

PERCEPTION OF CUSTOMERS TOWARDS SERVICE QUALITY OF CANARA BANK TOWARDS DEPOSIT SCHEMES

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Abstract

Delivering high quality services is a prerequisite for achieving customer satisfaction and only through customer satisfaction can any organization gain customer retention. The researcher has tried to analyze the perception of the customers in the study area towards quality of banking services. In order to study the perception of customers towards the service quality of canara bank in sivakasi, 200 customers of canara bank surveyed. The sample was selected on the basis of convenient sampling method. It is found that age, marital status and income of the respondents determine the preference of various deposit schemes. It is also found that sex, occupation and educational qualification do not influence over the preference of various deposit schemes. Banks are an important social organization rendering various financial services to its customers. Realising the importance of customer service in banks, recommendations are made by various committees to improve the service quality of Banks.

Keywords:

Customers, Perception, Service Quality, SERVQUAL

1. INTRODUCTION

The bankers offer equal service quality to their customers. They don't make discrimination on nationality, religion, financial and social status and gender. However, differentiation was arising from determination of target market, organizational structures and product ranges or different approaches to high-risk customers, should not be constructed as an evidence of prejudice or categorizations among customers [6]. Banks serve as intermediaries in mobilizing public savings and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the important role of banks in economic development, government of India/reserve bank of India took several major initiatives after independence to gear the banking system to serve the national objectives [4]. Recent developments in information technology have led to major changes in service providing organizations such as banks. Every bank realizes that they must use information technology to survive in this era. Through information technology, banks can better maintain the relationship with customers as customers tend to interact more with provided services through information technology.

Banks began to use technology to provide better quality of services at greater speed. Internet banking and mobile banking made it convenient for customers to do their banking from geographically diverse places. Delivering high quality services is a prerequisite for achieving customer satisfaction and only through customer satisfaction can any organization gain customer retention [5].

The researcher has tried to analyze the perception of the customers in the study area towards quality of banking services.

Quality of Canara bank services cannot be measured directly. It can be appraised with the help of their perception towards deposit schemes, perception towards the loans and advances and perception towards infrastructure facilities of the Canara Bank. The objectives of the present study includes:

- To analyse the perception of customers towards the service quality of Canara bank towards deposit schemes in the study area.
- To analyse the perception of customers towards the overall service quality of Canara Bank.

1.1 CONTRIBUTION OF THE WORK

The present research work is undertaken to analyse the perception of customers towards the service quality of canara bank. In today's competitive environment, every bank has to concentrate on their service quality to retain the customers. Particularly in the present study the perception of customers towards the deposit schemes are focused. This is due to financial inclusion, today most of the people are availing banking services by opening savings bank account. Improving their services in this aspect would enable them to be competitive in the market.

The paper has four sections. First, we present the theoretical background of service quality and then provide a research model and hypotheses to demonstrate relationships of the variables. Next section contains methodology including sources of data, sampling design, statistical tools used. In third section the perception of customers are analysed by using ANOVA and SERVQUAL scaling technique. Finally, suggestions are provided based on the findings.

2. REVIEW OF LITERATURE

A few studies have been made on this field and are indirectly helpful to this research. A review of such study is presented below:

Manasa Nagabhusanam [7] studied the performance of public, private and foreign banks on the basis of quality of services. He found that high degree of standardization of services by banks in India are found as the service quality rating has very less variation from one bank to another. He suggested that customer relationship is one another aspect the banks need to be given par importance. Managing customer relation efficiently is an advantage that the banks should concentrate to win the situation. Erdem and Hosver [1] found that analyzing strategic and analytical CRM is equally important operational aspects. He suggested that targeted campaigns through internet and the call center for customers actively using one or both of these innovative channels for their banking operations. Bose [8] studied the customer oriented marketing and is to gather and accumulate

related information about customers in order to provide effective services. He found that CRM involves attainment analysis and use of customer's knowledge in order to sell goods and services. Curry and Penman [9] reported that service quality is inevitable for differentiation to compete in the banking sector. They suggested that the right service could retain the customers for long-term benefits. So banks should maintain the level of services by proper allocation of resources to meet customer requirements. Findings indicated that financial institutions require reasonable procedures to evaluate the overall satisfaction of their customers. Siddharth Mathur [10] studied the level of satisfaction of customers with the various services provided at HDFC bank and Central Bank of India. He suggested that to make the customers aware of their key services, the bank has to take some major initiatives. Raj & Rathika [2] studied about loans, advances and working capital. They concluded that the bank shall continue to strive to meet the aspirations of the neglected sections of the society and play significant role in economic growth of the country. Vigneshwari [12] studied the problems of customers in utilizing the services of ICICI bank and Indian bank. She found that both banks have majority of respondents as business men. She concluded that the customer data is diffused throughout the organization and is virtually ineffective until it is collate and developed into appropriate information through specific CRM programmes. Santhana Lakshmi [13] studied that the attitude of customers towards the services of co-operative urban banks. She found that the banks are not interested to provide medium and long term loans to the customers in co-operative urban banks in virudhunagar district as the repayment period for long term is high. Ananth and Arulraj [3] analyzed the overall banking service quality in Nagapattinam district of Tamil Nadu. They found that the relationship between the dimensions of banking service quality and their influence on the meditating factor. Saxena and Pahwa [11] examined the level of customer satisfaction associated with various aspects of ICICI bank ATM. He found that the study may be very useful to them and it may also help the ATM section of the bank to identify their positive and negative features and the recommendation of the customers.

3. METHODOLOGY

In the present study the descriptive research design has been used. The descriptive research is marked by a clear statement of the problem, specific hypothesis, detailed information needs, sample selection, data collection and processing and analysis of the collected data to get valid inferences in the form of findings. The present study deals with the perception of customers towards service quality offered by the banks. Hence the present study is purely descriptive in nature.

The required data for the present study has been collected from primary and secondary data sources. Primary data was collected with the help of structured interview schedule from 200 respondents. The secondary data has been collected from various standard text books, research articles, reports, leading newspapers, magazines, Journals and websites.

The study covers a period of six months from August 2014 to January 2015. The report was prepared between February 2015 and April 2015.

In order to study the perception of customers towards the service quality of Canara bank in Sivakasi, 200 customers of Canara bank surveyed. The sample was selected on the basis of convenient sampling method. The customers, who visited the banks were met and asked to fill the questionnaire. The objective of the study was clearly explained to them to ensure co-operation, sincerity and accuracy in their responses.

Based on the objectives of the study, the following hypotheses were framed:

H01: There is no significant association between demographic profile of the respondents and their level of perception towards the deposit schemes of Canara Bank.

Ha1: There is significant association between demographic profile of the respondents and their level of perception towards the deposit schemes of Canara Bank.

H02: Service quality attributes would show a positive relationship amongst themselves.

Ha2: Service quality attributes would show a negative relationship amongst themselves.

4. STATISTICAL DESIGN

The data collection were analyzed by keeping in view the objectives of the study. For the purpose of analysis Percentage analysis and ANOVA were used.

The present study has been undertaken to study the customers' perception towards service quality of Canara bank in Sivakasi. The data was collected between August 2014 and January 2015. The report was prepared during February 2015 and April 2015.

4.1 PROFILE OF THE RESPONDENTS

This part projects the demographic characteristics of the customers in the study area such as gender, nativity, marital status, age, education qualification, monthly income, annual savings, occupation, family size and religion. This is very important in studying the influence of these variables in measurement of service quality.

4.1.1 Sex of the Respondents:

Sex is very important variable in classifying the respondents. The researcher has made an attempt to find out the proportion of bank customers included in the study. Male as well as female customers are receiving services in the bank. Sex-wise classification of the respondents is presented in Table.1.

Table.1. Sex of the Respondents

Particulars	Number of Respondents	Percentage
Male	76	38
Female	124	62
Total	200	100

Source: Primary Data

From Table.1, it is revealed that out of 200 respondents, 124 (62%) respondents were female and the remaining 76 (38%) were male. It is understood that 62% of the respondents are female.

4.1.2 Age of the Respondents:

Age is the important factor which mainly influences the perception. Table.2 shows the age wise classification of the respondents.

Table.2. Age of the Respondents

Particulars	Number of Respondents	Percentage
Below 30 Years	110	55
30-40 Years	46	23
41-50 Years	37	18.5
Above 50 Years	7	3.5
Total	200	100

Source: Primary Data

From Table.2, it is clear that out of 200 respondents, 110 of them constituting 55% belong to the age group of below 30 years. 46 of them constituting 23% belong to 30-40 years age group followed by 37 (18.5%) respondents belong to 41-50 years and the remaining 7(3.5%) respondents belong to above 50 years age group.

It is clear that 55% of the respondents are in the age group of below 30 years.

4.1.3 Marital Status of the Respondents:

Marital Status being an important social factor has greater influence on perception. The details relating to marital status of the respondents are shown in Table.3.

Table.3. Marital Status of the Respondents

Particulars	Number of Respondents	Percentage
Married	100	50
Unmarried	96	48
Divorced	4	2
Total	200	100

Source: Primary Data

The Table.3 reveals that out of 200 respondents, 100 (50%) of them were married, 96 (48%) of them were unmarried and the remaining 4 (2%) were divorced. It is evident that 50% of the respondents are married customers.

4.1.4 Educational Qualification of the Respondents:

Education is one of the most important characteristics that might affect the customer's perception and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to know the educational background of the respondents. Hence the variable educational level was investigated by the researcher and the data pertaining to education is presented in Table.4.

Table.4. Educational Qualification of the Respondents

Particulars	Number of Respondents	Percentage
Illiterate	22	11
Up to high school	29	14.5

Diploma holders	30	15
Under graduates	94	47
Post graduates	16	8
Professionals	9	4.5
Total	200	100

Source: Primary Data

The Table.4 found that out of 200 respondents, 22 (11%) of them were illiterates, 29 (14.5%) of them were up to high school, 30 (15%) of them were diploma holders, 94 (47%) of them were under graduates, 16 (8%) of them were post graduates, and the remaining 9 (4.5%) were professionals. It is noticed that 47% of the respondents are under graduates.

4.1.5 Occupation of the Respondents:

Occupation plays an important role in the banking system, because availing of services varies from one occupation group to another. The Table.5 shows the occupation of the bank customers.

Table.5. Occupation of the Respondents

Particulars	Number of Respondents	Percentage
Businessmen	26	13
Government Employees	27	13.5
Private Employees	133	66.5
Professionals	14	7
Total	200	100

Source: Primary Data

From Table.5 it is revealed that, out of 200 respondents, 26 of them accounting for 13% were businessmen, 27 of them accounting for 13.5% were government employees, 133 of them accounting for 66.5% were private employees and 14 of them accounting for 7% were professionals. It is understood from Table.5 that the Canara bank has 66.5% of the respondents are private employees.

4.1.6 Monthly Income of the Respondents:

Monthly income of the respondents is a useful variable to find out the level of perception towards financial services of customers. So the researcher attempted to investigate the income of the respondents as a variable. The Table.6 carries out an evidence of this data.

Table.6. Monthly Income of the Respondents

Particulars (Rs.)	Number of Respondents	Percentage
Below 5000	44	22
5000-10000	113	56.5
10001-15000	32	16
15001-20000	5	2.5
Above 20000	6	3
Total	200	100

Source: Primary Data

From Table.6 it is clear that out of 200 respondents, 44 of them constituting 22% were earning below Rs. 5000 per month, 113 of them constituting 56.5% earned between Rs. 5000-10000

monthly, 32 of them constituting 16% between Rs. 10001-15000, five of them constituting 2.5% between Rs. 15001-20000, six of them constituting three% earned above Rs.20000.

It is found that 56.5% of the respondents' family income is less than 10000 per month.

4.2 PERCEPTION TOWARDS DEPOSIT SCHEMES

The Canara Bank offer various deposit schemes to their customers to meet the challenges and manage the change, competition compliance and customer demands. So they aware of the various deposit schemes of the Canara bank. In order to measure the perception of customers towards deposit schemes of Canara bank five statements are developed based on the earlier studies. It is presented below:

1. Minimum balance for opening account in Canara bank is low.
2. Deposit schemes are adequate.
3. Bank follow the less formalities for opening the account.
4. Interest rates are acceptable.
5. Deposit hours are convenient.

The opinion of respondents about the deposit schemes of Canara bank was obtained by using those five statements. The perception of the customers has been analyzed through Likert's five- point scale. The weights were assigned to the scales as given below.

- Strongly Agree - 5 Points
- Agree - 4 Points
- No Opinion - 3 Points
- Disagree - 2 Points
- Strongly Disagree - 1 Point

Total weighted scores for each statement is found out by adding the score values. The quartile values are calculated for each respondent. The respondents with less than 16(Q1) was classified as low group. The respondents with more than 21(Q3) was classified as high group and the remaining respondents i.e. between 16 and 21 was classified as medium group. The analysis was carried out by using SPSS shown in Table.7.

Table.7. Level of perception of Customers towards Deposit Schemes

Particulars	No. of respondents	Percentage
Low	89	44.5
Medium	56	28.0
High	55	27.5
Total	200	100.0

Source: Computed data

From Table.7 it is revealed that out of 200 respondents, 89(44.5%) had low level of perception towards the deposit schemes of Canara bank, followed by 56(28%) had medium level of perception towards the deposit schemes of Canara bank and the remaining 55(27.5%) of them had high level of perception towards the deposit schemes of Canara bank. It is found that

44.5% of the respondents have low level of perception towards the deposit schemes of Canara bank. In order to test the relationship between demographic profiles and their level of perception towards deposit schemes of Canara bank the following hypothesis was formulated as follows.

H01: There is no significant association between demographic profile of the respondents and their level of perception towards the deposit schemes of Canara bank.

ANOVA was used to test the hypothesis and the results are discussed in the following section.

4.2.1 Sex and their level of Perception towards the Deposit Schemes:

The perception of male and female customers about deposit schemes may differ. The researcher has analysed the sex and the level of perception towards the deposit schemes and is presented in following table.

Table.8. Sex and their Level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
Male	39 (43.82%)	18 (32.14%)	19 (34.56%)	76 (38%)
Female	50 (56.18%)	38 (67.86%)	36 (65.45%)	124 (62%)
Total	89	56	55	200

Source: Computed Data

The Table.8 reveals that out of 89 respondents who had low level of perception towards the deposit schemes, 39(43.82%) were male and the remaining 50(56.18%) were female. Out of 56 respondents who had medium level of perception towards the deposit scheme, 18(32.14%) were male and the remaining 38(67.86%) were female. Out of 55 respondents who had high level of perception towards the deposit scheme, 19(34.56%) were male and the remaining 36(65.45%) were female. In order to test the association between sex and their level of perception towards the deposit schemes, the following hypothesis was formulated as follows.

H0: There is no significant association between sex and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.9 shows the results of ANOVA.

Table.9. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.017	1	.017	.028	.867
Within Groups	120.858	198	.610		
Total	120.875	199			

Source: Computed Data

The Table.9 makes it clear that P value is greater than 0.05. Hence, it is concluded that the hypothesis formulated is accepted. There is no significant association between sex and their level of

perception towards deposit schemes of Canara Bank. Sex is not the criteria for designing different deposit schemes.

4.2.2 Age and their level of Perception towards the Deposit Schemes:

The perception of customers about deposit schemes may differ according to age group. The researcher has analysed the age and their level of perception towards the deposit schemes and is presented in Table.10.

Table.10. Age and their level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
< 30 Years	41 (46.06%)	31 (55.36%)	38 (69.09%)	110 (55%)
30-40 Years	25 (28.08%)	16 (28.57%)	5 (9.09%)	46 (23%)
41-50 Years	18 (20.22%)	9 (16.07%)	10 (18.18%)	37 (18.5%)
> 50 years	5 (5.62%)	0 (0%)	2 (3.64%)	7 (3.5%)
Total	89	56	55	200

Source: Computed Data

The Table.10 reveals that out of 89 respondents who had low level of perception towards the deposit schemes, 41(46.06%) were below 30 years of age, followed by 25(28.08%) were 30-40 years, 18(20.22%) were 41-50 years and the remaining five (5.62%) were above 50 years. Out of 56 respondents who had medium level of perception towards the deposit scheme, 31(55.36%) were below 30 years, followed by 16(28.57%) were 30-40 years, and the remaining nine (16.07%) were 41-50 years. Out of 55 respondents who had high level of perception towards the deposit scheme, 38(69.09%) were below 30 years, followed by five (9.09%) were 30-40 years, 10(18.18%) were 41-50 years and the remaining two (3.64%) were above 50 years. In order to test the association between age and their level of perception towards the deposit schemes the hypothesis was formulated as follows.

H₀: There is no significant association between age and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.11 shows the results of ANOVA.

Table.11. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.013	3	2.004	2.971	.033
Within Groups	132.207	196	.675		
Total	138.220	199			

Source: Computed Data

The Table.11 makes it clear that P value is less than 0.05. Hence, it is concluded that the hypothesis formulated is rejected.

There is significant association between age and their level of perception towards deposit schemes of Canara bank. It means that the preference and need for deposit schemes vary among different age groups.

4.2.3 Marital Status and their level of Perception towards the Deposit Schemes:

The perception of customers towards the deposit schemes may differ on the basis of their marital status. The researcher has analysed the marital status and their level of perception towards the deposit schemes and is presented in Table.12.

Table.12. Marital Status and their level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
Married	56 (62.92%)	28 (50%)	16 (29.09%)	100 (50%)
Unmarried	31 (34.83%)	28 (50%)	37 (67.27%)	96 (48%)
Divorced	2 (2.25%)	-	2 (3.64%)	4 (2%)
Total	89	56	55	200

Source: Computed Data

The Table.12 reveals that out of 89 respondents who had low level perception towards the deposit schemes, 59(62.92%) were married, 31(34.83%) were unmarried, and the remaining 2(2.25%) were divorced. Out of 56 respondents who had medium level of perception towards the deposit schemes, 28(50%) were married, and the remaining 28(50%) were unmarried. Out of 55 respondents who had high level of perception towards the deposit schemes, 16(29.09%) were married, 37(67.27%) were unmarried, and the remaining two (3.64%) were divorced.

In order to test the association between marital status and their level of perception towards the deposit schemes the hypothesis was formulated as follows.

H₀: There is no significant association between marital status and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.13 shows the results of ANOVA.

Table.13. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	10.595	2	5.297	8.177	.000
Within Groups	127.625	197	.648		
Total	138.220	199			

Source: Primary Data

The Table.13 makes it clear that P value is less than 0.05. Hence, it is concluded that the hypothesis formulated is rejected. There is significant association between marital status and their level of perception towards deposit schemes of Canara bank. It

means that the preference and need for deposit schemes vary among different marital status of Canara bank customers.

4.2.4 Educational Qualification and their level of Perception towards the Deposit Schemes:

The perception of customers towards the deposit schemes may differ on the basis of their educational qualification. The researcher has analysed the educational qualification and their level of perception towards the deposit schemes and is presented in Table.14.

Table.14. Educational Qualification and their level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
Illiterate	14 (15.73%)	6 (10.71%)	2 (3.64%)	22 (11%)
Up to high school	9 (10.11%)	12 (21.43%)	8 (14.55%)	29 (14.5%)
Diploma holders	17 (19.10%)	7 (12.5%)	6 (10.91%)	30 (15%)
Under graduates	36 (40.45%)	26 (46.43%)	32 (58.18%)	94 (47%)
Post graduates	7 (7.86%)	5 (8.93%)	4 (7.27%)	16 (8%)
Professionals	6 (6.74%)	-	3 (5.45%)	9 (4.5%)
Total	89	56	55	200

Source: Computed Data

The Table.14 reveals that out of 89 respondents who had low level of perception towards the deposit schemes, 14(15.73%) were illiterate, nine (10.11%) were up to high school, 17(19.10%) were diploma holders, 36(40.45%) were under graduates, seven (7.86%) were post graduates and the remaining six (6.74%) were professionals. Out of 56 respondents who had medium level of perception towards the deposit schemes, six (10.71%) were illiterate, 12(21.43%) were up to high school, seven (12.5%) were diploma holders, 26(46.43%) were under graduates, five (8.93%) were post graduates. Out of 55 respondents who had high level of perception towards the deposit schemes, two (3.64%) were illiterate, eight (14.55%) were up to high school, six (10.91%) were diploma holders, 32(58.18%) were under graduates, four (7.27%) were post graduates and the remaining three (5.45%) were professionals.

Table.15. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.566	5	1.313	1.935	.090
Within Groups	131.654	194	.679		
Total	138.220	199			

Source: Computed Data

In order to test the association between educational qualification and their level of perception towards the deposit schemes the hypothesis was formulated as follows.

H0: There is no significant association between educational qualification and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.15 shows the results of ANOVA.

The Table.15 makes it clear that *P* value is greater than 0.05. Hence, it is concluded that the hypothesis formulated is accepted. There is no significant association between educational qualification and their level of perception towards deposit schemes of Canara bank. Educational qualification is not the criteria for designing different deposit schemes.

4.2.5 Occupation and their level of Perception towards the Deposit Schemes:

The perception of the customers towards the deposit schemes may differ on the basis of their occupation. The researcher has analysed the occupation and their level of perception towards the deposit schemes and is presented in Table.16.

Table.16. Occupation and their level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
Businessmen	11 (12.36%)	11 (19.64%)	4 (7.27%)	26 (13%)
Government Employees	13 (14.61%)	5 (8.93%)	9 (16.36%)	27 (13.5%)
Private Employees	58 (65.17%)	37 (66.07%)	38 (69.09%)	133 (66.5%)
Professionals	7 (7.86%)	3 (5.36%)	4 (7.27%)	14 (7%)
Total	89	56	55	200

Source: Computed Data

The Table.16 reveals that out of 89 respondents who had low level perception towards the deposit schemes, 11(12.36%) were businessmen, 13(14.61%) were government employees, 58(65.17%) were private employees and the remaining seven (7.86%) were professionals. Out of 56 respondents who had medium level of perception towards the deposit schemes, 11(19.64%) were businessmen, five (8.93%) were government employees, 37(66.07%) were private employees and the remaining three (5.36%) were professionals. Out of 55 respondents who had high level of perception towards the deposit schemes, four (7.27%) were businessmen, nine (16.36%) were government employees, 38(69.09%) were private employees and the remaining four (7.27%) were professionals.

In order to test the association between occupation and their level of perception towards the deposit schemes, the hypothesis was formulated as follows.

H0: There is no significant association between occupation and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.17 shows the results of ANOVA.

Table.17. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.348	3	.116	.165	.920
Within Groups	137.872	196	.703		
Total	138.220	199			

Source: Computed Data

The Table.17 makes it clear that P value is greater than 0.05. Hence, it is concluded that the hypothesis formulated is accepted. There is no significant association between occupation and their level of perception towards the deposit schemes of Canara bank. Occupation is not the criteria for designing different deposit schemes.

4.2.6 Monthly income and their level of Perception towards the Deposit Schemes:

The perception of the customers towards the deposit schemes may differ on the basis of their income. The researcher has analysed the monthly income and their level of perception towards the deposit schemes and is presented in Table.18.

Table.18. Monthly income and their level of Perception towards the Deposit Schemes

Particulars	Low	Medium	High	Total
Below 5000	17 (19.10%)	15 (26.78%)	12 (21.82%)	44 (22%)
5000 – 10000	58 (65.17%)	30 (53.57%)	25 (45.45%)	113 (56.5%)
10001 – 15000	12 (13.48%)	9 (16.07%)	11 (20%)	32 (16%)
15001 – 20000	1 (1.12%)	1 (1.78%)	3 (5.45%)	5 (2.5%)
Above 20000	1 (1.12%)	1 (1.78%)	4 (7.27%)	6 (3%)
Total	89	56	55	200

Source: Computed Data

The Table.18 reveals that out of 89 respondents who had low level perception towards the deposit schemes, 17 (19.10%) were in the income group of below Rs. 5000, 58 (65.17%) were in the category of Rs. 5000-10000, 12 (13.48%) were Rs. 10001-15000, one (1.12%) were Rs. 15001-20000 and the remaining one (1.12%) was above 20000. Out of 56 respondents who had medium level of perception towards the deposit schemes, 15 (26.78%) were below Rs. 5000, 30 (53.57%) were Rs. 5000-10000, nine (16.07%) were Rs. 10001-15000, one (1.78%) were Rs. 15001-20000 and the remaining one (1.78%) were above 20000. Out of 55 respondents who had high level of perception towards the deposit schemes, 12(21.82%) were below Rs. 5000, 25 (45.45%) were Rs. 5000-10000, 11(20%) were Rs. 10001-15000, three (5.45%) were Rs. 15001-20000 and the remaining four (7.27%) were above 20000. In order to test the association

between monthly income and their level of perception towards the deposit schemes the hypothesis was formulated as follows.

H₀: There is no significant association between monthly income and their level of perception towards the deposit schemes of Canara bank.

One way ANOVA was applied to test the hypothesis. The Table.19 shows the results of ANOVA.

Table.19. Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.757	4	1.689	2.506	.044
Within Groups	131.463	195	.674		
Total	138.220	199			

Source: Computed Data

The Table.19 makes it clear that P value is less than 0.05. Hence, it is concluded that the hypothesis formulated is rejected. There is significant association between monthly income and their level of perception towards deposit schemes of Canara Bank. The preferences of deposits schemes vary between high income group and low income group respondents.

4.3 PERCEPTION OF CUSTOMERS TOWARDS SERVICE QUALITY OF CANARA BANK

The research was directed towards understanding customers' perceptions towards service quality of canara bank. The SERVQUAL model was adapted with some modification for the study. Earlier research on banking industry was consulted for instrument design. Attributes like, convenience, personal interaction, assurance and access and competence were considered important in defining bank service quality. The total items for the scale were segregated under five service quality attributes: four items for tangibles, five items for reliability, eight items for competence, six items for personal interaction, and two items for convenience. The reliability testing of the items was done by using Chronbach's coefficient alpha test. It measures the extent to which the scale items cohere with each other. The Table.20 shows the results of Chronbach alpha for the service quality attributes.

Table.20. Customer's perception towards Service Quality of Canara Bank: The reliability co-efficient of the five service quality attribute

Quality attributes	Chronbach alpha (α)
Tangible	0.881
The bank has modern looking equipment	
It has appealing physical facilities	
The appearance of bank staff is neat	
Materials associated with the service are visually appealing	
The bank has modern looking equipment	

It has appealing physical facilities	
The appearance of bank staff is neat	
Materials associated with the service are visually appealing	
Reliability	0.862
The bank staff keeps the promises	
The bank shows a sincere interest in solving customers' problems	
The staff performs service right the first time	
Provide services at the time they promise to do so.	
The bank insists on error free records	
Competence	0.897
Staff has the right information about exactly when services will be performed	
The service of the bank is on time and very prompt	
The bank staff shows willingness to co-operate and help customers	
To any queries the staff provides correct information.	
Customers feel safe in their transactions with the bank	
The staff is experienced and knowledgeable	
The bank offers flexible and easy banking	
The time taken to complete the transaction is very little	
Personal interaction	.896
The staff is ready to help and instill confidence in customers	
The staff is friendly and courteous	
Individual attention is given by staff	
The staff makes efforts to understand the needs of the customers and establish relationship with them	
The staff gives personal attention to customers	
The bank understands the specific needs of customers and provides suggestions accordingly	
Convenience	0.604
ATM of Canara Bank is conveniently located	
There are clear guidance and information signs provided about how to use the banks' services and facilities	

Source: Computed Data

The Chronbach alpha (α) for the five service attributes ranged between .604–.897 showing that the scale was reliable. These subscales provide a short-form measurement for each service quality attribute. The reliabilities are satisfactory in all cases with the exception of the convenience attribute, which has marginal reliability. In order to find the relationship between the various service quality attributes, the following hypothesis was formulated.

H02: Service quality attributes would show a positive relationship amongst themselves.

Ha2: Service quality attributes would show a negative relationship amongst themselves.

Correlation test was applied to test the hypothesis and the result is shown in Table.21.

Table.21. Correlation Analysis between the Service Quality Attributes of Canara Bank

Service quality Attributes		Tangible	Reliability	Competence	Personal Interaction	Convenience
Tangible	Pearson Correlation	1	.772**	.749**	.833**	.448**
Reliability	Pearson Correlation	.772**	1	.851**	.836**	.492**
Competence	Pearson Correlation	.833**	.851**	1	.861**	.518**
Personal interaction	Pearson Correlation	.749**	.836**	.861**	1	.482**
Convenience	Pearson correlation	.448**	.492**	.518**	.482**	1

Note: **significant at 01 level (two-tailed)

Source: Computed data

The Pearson correlation between Tangible and reliability is .772; with competence is .833, with personal interaction is .749 and with convenience is .448. The reliability with competence is .851, with personal interaction is .836, and with convenience is .492. Competence has a high positive correlation with personal interaction at .861 and with convenience at .518. Personal interaction attribute shows high correlation with convenience at .482. The results suggest that the each attribute plays a significant role in determining the customers' perception towards service quality in Canara Bank. The results are significant at .001 levels. Customers' perception towards service quality of Canara bank would be affected by the interplay of the quality attributes. The intangibility of services makes service delivery complex and multifaceted. The customers' perceptions are guided and determined by their past experiences about banking services. Their disappointment with service quality would influence their expectations about what they seek in a service. The customers' perception governed by all the service quality attributes and presence and performance of one attribute supports the performance of the other four attributes. Thus, the hypothesis formulated (H02) is accepted. It is concluded that service quality attributes to show a positive relationship amongst themselves.

5. CONCLUSION

Customers are most important assets of any business. The success and failure of any business depends upon how far they satisfy the expectation of their customers. Banks are an important social organization rendering various financial services to its customers. Realising the importance of customer service in banks, recommendations are made by various committees to improve the service quality of Banks. Customer satisfaction is improved when the service provided surpasses the perceived value of customers. An exchange of information is essential to understand changing customer needs and behaviors so that corporations can customize

products for individuals. Corporations with good credit can build the confidence of customers to share important information and to consider repeat purchases. This study finds that Canara bank is evaluated positively by respondents in general, but continuous improvements are recommended to maintain a competitive edge.

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