

DEPOSIT MOBILIZATION IN CANARA BANK AT PERAMBALUR - A STUDY

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ABSTRACT

Competition & innovation technologies are entering into the bank business. The banks plan the suitable strategy to improve their business through continuous evaluation and fulfillment of customers need. The modern banking, since 1969, had seen tremendous changes. The banks in addition to their traditional functions, have been innovating, improving and coming out with new types of services to cater to the emerging needs of their customers. Banks provide funds for the business and play a major role in the development of a nation. It acts as an intermediary between people having surplus money and those requiring money for various business activities. Now a days banks has to render various services such as internet banking, mobile banking, issuing credit cards, atm cards etc. In the order to satisfy the customers. On the same hand banks now a days are satisfying the credit requirements of various sectors like Agriculture, Industries, Retailing, Export sector etc.

Key words: Bank, customers, deposits, satisfaction.

INTRODUCTION:

Banking system occupies an important place in nation's economy. A banking institution is indispensable in a modern society. Banks was first introduced in the year 1397, Italy. The first bank introduced was called Medici bank (started by a group of family). It plays a pivotal role in the economic development of country and from the core of the money market in an advanced country. The government of India is taking banking to remote areas also by opening new branches.

STATEMENT OF THE PROBLEM:

Banks, the world over, thrive on their ability to generate income through their lending activities. Since commercial banks depend on depositor's money as a source of funds, it means that there are some relationships between the ability of the banks to mobilize deposits and the amount of credit granted to the customers.

For the purpose of achieving self – sufficiency there is the need to improve ways of mobilizing domestic deposits. Records indicate that large chunks of deposits are lying idle under pillows and in bamboos in the rural areas being left out of the banking stream. Therefore commercial banks should increase ways to approach and mobilize the huge deposits lying in the unbanked people to maximize and maintain their portfolios.

OBJECTIVES OF THE STUDY:

- ❖ To study the conceptual framework of banking.
- ❖ To examine the perception of customer in study area.
- ❖ To analyze satisfaction level of customers of Canara bank at Perambalur .

DATA COLLECTION:

Primary data refers to the data, which is collected for the first time. The primary data collection was done with the help of questionnaire method.

Secondary data refers to the study made by others for their own purposes. It was collected from books, journals, magazines and websites.

TOOLS USED FOR DATA COLLECTION:

The required data for this analysis were gathered by adopting questionnaire method. The data collected were summarized using tabulation, diagrams like bar diagrams and pie diagrams.

SAMPLE SIZE:

The sample method chosen for conducting the research was random sampling method. The sample was collected from “50” respondents.

PERIOD OF THE STUDY:

The study has been conducted during the period 2019-2020

AREA OF THE STUDY:

This study was conducted in the Perambalur town. Here the data was collected from the people of Big South Street, NSK Mahal and Perumal Kovil street and Vadakumadhavi street.

NEED OF THE STUDY:

This study is to establish the effects of deposit mobilization in Canara bank at Perambalur.

REVIEW OF THE LITERATURE

Yuan Lu and Tseng (2011) Proposed that applying the innovation would do increase an enormous customer involvement in product development process. In this respect, the implementation of product innovation or service innovation requires the involvement of customers. The behavior and the needs of the depositors determine the shape, size and system of the services.

Sebastiani and Payola (2010) Successful innovation often comes from things that are not technological. Sophisticated technology is not a guarantee to provide excellence in performance. Therefore direct interaction with the customers is one of the privileges in service innovation activities. In the past, service innovation perceived to be unimportant because of its intangible nature. However, due to the fact that service industry is growing rapidly, service innovation is forced to be developed.

suresh (2012) opined, due to reforms and developments in the capital market, particularly the developments of non-banking financial companies, there is much more awareness among the investors, and deposit mobilization has become competitive and challenging for the banking industry.

The process of financial liberalization has intensified competition between financial institutions, thus forcing commercial banks to compete for deposits in various forms (**Haron and Azmi, 2006**). According to **Bologna (2011)**, deposit play a pivotal role in bank funding, as a major portion of a commercial banks assets is usually financed through customer deposits.

ANALYSIS AND INTERPRETATION

TABLE – 1 CLASSIFICATION OF THE GENDE

S.NO	CATEGORY	NO.OF. RESPONDENT	PERCENTAGE %
1.	Male	34	68 %
2.	Female	16	32 %
	Total	50	100%

Source: Primary Data

The above table 1 shows that out of 50 respondents, 68% of the respondents were male and remaining 32% of the respondents were female. It is concluded that majority 68% of the respondents were male.

TABLE – 2 CLASSIFICATION OF AGE

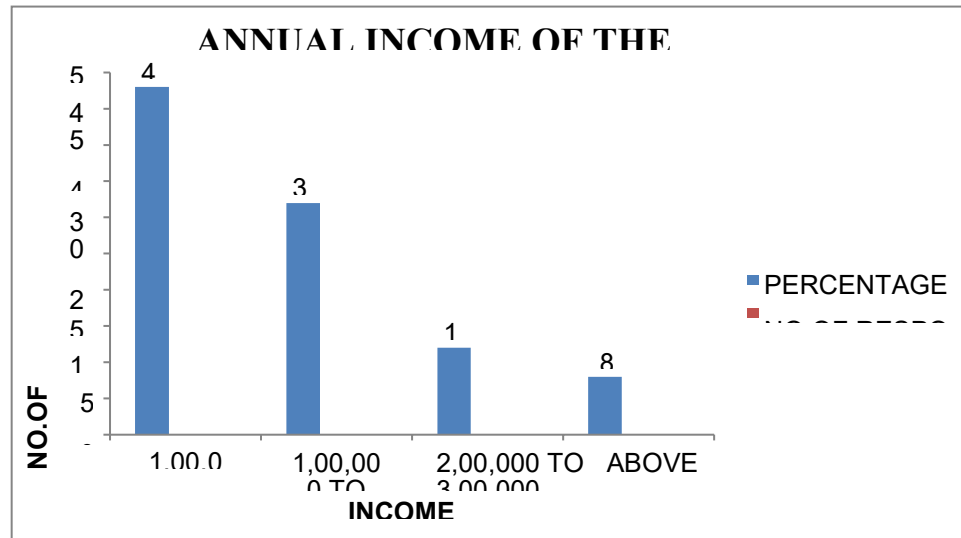
S.NO	CATEGORY	NO.OF.RESPONDENT	PERCENTAGE
1.	15-35 years	32	64
2.	35-50 years	14	28
3.	50-60 years	4	8
4.	Above 60	Nil	Nil
	Total	50	100

Source: Primary Data

The table 2 reveals that out of 50 respondents, 64% of the respondents belong to the category of 15-35 years, 28% of the respondent belong to the age group of 35-50 years, 8% of the respondents belong to the age group of 50-60 years and none of the respondent does not belong to the age group of above 60. It is revealed that mostly 64% of the respondents belong

to the age group of 15-35 years.

**CHART – 1
CLASSIFICATION OF THE ANNUAL INCOME OF THE RESPONDENT**



Source : Primary data

TABLE – 3. CLASSIFICATION OF THE RESPONDENTS LIVING AREA

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Rural	14	28%
2.	Urban	36	72%
	Total	50	100 %

Source: Primary Data

The table 3 proves that out of 50 respondents, 72% of the respondents belong to urban area, left out 28% of the respondents belong to rural area. It is proved that majority 72% of the respondents belong to urban area.

TABLE – 4 CLASSIFICATION OF CHOOSING THIS BANK

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Past relationship	20	40%
2.	Brand name	10	20%
3.	Near to home/office	14	28%
4.	Others	6	12%
	Total	50	100%

Source: Primary Data

The statistical table 4 shows that out of 50 respondents, 40% of the respondents have chosen this bank for the past relationship, 20% of the respondents have chosen this bank for its brand name, 28% of the respondents have chosen this bank since it is near to home/office, 12 % of the respondents have chosen this bank for some other reasons. It is finalized that mostly 40% respondents have chosen this bank for the past relationship.

TABLE – 5 CLASSIFICATION OF SERVICES PROVIDED BY THE BANK

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Satisfied	4	8%
2.	Moderate	36	72%
3.	Dissatisfied	10	20%
4.	very satisfied	Nil	Nil
	Total	50	100%

Source: Primary Data

The analysis show that out of 50 respondents, 72% of the respondents were satisfied with the services provided by the bank, 20% of the respondents felt that services provided by the bank was moderate, 8% of the respondents felt dissatisfied with the services provided by the bank, but none of them felt very dissatisfied with the services provided by the bank. It is summarized that highly 72% of the respondents were satisfied with the services provided by the bank.

TABLE – 6 CLASSIFICATION OF CONTACTING THE BANK CUSTOMER SERVICES

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Email	11	22%
2.	Fax	06	12%
3.	Message	13	26%
4.	Call	18	36%
	Total	50	100%

Source: Primary Data

The above table 6 shows that out of 50 respondents. 22% of the respondents contact bank customer services through Email, 12% of the respondents contact bank customer services through fax, 26% of the respondents contact by customer services through message, other 36% of the respondents contact bank customer services through call. It is concluded that majority 36% of the respondents contact the bank customer services through call.

TABLE-7CLASSIFICATION OF GETTING THROUGH PHONE

S.NO	CATEGORY	NO.OF. RESPONDENT	PERCENTAGE
1	Immediately	28	56
2	Under 30sec	11	22
3	About 1 mins	8	16
4	More than 5 mins	3	6
	Total	50	100

Source: Primary Data

The above table 7 indicates that out of 50 respondents ,56% of the respondents tell that they immediately get through phone with the bank and minimum 6% of the respondents tell that it takes more than 5 minutes to get through phone. It is concluded that maximum 56%

conclude that they get through phone immediately.

TABLE – 8 CLASSIFICATION ON THE CUSTOMER SERVICE SATISFACTION

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Quick	16	32
2.	Courteous	1	2
3.	Professional	4	8
4.	Knowledgeable	6	12
5.	Respectful	8	16
6.	Helpful	14	28
	Total	50	100

Source: Primary Data

The table 8 predicts that out of 50 respondents, maximum 32% of respondents felt that customer service is quick and minimum 2 % of respondents felt that customer service is courteous. It is felt that maximum 32% of the respondents have quick customer service.

TABLE– 9 CLASSIFICATION OF DEPOSIT ACCOUNT

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Very satisfied	14	28%
2.	Satisfied	16	32%
3.	Moderate	11	22%
4.	Dissatisfied	09	18%
	Total	50	100 %

Source: Primary

Data

The table 9 exhibits that out of 50 respondents, majority 32% of the respondents were

satisfied with the deposit account and majority 18% of the respondents were dissatisfied. It is summarized that majority of the respondents were satisfied.

TABLE – 10 CLASSIFICATION OF HANDLING ACCOUNT EFFICIENTLY

S.NO	CATEGORY	NO.OF.RESPONDENT	PERCENTAGE
1.	Yes	31	62
2.	No	19	38
	Total	50	100

Source: Primary Data

The table 10 reveals that maximum 62% of respondents are able to handle the account efficiently without any mistake. And minimum 38% of the respondent could not able to handle the account efficiently.

TABLE – 11 CLASSIFICATION OF CHARGE LEIVED BY THE BANK

S.NO	CATEGORY	NO.OF.RESPONDENT	PERCENTAGE
1.	Very satisfied	12	24%
2.	Satisfied	26	52%
3.	Moderate	07	14%
4.	Not satisfied	05	10%
	Total	50	100%

Source: Primary

Data

The table 11 interprets that max 52% of the respondent are “satisfied” with the charge leived by the bank and 10% of the respondent were “not satisfied”.

TABLE 12 CLASSIFICATION OF BANK RESPONDENCE TO THE CUSTOMER

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Quickly	15	30%
2.	Moderate	20	40%
3.	Slowly	10	20%
4.	Very slowly	5	10%
	Total	50	100%

Source: Primary

Data

The analysis shows that out of 50 respondents maximum 40% of the respondents feel that bank response moderately with the customer. And minimum 10 % of the respondents feel that bank response very slowly.

TABLE 13 CLASSIFICATION OF WITHDRAWING THE DEPOSIT AMOUNT

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Yes	40	80
2.	No	10	20
	Total	50	100

Source: Primary Data

The table 13 reveals maximum 80% of the respondents say “Yes” they can withdraw the deposited amount easily at the bank.20% of the respondents say that “No”.

TABLE – 14 CLASSIFICATION OF RECOMMENDING THIS BANK TO FRIENDS OR RELATIVES

S.NO	CATEGORY	NO.OF.RESPONDENT	PERCENTAGE
1.	Very likely	24	48
2.	Likely	22	44
3.	Unlikely	04	08
	Total	50	100

Source: Primary

Data

The analysis shows that maximum 48% of the respondents will “very likely” recommended this bank to friends or relatives and minimum 8 % of the respondents “unlikely” and do not recommend this bank to friends or relatives.

TABLE–15 CLASSIFICATION OF SERVICES PROVIDED BY THE BANK

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Home banking	10	20
2.	Net banking	14	28
3.	At par cheque book	3	6
4.	Global debit cart	7	14
5.	Demand draft	1	2
6.	24 hours ATM	11	22
7.	Investment account	4	8
	Total	50	100

Source: Primary Data

The table 15 analysis that maximum 26% of the respondents felt that net banking services are mostly provided by the bank and minimum 2% of respondents get the services of demand draft.

TABLE 16 CLASSIFICATION OF RATING THE SERVICES OF BANK

S.NO	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1.	Good	10	20
2.	Fair	22	44
3.	Poor	18	36
4.	Very poor	Nil	Nil
	Total	50	100

Source: Primary

Data

The table 16 classify that maximum 44% of the respondents rating was “Fair” for the services of bank and none of them felt “very poor”.

FINDINGS:

1. Majority (68%) of the respondents were male.
2. Mostly (64%) of the respondents were coming under the age group of 15-35.
3. Highly (48%) of the respondents annual income level.
4. Majority (72%) of the respondents were living in the urban areas.
5. Mostly (40%) of the respondents have chosen this bank for the relationship.
6. Highly (72%) of the respondents were satisfied with the provided by bank.
7. Majority (36%) of the respondents contact the bank customer services through call.
8. Mostly (56%) respondents were called on the phone immediately get through process.
9. Highly (32%) of the respondents were classification on the customer service satisfaction.
10. Majority (56%) of respondents were satisfied with the deposit account.
11. Mostly (62%) of the respondents were classified of handling account efficiency.
12. Highly (52%) of the respondents were satisfied with the charge leived by the bank.

13. Majority (40%) of the respondents were moderate bank responding to the customer.
14. Highly (80%) respondents were say yes in withdraw the deposited amount.
15. Mostly (60%) of the respondents were last 3 months making call to the bank.
16. Majority (32%) of respondents within 1 hour currying out the instruction by the cashier.
17. Highly (48%) of the respondents very likely recommending this bank to friends & Relatives.
18. Mostly (74%) respondents were yes remaining customer of this bank.
19. Majority (38%) respondents were got better on the bank services during the last year.
20. Highly (28%) of the respondents were net banking services provide by the bank.
21. Mostly (68%) responding were satisfaction with bank services.
22. Majority (44%) of the respondents were fair rating the services of bank.

SUGGESTIONS:

- ❖ After conducting the field survey and discussion with the bank employees, the researcher could understand that rigorous drive should be given for deposit mobilization. Mobilization of deposit should be considered as the collective responsibility of all members of the staff. Attempts should be made to frame appropriate strategies to market the various deposits schemes. It becomes important for branches of the regional Rural Bank operating in Barak Valley to take some specific measure in this record.
- ❖ From the study it is realized that in order to improve the growth of credit, the bank should think about simplification of procedure for the borrowers for obtaining loans. The sanctioning and disbursement of loan needs to be quicker so that the borrowers fulfilling the necessary formalities get the loan in time. The loan proposal are to be accepted or rejected without causing any harassment of prospective borrowers buying delayed decision .
- ❖ Recovery drive is to be taken on a war-footing basis. Every branch should identify separate field staff meant exclusively for monitoring of advances. This is essential in order to ensure effective credit monitoring through comprehensive training in pre-sanction appraisal, disbursement and interaction with them should take place at the

branch level.

- ❖ On the basis of responses of employees and customer of **Cachar Gramin** bank during the field survey, it is realized that there is an urgent need to change the mindset of some employees. It should be realized that the bank is a business concern and in order to survive in the age of competition they are supposed to develop a work culture by changing their attitude and behavior.

CONCLUSION:

To conclude, a regional rural bank is required to mobilize deposit and advance credit in a planned and systematic manner in order to achieve a commendable position in the rural areas of its jurisdiction. Mass and aggressive marketing of deposit and loan schemes in a strategic mode and providing of prompt and personalized service in a cost effective manner on the part of the employees are extremely important for the effective management of deposit and credit by the branches of the regional rural bank. Instead of relying only on advertisement combined, vigorous and sustain personal selling of schemes is essential for attaining growth in the field of mobilization of deposit and advancement of loans. There is a need for professionalism and market oriented approach which will ultimately call for developing a new culture; a disciplined professional and committed man power; trained employees for specialized services, effective marketing cell at the controlling office, personal selling of deposit and loans scheme, meeting customers (depositor and borrowers) expectation and providing cost effective and efficient service.

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