 16 | 8 |
| | Total | 200 | 100 |
| Monthly Family Income (in Rs.) | Below 10000 | 42 | 21 |
| | 10001-20000 | 98 | 49 |
| | 20001-40000 | 50 | 25 |
| | Above 40000 | 10 | 5 |
| | Total | 200 | 100 |

Table - 2: Awareness of Online Shopper

| Particulars | Number of Respondents | Percentage of Respondents |
|-------------------------------------|-----------------------|---------------------------|
| Friends | 32 | 16 |
| Advertisement | 108 | 54 |
| Having Knowledge of Online Purchase | 60 | 30 |
| Total | 200 | 100 |

Table - 3 : Availability of Online Information about Product

| Particulars | Number of Respondents | Percentage of Respondents |
|--------------|-----------------------|---------------------------|
| Excellent | 108 | 54 |
| Good | 76 | 38 |
| Average | 14 | 7 |
| Poor | 2 | 1 |
| Total | 200 | 100 |

Table - 4 : Reasons for Choosing Online Shopping

| Particulars | Number of Respondents | Percentage of Respondents |
|--------------------------|-----------------------|---------------------------|
| Wide variety of Products | 46 | 23 |
| Easy Buying Procedures | 76 | 38 |
| Time Saving | 38 | 19 |
| Easy Payment Modes | 28 | 14 |
| Others | 12 | 6 |
| Total | 200 | 100 |

Table - 5: Frequency of Online Purchasing

| Particulars | Number of Respondents | Percentage of Respondents |
|--------------------------|-----------------------|---------------------------|
| Once in a Year | 24 | 12 |
| Six Months in a Year | 92 | 46 |
| Quarterly in a Year | 52 | 26 |
| above Annually in a Year | 32 | 16 |
| Total | 200 | 100 |

Findings

This Study reveals that people aware of digital marketing in a particular geographical region.

- Digital marketing have a greater future in the present market.
- Consumers are satisfied through purchasing digital marketing.
- People find it safe mode of online purchase.
- Ratio of male customers is very high in online shopping that is 70%.
- Awareness of online shopping is 54% through the advertisement.
- In Major Income of respondents mainly falls in the range of Rs. 10,001 to Rs. 20,000 that is 49%.
- Employees of various companies are purchasing more than others through online shopping that is 50%
- Most numbers of respondents that is 38% feels that online shopping have simple buying procedures; others feel that they can have a broad variety of products, products with time saving, easy payment modes.
- 54% of respondents feel that availability of online information about Product & Services is outstanding.
- 46% of the respondents purchase the products six month in a year.

Suggestions

- Improve technical advancement in promotion of digital marketing
- Collect and implement the feedback provided by the consumer in the right way.
- Provide a transparent and good service to the consumer before and after purchase.
- Creating awareness among the people about digital marketing

- Complete description need to provide about the product to the online shoppers.
- Effective reach of advertisement for convenience goods will increase the sales of these goods through Digital Marketing.

Conclusion

Digital marketing has turn out to be crucial part of approach of many companies. At the present time, still for tiny business proprietor at hand have an extremely inexpensive and competent method by using digital marketing to market their products or services in the society. It has no restrictions. Company can utilize any devices such as tablets, smart phones, TV, laptops, media, social media, e – mail and lot other to support company and its products and services. Digital marketing may achieve something more if it considers consumer desires as a peak priority.

Digital Marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use Digital devices instead of going to physical shops.

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