



Impact of New Economic Environment with Reference To Catholic Syrian Bank Ltd Thrissur

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ABSTRACT:- In the financial Year 2014-2015, we saw financial institutions taking concrete steps to implement new government policies. Financial inclusion is one of the major steps initiated by banks. But because of increasing competition banking sector facing frequent slowdowns and downturns the unbanked population provides a huge opportunity for banks to enhance their customer base and fulfill their social responsibility. This research aims to identify the benefits available to both bank as well as customers. Primary data was collected through questionnaires and personal interviews. Various Statistical tests like Correlation, T test have been used. Here we analyse changes in deposits, investments, number of customers of a bank as well as customer satisfaction while implementing these new policies.

Keywords:- Customer satisfaction, Financial inclusion, CSB, Banking Reforms, Investment

I. INTRODUCTION

This paper gives an idea about Customer satisfaction towards the catholic Syrian bank after the new banking reforms. Government concentrates on six areas - financial inclusion, technology, priority sector lending, risk management, people strategy and governance. The working of the customer's mind is a mystery which is difficult to solve and understanding the nuances of what customer satisfaction is, a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customer satisfaction and their measurement. "If you cannot measure it, you cannot improve it." - Lord William Thomson Kelvin (1824-1907). This study takes a look at the models for measuring customer satisfaction and suggests areas for further research. The major objective of Indian banking sector reforms was to promote operational independence, flexibility and competition in the system and to augment the banking standards in India to the global standards of banking. Although the Indian banks contributed noteworthy results but possess certain weakness erosion in profitability, diseconomies of scale and tough competition with private sector banks

II. STATEMENT OF PROBLEM

Prime Minister Narendra Modi introduced new reforms in Indian financial sector. One of the most important reforms is Financial Inclusion initiated in banking sector. Aim of this study is analysing the customer satisfaction with the new banking reforms with special reference to CSB.

Objectives

1. Satisfaction of customers in the catholic Syrian bank, Thrissur especially after the banking reforms by new government.
2. To evaluate benefits avail towards CSB after the new banking reforms
3. To find out whether new technological facilities implemented by bank are satisfied with the customers.

Company Overview

Catholic Syrian Bank is the financial and commercial private bank that was started in 1920 at Thrissur, Kerala. The founder directors of the bank were people of eminence known for their foresight, integrity and initiative. The policy they laid down has been consistently upheld by the successive generations who guided the destiny of the institution. The bank commenced business on January 1st, 1921 with an authorized capital of Rs.5 lakhs and a paid up capital of Rs. 45270. Catholic Syrian Bank has a strong presence in rural India and around

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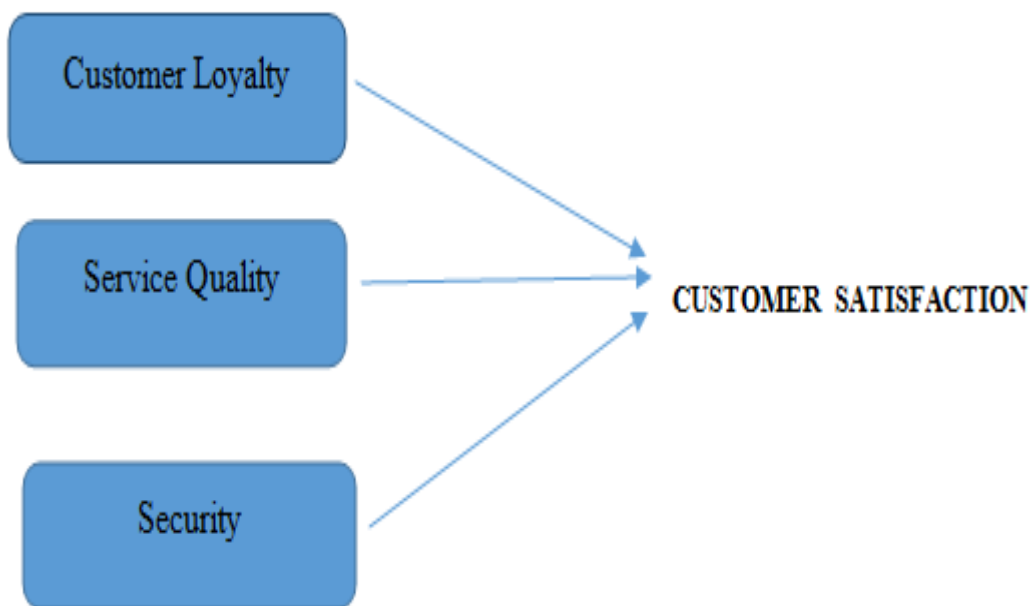
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80% of the bank's branches are located in the semi-urban and rural areas of India. At present, the bank has a network of 431 branches and 233 ATMs across India. Catholic Syrian Bank provides many schemes and services for the public like VIP car loan, Gold Loan, ATMs, Mobile message services, Internet Banking, Education Loan, Social Support Saving Scheme, Casy Mithra and various other services and schemes

III. LITERATURE REVIEW

Customer satisfaction means 'A qualitative measure of performance as defined by customers, which meet their basic requirements and standards'. The heart of the satisfaction process is the comparison of what was expected with the product or service's performance – this process has traditionally been described as the confirmation or disconfirmation process. First, customers would form expectations prior to purchasing a product or service. Second, consumption of or experience with the product or service produces a level of perceived quality that is influenced by expectation. Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals."

Framework of Customer Satisfaction



A consumer may have personal accounts at a commercial bank. The commercial bank's primary business involves taking in financial assets as deposits then lending these assets to other customers at a rate of interest. Consumers use banks to keep financial resources safe and readily available for use. Customers of the bank rely upon its ability to liquidate financial resources held on account when they request the bank to do so. Banks provide customers with specially printed checkbooks. Banks lend money to private and business customers. These loans take the form of personal loans, commercial/business loans, and home/property loans. Some banking services are

1. Accepting deposits
 2. Granting loans
 3. Maintaining accounts
 4. Demand drafts & cheques
 5. Funds transfer
- Reforms in banking sector may be expected to be in following areas initiated by new government:

Banking structure & consolidation

Though the United Progressive Alliance (UPA) government had mooted a holding company structure for PSBs, not much progress was made on this. The idea was to enable these banks to raise capital more efficiently as the government, the majority owner of such banks, is constrained in infusing fresh capital every year due to its fiscal consolidation commitment.

If the government wants to maintain its shareholding in PSBs, these banks will need Rs 2.4 lakh crore of capital till 2018. Consolidation among PSBs was pushed by former finance minister P Chidambaram. The UPA government had supported the idea, but said it would not force banks to merge, adding such proposals should come from the bank boards concerned.

Asset quality & recovery

For the sector, the biggest concern is asset quality, which has declined sharply in recent years. According to RBI data, gross non-performing assets (NPAs) in the banking system rose to 4.5 per cent of gross advances in September 2014, against 4.1 per cent in March. During the same period, total stressed assets in banks (gross NPAs + restructured advances) rose from 10 per cent to 10.7 per cent. One way to reduce bad loans is to have an effective recovery mechanism, as the current system seems inadequate.

According to latest data, for 1.86 million cases, banks approached LokAdalats and debt recovery tribunals and used the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act in FY14 (a 78 per cent increase over the previous year). While these cases accounted for Rs 1.74 lakh crore, banks recovered only Rs 31,100 crore (18 per cent). The government is planning to make laws more stringent by amending the Sarfaesi Act, as well as laws pertaining to debt recovery tribunals, to effectively deal with bad loans, especially those being created by suspected wilful defaults.

Financial inclusion

Banks have already opened about 100 million accounts under the PradhanMantri Jan DhanYojana. However, 75 per cent of these accounts don't have any money yet. The retreat in Pune will discuss ways to take the initiative forward and plug the loopholes in this segment.

Human resources

With a large number of middle-level staff set to retire, the central bank has termed the decade a "human resources decade". With banks opening a huge number of accounts under the Jan Dhan scheme, they will need more branches and personnel for those.

Priority sector lending

Currently, there are uniform priority sector lending norms for all banks. It has been suggested priorities should depend on a bank's strengths. For instance, a PSB with predominantly rural presence can have direct agriculture as the main priority. Some clarity on the issue is expected at the retreat.

Technology

While most banks are on the core banking platform, some regional rural banks are yet to adopt core banking solutions (CBS). Also, it is virtually impossible to reach the vast un-banked population in the country through a brick-and-mortar structure; technology will play a key role in expediting financial inclusion.

A multi-channel approach, through hand-held devices, mobiles, cards, micro-ATMs, branches, kiosks, etc, should be used by banks, while ensuring the transactions through such front-end devices should be seamlessly integrated with banks' CBS. In addition, alternative channels such as social media can help banks understand customers better. These can also be used for marketing campaigns. A detailed road map on this is expected at the Pune meeting.

Research Methodology

Research method is defined as techniques that are used for conducting research such as in data collection, data analysis, and evaluation of the accuracy of the research results. Data was collected for this study from a simple random sampling method. Sample is selected as a representation of whole population. This study is conducted on the basis of sample size with 60 people. Data is collected using questionnaires and personal interviews. One part of questionnaire consists of questions related to new banking reforms. Other part includes questions related customer satisfaction towards banking facilities.

Hypothesis

- H1: There is significant change in customer satisfaction after new reforms by the Government.
- H2: There is significant difference in facilities provided by banks and customer satisfaction.
- H3: There is significant relationship between the usage of ATM facilities and customer satisfaction.
- H4: There is significant relationship between the usage of online banking facilities and customer satisfaction.

IV. DATA ANALYSIS AND INTERPRETATION

Independent Samples t-test

The t-test is used to compare the values of the means from two samples and test whether it is likely that the samples are from populations having different mean values. When two samples are taken from the same population it is very unlikely that the means of the two samples will be identical. When two samples are taken

from two populations with very different means values, it is likely that the means of the two samples will differ. Our problem is how to differentiate between these two situations using only the data from the two samples.

T-test

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
VAR00002	60	2.5667	.76727	.09905		
VAR00003	60	4.8500	1.66545	.21501		

One-Sample Test						
Test Value = 0						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
VAR00002	25.912	59	.000	2.56667	2.3685	2.7649
VAR00003	22.557	59	.000	4.85000	4.4198	5.2802

H1: There is significant change in customer satisfaction after new reforms by the Government

Inference: Here P value is 0 which is less than .05 then we can accept alternative hypothesis. That means New reforms initiated by the government affect satisfaction of the customers.

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
VAR00002	60	2.5667	.76727	.09905
VAR00004	60	17.0667	2.35686	.30427

One-Sample Test						
Test Value = 0						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
VAR00002	25.912	59	.000	2.56667	2.3685	2.7649
VAR00004	56.091	59	.000	17.06667	16.4578	17.6755

H2: There is significant difference in facilities provided by banks and customer satisfaction.

Inference: Here P value is 0 which is less than .05 then we can accept alternative hypothesis. Customers are satisfied with the facilities provided by the bank

Correlation

Descriptive Statistics			
	Mean	Std. Deviation	N
VAR00002	2.5667	.76727	60
VAR00005	2.5333	.72408	60

Correlations			
		VAR00002	VAR00005
VAR00002	Pearson Correlation	1	-.096
	Sig. (2-tailed)		.468
	N	60	60
VAR00005	Pearson Correlation	-.096	1
	Sig. (2-tailed)	.468	
	N	60	60

H3: There is significant relationship between the usage of ATM facilities and customer satisfaction .This value is -0.96 which is negatively co-related.

Here the customers are not satisfied with the ATM facilities provided by bank.

Descriptive Statistics			
	Mean	Std. Deviation	N
VAR00002	2.5667	.76727	60
VAR00006	2.3167	.85354	60

Correlations			
		VAR00002	VAR00006
VAR00002	Pearson Correlation	1	.161
	Sig. (2-tailed)		.218
	N	60	60
VAR00006	Pearson Correlation	.161	1
	Sig. (2-tailed)	.218	
	N	60	60

H4: There is significant relationship between the usage of online banking facilities and customer satisfaction.

The value is .161 which means usage of online banking facilities and customer satisfaction are positively correlated.

Performance highlights:

Over the year bank have developed a clear business strategy.

Key Financial Parameters	2014	2013
sits	13,674	12,341
Advances	8,708	8,852
Total business	22,381	21,193
Total Assets	15,316	13,620

Non-performing Assets Management

During the period bank has been able to contain the non-performing assets to a large extent despite slowdown in the economy.as a part of this bank has focused more on reduction of NPA'S by ensuring close monitoring and other control measures , invocation of SARFAESI Act, thrust on-up gradation of fresh NPA's to standard assets and so on.

Priority sector lending

Bank has continued to give special emphasis is on lending to priority sector. Priority sector advances extended by your bank stood at Rs.3135Crore. Total agricultural advance stood at Rs.766.45 Crore in 2014.

Opening of new branches

Bank plans to open more branches and ATMs as a part of its business strategy. At present, the bank has a network of 431 branches and 233 ATMs across India.

Technology

In this financial year total strength of ATMs comes to 233.The bank has tie ups with VISA, NFS (National Financial Switch), DS (discover Financial Services) to increase the accessibility of ATMs across the world. International Debit cum shopping card issued in association with Visa International. The global support card holders can use the card at 24million establishments worldwide.

Human Resources

Human resource department playing major role in the performance of the bank. Bank has total staff strength of around 3000 in this financial year 2015.

Financial Inclusion

In line with government of India and reserve bank of India initiatives for ensuring greater financial inclusion and increasing the outreach of banking sector, the has adopted the six villages, one village in Kerala and five village in Tamilnadu and appointed business correspondents for providing banking services in these villages. The bank has installed biometric ATMs in two villages for the benefit of customers.

V. FINDINGS AND CONCLUSION

- Customers are satisfied with the reforms initiated by new government. Here bank has introduced two new plans for pension and insurance namely PMJDY and PMJJY
- Customers are also satisfied with the facilities provided by the bank
- ATM facilities provided by the bank are not a factor of providing satisfaction to the customers.
- Online banking facilities provided by the bank are satisfied with the customers but not significant. Because only a small amount of customers are taken as a sample.

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