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Challenges Faced By Customers Using Value Added Services Offered By Selected Commercial Banks in Thoothukudi DISTRICT

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ABSTRACT

Banks have adopted various electronic technologies to deliver a broad line of value added products and services to their customers. Value added services have gained greater importance in modern days. The purpose of this study is to identify the Problems faced by customers using Value Added Services offered by selected Commercial banks in Thoothukudi. Primary data was collected by using questionnaire under purposive random sampling method. 600 sample respondents were selected from selected Public sector banks like State Bank of India, Indian Overseas Bank and Indian Bank and Private sector banks like ICICI, HDFC, and TMB in Thoothukudi District. In this paper, the major findings on challenges faced by customers while availing value added services and suggestions based on the findings were discussed.

Keywords: Value Added Services, Commercial Banks, Challenges, Public and Private sector bank.

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INTRODUCTION

Today customer is the king. All the banking facilities are designed to try to attract the customers. Value added services have been the key drivers of the revolutionary changes in the Indian financial sector with the increasing demand for inter connectivity, Internet banking, Automated Teller Machine (ATM), Mobile banking and Bill payments are new facilities that banks are using not only to attract customers but also to help them reducing their own operating costs.

STATEMENT OF THE PROBLEM

In the present world, very fast and everyone always busy and experts to complete their engagements from a single window. Today most of the customers are increasingly using the value added services facilities available in banking sector. It reduces cost and saves time. On the other hand, e-banking has certain problems such as lack of knowledge to operate the services, set up cost, lack of relationship among banker and customer, securely and privacy issues. Thus the researchers try to focus of this study is problems faced by customers while using value added services offered by selected commercial banks.

REVIEW OF LITERATURE

Joseph Evana Agolia and Tshepiso Makara and Gladness Monametsi(2018)[1] in their study titled "Impact of Banking Innovations on Customer Attraction, Satisfaction and Retention: The case of Commercial Banks in Botswana". The study offers evidence of antecedents of banking innovations from a developing country (Botswana). The study indicates that, innovative banks are likely to attract and satisfy their customers. The study is also reveals that offer useful understanding of commercial banks, specifically when embarking on introduction of innovative practices that seeks to attract, satisfy and retain customers in the rapidly changing and competitive environment. The study is concluded that emphasises the application of innovative practices as a way to increase commercial banks clientele base, which, in turn, results in competitive performance. The study offers insights in to commercial innovative practices, which have influence on customers attraction,

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satisfaction and retention. The study's key limitations arise from sample size; perhaps a more robust sample size in a different geographical would suffice. Bulomine Regi (2017)[2] in his paper titled "Problem faced by customers using technological banking services- An Inferential Analysis". The study observed that banking sector plays an important role in the economic development in India. Banking is still under evolutionary stage as it is adopting new technologies to further facilitate the customer convenience in the secured environment. The study is also focused that technological banking is becoming popular amongst customers who are familiar with the technology up graduation but it is gradually spreading to mass especially at urban and metropolitan cities. Few banks have taken an early lead by introducing technological banking. These banks are providing the basic services through technological banking viz account enquiry, details of last five transactions and statement of accounts, etc.they have the basic infrastructure to offer the art of services through technological banking. The study on the customer perception towards user friendly technology in banking sector reveals that respondents are satisfied in some aspects and they want to continue in their respective banks . The shift from customerised services is highly essential to satisfy all groups of customers. The findings of the study stresses upon the importance of the security and safety expected by the customers especially in technological banking like ATM, Internet banking, Mobile banking, etc. The future of internet banking lies in offering personalized internet based services that are not only valued by their customers but are also unique to them. This would also help them evolve continuously to meet customers' needs, capitalizing on new technology to build stronger customer relationship. Surekha, Anitha,Kaleeswari (2015)[3] in their study entitles " Impact of E-Banking on Service Quality of Public and Private Sector Banks". The study focused that in the present scenario banking sector of India is running in a dynamic challenge concerning both customer base and performance. Service quality is an indispensable competitive strategy to retain customer base. The study reveals that service quality plays a major role in getting customer satisfaction. Banks are trying hard to win customer satisfaction by providing better quality services. This study compares customer's perceptions of service quality of both public and private banks of India. The service quality of both the banks has been measured using SERQUAL (service quality) scale. The results show that dimensions of service quality such as Tangibility,

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Reliability, Responsiveness, Empathy and Assurance significantly predict customer trust and commitment. Private bank customers are more committed and satisfied as they receive better quality of service. The study implies that public sector banks should also come forward and try their best to provide better quality service to win back their customers. Gopalakrishnan, Packialakshmi (2013)[4] in their study entitled "A study on Customer Awareness of Computerization Services with reference to Private and Public Sector Banks in Thoothukudi District" analysed on customer awareness of computerization services with reference to private and public sector bank in thoothukudi district. The study is also focused the banking industries seek more competitive advantage for delivering the superior services to the customers. The study reveals the awareness and satisfaction of customers in computerization based banking services. The study is also found that the influence of computerization reduces the work and time and also found that there are some obstacles faced by the customers while operating the computerization based banking services. The study also suggested that computerization services reduce the number of physical visits to a bank by the customers and also study this added convenience to the customer lowers the transaction cost for the banks and its customers. The study found that as customers increasingly interact with their banks through computerization based services, the banks and the customers' relationship are significantly greater in size. Thyagarajan (2009)[5] in his study entitled "Customer's Perception towards Customer Services with Value Added Services in Private Sector Banks in Coimbatore City". The study reveals that there are vast opportunities as well as challenges for value added services provided by banks in India. The study is found that due to technological innovations and significant change in demographic profile of customers, there is huge market potential lying a head. The study also reveals that ATMs and Credit cards are the most common value added services utilised by the respondents. The study is also found that the efforts must be made to market the other services like E-banking, Demat accounts, Online tax filing, Anywhere banking, etc, so that the customers as well as banks are benefited. The study is investigated the banks need to equip themselves with interval capabilities and build efficient and viable business models to create advantage of new opportunities available in to a long term sustainable competitive advantage and also that implementation of information technology to enhance customer service also calls for training and change in the mindset and

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attitude of employees and the organisation. The study is also suggested technology planning should be integrated well with the organisations marketing strategy.

RESEARCH METHODOLOGY

Primary data were collected using questionnaire under purposive random sampling method. Secondary data were collected from books, journals, magazines and websites. 600 sample respondents were selected from various public sector banks like State Bank of India, Indian Bank, Indian Overseas Bank and private sector banks like ICICI, HDFC and TMB in Thoothukudi District.

ANALYSIS AND FINDINGS OF THE STUDY

The brief analysis and interpretation are discussed below:

Value added services are the very useful services provided by banks. Even though, some problems are faced by the value added services users. The gathered problems are tabulated and given below.

Table 1: Problems faced by the respondents while using value added services

Problems(VAS)	**Mean**	**Std. Deviation**	**Mean Rank**
ATM cum DEBIT CARD Cards get blocked	3.85	0.969	I
Machine out of cash	3.77	0.985	II
Non printing of statement	3.76	1.095	III
Machine out of order	3.58	1.137	IV
Long waiting time in queue	3.50	0.972	VII
Limited ATM	3.40	1.059	IX
Reduction in balance without cash payment	3.52	0.992	VI
Lack of infrastructure and unsuitable location of ATM's	3.20	1.065	XII
Less safety	3.24	1.072	XI
Not suitable for all time	3.30	1.038	X
Most of the ATM cards allow you to withdraw limited money during the day	3.47	1.082	VIII
ATM services cannot be provided large number of rural areas	3.54	1.044	V
INTERNET BANKING Not providing information	3.20	1.055	VIII

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Not being able to maintain security	3.20	.948	IX
Not giving fast response	3.07	1.020	X
Leaving the operations un finished	3.59	.961	I
Internet banking can be tampered with by others	3.53	.937	II
Waiting for long time for conducting of transactions	3.45	.869	III
Too many steps in processing transaction	3.40	.936	V
Un authorized access within the network and loss a damage of data by hackers	3.31	.921	VI
In ability to manage information properly and to deliver products and services	3.43	1.000	IV
In adequate information to customers about product use and problem solution procedures	3.31	.838	VI
TELEPHONE BANKING			
Lack of knowledge of customer service representative	3.58	.979	I
Absence immediate connection to the service	3.39	.905	III
Lack of prompt service	3.49	.915	II
Lack of clear guidelines	3.39	.927	III
MOBILE BANKING			
Log in/sign of are not easy	3.42	.962	II
Lack of security in transaction	3.39	.879	III
Lack of appropriate software	3.38	.937	IV
In accurate processing of transactions and transaction has not been up loaded	3.43	1.043	I
Mobile bank service charges are high(hidden cost)	3.25	.906	VI
Data privacy and confidentiality	3.23	.963	VII
In adequate information to customer's about product use and problem	3.30	1.000	V
SMART CARD			
Smart card some time creates technical hurdles to make payments	3.26	.949	III
Smart card required more formalities	3.25	.943	IV
Discomfort to retrieve information from a stolen card	3.46	1.008	I
The card must be recharged	3.30	1.013	II
Dependence of electrical energy for use	3.15	.973	VI
Need a smart card reader	3.21	.880	V
CREDIT CARD			
Buying a credit card is a time consuming process	3.37	1.062	IV
Charges on revolving credit facility	3.21	.924	IX
Delay in issuing new card in place of lost card	3.36	1.029	V
Poor response for the balance enquiry	3.41	.989	II
Credit limit fixed is low	3.38	.893	III
Delay in sending monthly statement	3.31	.926	VII
Errors in monthly statement	3.14	1.066	XI
Difficulty in interacting card issuing banks for grievances	3.51	.933	I

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Incentive offered on card are not much rewarding	3.31	.817	VII
Lesser interest free credit period	3.36	.927	V
Un necessary influence to buy card	3.15	1.020	X
PAYTM Online fraud	3.43	1.026	VI
Not refund 100rs	3.35	.928	VIII
Wrong benefits of recharge	3.60	1.040	I
Paytm is selling damaged/defective products	3.45	1.024	IV
Not receipt of payment	3.38	.988	VII
Wrong account number transaction	3.34	.958	IX
Bill still due	3.44	.967	V
Electricity bill payment failed but amount was detected in bank	3.55	.964	II
Money not added to the paytm account	3.51	.969	III
NEFT Unclear division of costs	3.37	1.001	II
Relatively high cost in case of small amounts	3.35	.917	III
Necessity of routing transfers via the bank established in the home country of the transfer currency	3.41	.998	I
SAFE DEPOSIT BOX Keeping track of the keys to safe deposit box	3.60	.917	I
Limited access to the safe deposit box during regular banking hours	3.49	.908	III
No guarantee against damage	3.32	.959	VI
Loss due to theft	3.52	.915	II
Access can be denied	3.42	.919	IV
Not insured	3.41	.893	V
TRAVELER'S CHEQUE Consumers must pre-determined an amount of currency to convert prior to travel	3.36	.851	IV
The currency exchange rates may change during travel	3.45	.929	II
Fees may be associated with using travelers cheque	3.38	.903	III
Some vendors do not accept travelers cheque	3.46	.943	I
RTGS Though less, commission rates are present. So, when compared to cash, these are costly	3.54	.929	I
Complexity of these systems is higher compared to conventional systems	3.31	.949	IV
Having a bank account is mandatory to use these system	3.44	.865	III
If the website and application used in the systems are not secure, it may lead to huge losses	3.46	1.139	II

Source: Primary Data

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The above table shows the problems faced by the customers while availing Value Added Services offered by select public and private sector banks in Thoothukudi District. Based on the mean score the major problem faced by the customers while using ATM is Card gets blocked easily. Based on the mean score the main problem faced by the customers while using Internet banking is leaving the operations unfinished. Based on the mean score the main problem faced by the customers while using Telephone banking is lack of knowledge of customer service representative. Based on the mean score the major problem faced by the customers while using Mobile banking is inaccurate processing of transactions and transaction has not been up loaded. Based on the mean score the main problem faced by the customers while using Smart card is discomfort to retrieve information from a stolen card. Based on the mean score the main problem faced by the customers while using Credit card is difficulty in interacting card issuing banks for grievances. Based on the mean score the main problem faced by the customers while using Paytm is wrong benefits of recharge. Based on the mean score the main problem faced by the customers while using NEFT is necessity of routing transfers via the bank established in the home country of the transfer currency. Based on the mean score the main problem faced by the customers while using Safe deposit box is keeping track of the keys to safe deposit box. Based on the mean score the main problem faced by the customers while using Traveler's cheque is some vendors do not accept traverler's cheque.

Inference

It is inferred that majority of the respondents are facing over all problem while using the value added services are cards get blocked, leaving the operations unfinished, lack of knowledge of customer service representative, inaccurate processing of transactions and transaction has not been up loaded, discomfort to retrieve information from a stolen card, difficulty in interacting card issuing banks for grievances, wrong benefits of recharge, necessity of routing transfers via the bank established in to home country of the transfer currency, keeping track of the keys to safe deposit box, some vendors do not accept traveler's cheque, though loss, commission rates are present. So when compared to cash these are costly.

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SUGGESTIONS

- The security and safety in access the ATM, Mobile Banking, Internet Banking has to been sharply noted.
- Make use of the value added services much easier.
- The thumb impression is used as a PIN code or Password for internet banking to avoid hacker's money theft in value added services.
- The software application for mobile banking is not suitable for all mobile phones. Due to tremendous development in the latest technologies in the mobile phones. Customers have various models of mobiles. So satisfy their customers banker has to take proper steps in having suitable software for all types of mobile phones.
- A banker has to arrange facilities to solve their problems by themselves through online itself.
- New schemes introduced by the banks should reach the customer with in limited period by informing the scheme through sending e-mail, SMS, advertising media and newspaper.
- Banks has to take steps to advertise about their latest services through advertisements because it is an easiest mode of advertising about services and attract more users.

CONCLUSION

Customers for financial services are changing in terms of their wants, needs, desires, expectations and problems and financial service providers have to understand who their customers are, what they prefer, why they buy, who makes the decision and how the consumer uses the product and service. In conformity with these changes, there should be changes in the bank's services, training, attitudes and images, marketing strategies and patterns of organization and control. New technology driven products blended with traditional ones and personalized service will enable banks to extend a variety of financial services under one roof. The findings of the study stresses upon the importance of the security and safety expected by the customers especially in value added services like ATM, Internet Banking, Mobile Banking , etc. The future of internet banking lies in offering personalized internet based services that are not only valued by their customers but are also

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unique to them. This would help distinguish themselves in the crowd. This would also help them evolve continuously to meet customers' needs, capitalizing on new technology to build stronger.

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