Chapter - I

Introduction
CHAPTER I

INTRODUCTION

Banks are the important sources of institutional credit in the money market. In early stages the banks were providing minimum services to the customers. The banks receive deposits and lend it to the borrowers. These transactions take place manually and directly between the customers and bankers. Now a days E-banking makes a dramatic change in the banking procedures. This electronic banking makes the bankers work simple and fast and also gives a way to offer more financial services to the customers. Particularly the banks ATM services are available through out the world. The proposed study aims to examine the customer satisfaction towards the ATM financial services of the banks.

1.1 STATEMENT OF THE PROBLEM

Various kinds of banks are providing various kinds of services to the customers. Each and every bank will be having its own features, limitations and procedures to provide services. But commonly most of the banks are offering ATM services to the customers. To provide these services various cards are used such as ATM cards, Debit cards, Credit cards, VISA cards... etc. All the customers need not necessarily to have the ATM cards and it is also not necessary that all the cardholder should
use it. The customers at their conveniences can use the card. The proposed study is aimed at to examine the customer satisfaction towards financial services in terms of ATM of bank branches in Namakkal town.

1.2 IMPORTANCE OF THE STUDY

The proposed study is narrowed down to examine the Customer Satisfaction towards financial services of in Namakkal town. The bank ATM facilitates easy withdrawal, balance enquiry and various services. Therefore, an examination of the financial services of the bank will reveal whether the customers of bank branches are satisfied by the ATM services and the bank branch could provide the assured financial services to the customers.

1.3 SCOPE OF THE STUDY

The savings bank account holders and the current deposit account holders can get various kinds of cards from their bank branches to operate them through the ATM centers. No charge is received either for getting the card or for using the card. Out of 13 bank branches in Namakkal area 13 are computerized, out of 13 computerized bank branches are having ATM facility. The customers of one bank can use the ATM center of the other bank provided the banks are interconnected. Since, there are two ways of operating the account namely, direct into the bank and through ATM facility. ATM facility is available all the hours of the day. The ATM facility is a technological advancement gives easy
bank operation facility and hence there is a scope to examine the customer satisfaction from among a large number of bank customers.

1.4 LIMITATIONS OF THE STUDY

The following are the limitations of the study

1. Unwillingness on the part of the respondents to give their true opinions.

2. Time constraint of the researcher.

1.5 OBJECTIVES OF THE STUDY

Obtaining an ATM card from a bank and operating the account through the same is cost free. Besides, bank account can be operated through the day and throughout the year. (Any one who is capable of pressing the number buttons in the ATM keyboard and capable of remembering his password (Pin Number). The ATM reduces the difference between cash in hand and cash at bank.) So, significantly under these circumstances the broad objectives of the study is to examine the ATM card users satisfaction of the customers of bank branches in Namakkal town. However, the specific objectives of the study are as follows.

1. To re-examine the rationale behind issuing various kinds of cards by banks branches to operate their bank account as well as to borrow from the bank.
2. To examine the various kinds of cards which are issued by the banks and used by the customers.

3. To analyze empirically the ATM card users satisfaction towards ATM facility offered by the banks.

4. To make suggestions, if possible from the analysis and examination, for the improvement of ATM facility offered by the banks.

1.6 SAMPLING

For the proposed study the Namakkal area was chosen. In Namakkal area there are 15 bank branches of different kinds as shown in Table 1.1. At the rate of 7 customers from 10 bank branches and at the rate of 6 customers from 5 other bank branches were selected as respondent customers. The sample frame is a bank customer in Namakkal area of all bank branches. The sample unit is a customer of a bank branch. The sample respondents were chosen at random from each bank branch. As such the sample respondents may be having various kinds of bank deposit accounts. Therefore the sample respondents may be from different profession, different age groups and different educational qualifications etc and gender is unbiased.
PROFILE OF THE STUDY AREA

1.7 History

Since the Namakkal district is a part of the Salem district, the historical background of Salem and Namakkal remains the same. After the struggle between the Cheras, Cholas and Pandiyan, the Hoysalas rose to power and had control till the 14th century followed by Vijayanagar kings till 1565 AD. Then the Madurai Nayakas came to power in 1623 AD. Two of the Poligars of Tirumalai Nayak namely, Ramachandra Nayaka and Gatti Mudaliars ruled the Salem area. The Namakkal fort is reported to have been built by Ramachandra Nayaka. Later about 1635 AD, the area came successively under the rule of Muslim sultans of Bijapur and Golkonda, Mysore kings and then the Marattas, when about the year 1150 AD Hyder Ali came to power. During this period, it was history of power struggle between Hyder Ali later Tippu with the British. Tamil is the Main language spoken in this district.

1.8 Fair and Festivals

Many festivals are celebrated in this district. One important festival is the Perumal car festival organized in Sendamangalam during February-March. The Christian and Muslim festivals are fewer in number. Rasipuram celebrates Christian festivals while Tirchengodu and Namakkal taluk celebrate the Muslim festivals.
1.9 Communication

The district is well served by both rail and road transports. By broad gauge line of southern Railway, it is connected by Salem, Mangalore, Thiruvananthapuram, Bangalore, Chennai, Mumbai and Delhi, Whereas NH7 pass through most of the taluk headquarters. Other town and most of the Villages one connected by motorable including state highways and Major District Roads.

1.10 Geographical Location of the District:

Namakkal district is bounded on the north by Salem district, on the east by Attur taluk of Salem District, Perambalur and Tiruchirapalli districts, on the south by Karur district and on the west by Erode district. The administrative headquarters of this district is located at Namakkal town. The District lies between 110°09' and 11°65' north latitude and 78°23' and 79°45' east longitude. The general geographical information of the district is simple and flatted area. Kollimalai hill rang occurs on the east of the district. Cauvery River is flowing in the district, which will be dry during the summer season. Namakkal district consists of Four Taluk, namely 1. Namakkal, 2. Rasipuram, 3. Paramthivel and 4. Tirchengode. The total geopgraphical area of the district is 4,376.57 Sq.Km. The Namakkal District is divided into 15 Block. The details of the name of the taluk and area have shown in the following Table:
<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of Taluk</th>
<th>Area in Sq.Km.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Namakkal</td>
<td>1784.09</td>
</tr>
<tr>
<td>2</td>
<td>Rasipuram</td>
<td>903.18</td>
</tr>
<tr>
<td>3</td>
<td>Paramathivelur</td>
<td>729.09</td>
</tr>
<tr>
<td>4</td>
<td>Trichengode</td>
<td>960.21</td>
</tr>
<tr>
<td></td>
<td>District Total</td>
<td>4376.57</td>
</tr>
</tbody>
</table>

1.11 Administrative Arrangement in the District:

Namakkal District comprises 4 Taluk, 15 Block and 446 Villages. As regards the hierarchy of administrative arrangement, there are 4 municipalities, 20 Town panchayats and 331 village Panchayats in the District. The details regarding the number of block, villages, Village panchayats, town panchayats & Municipalities with regard to each taluk are given in Table 1.

1.12 Metrological Information:

The monthly average rainfall in the district is worked out and is 82.5 mm. The months of June to October receive a rainfall that is more than the annual average rainfall. The average mean maximum and minimum temperature for the district have been 34.0° c and 21.6° C, respectively.
Climate and Rainfall:

On account of the general dryness of the atmosphere, comparatively cool nights and the appreciable drop in temperature from June following the onset of the monsoon, the climate of this district is more pleasant than that of the adjoining eastern and southern district. The climate on the plateau due to elevation is generally mild and equable. Generally dry climate prevails over major part of the year in plains. The year may conveniently be dividend into four main seasons, the dry season from January to March, the hot season during April and may the southwest monsoon season from June to September and the Northeast monsoon season from October to December.

Humidity

The district on the whole enjoys a dry climate. The driest months are from January to April, average relative humidity in the afternoon being less than 40 percent. Even during the rainy months the average humidity is appreciably below the saturation level.

Cloudiness:

Skies are generally clear or lightly clouded, during the period January to about middle of April. The cloudiness increases from the latter half of April and after about the middle of June Skies are generally heavily clouded till about the middle of December.
Winds

From October to March winds blow mainly from north easterly to easterly directions. In April winds from direction between south and west are also common. From May to September southwesterly and western lies predominate.

Geography and Physical Features

The district is extensively covered with hilly ranges rocks with undulatory plains. The Kollimalai range with peaks 1219 meters runs along the east of Namakkal and Rsipuram taluk. The parent district Salem has fairly extensive forest area of considerable value. The main products from the forest are sandalwood, bamboo, timber/ (silver oak and similar) and firewood. The main source of revenue from the forests is from the Sandalwood trees, which occur naturally in abundance in the plateau and hilly ranges.

Agriculture and Irrigation

The main occupation in the district is agriculture. The cultivation generally depends on monsoon rains, wells and tanks. Nearly 90 percent of the cultivated area is under food crops. The principal cereal crops of this district are paddy, chollam, cambu and ragi. Panivaragu, Kuthiananlly, Samai varagu and Thinai are some of the Millets cultivated. Among pulses, the major crops are redgram, Blackgram, greengram and horsegram. Among oil seeds groundnut, caster and
gingelly (sesame) Occupy important places. Of the commercial crops, sugarcane, cotton and tapioca are some of the important crops. Tapioca is used for manufacture of sago.

The total geographical area of the district was 4376.57 sq.km. In 1995-96. Cropped area for about 64.34% of the total area. Forestlands cover about 10.78% of the total land. However the forestlands accounted in revenue records are at variance with the data on actual on actual extent of forest block available with the forest Department. A significant portion, 21.92% of the land falls under the category of non-available for cultivation' and fallow lands'. About 2.69% fall under the category of other uncultivated land.

ABOUT THE STUDY URBAN AREA

Tamil Nadu is state of government of India is divided into thirty revenue districts. Namakkal is one of the thirty districts of Tamil Nadu. Namakkal district is further divided into revenue taluks of Trichengodu, Namakkal, Pramthi Velur and Rasipuram. The Paramathi Velur is mostly comprised of Villages and Semi-urban areas. The Paramathi Velur Taluk is only selected on grade punchayats considered as towns. The selection grade punchayats in Paramathi Velur Taluk are Velur, Paramathi Velur Taluk are Velur Paramathi, Mohanur, Pothanur, Kabilarmalai, Paundamangalam and Jedarpalayam. The remaining places are Villages.
Agricultural is pre-dominant occupation in Paramathi-Velur Taluk as the river cauvery flow from Jedarpalayam to Mohanur about twenty-five kilometers. The Paramathi Velur Taluk is an industrially backward Taluk in industrially backward Taluk. There is one first grade Arts and Science aided college Velur and one more Arts and Science college at Mohanur as an Un-aided college. There are a number of Matriculation schools, aided schools, government and Punchayat union schools one co-operative sugar mil Ltd., is functioning at Mohanur. The Sugar mill referred above also runs a ploy-Technic matriculation school under its Governance. Paramathi-Velur Taluk falls in Kabilarmalai assembly constiency of Tamil Nadu and Trichengodu parliament constancy. No Rail Way transport flows over P.Velur Taluk but national highways seven (NH.7) which connects Bangalore and Kanniya Kumari Crosses P.Velur Taluk. So Road Transport is the-dominant transport in Paramathi Velur Taluk.

1.13 METHODOLOGY

A survey method of research is adopted. A methodology of collecting information from the customers of various banks by way of question schedule is adopted. The methodology is to survey the customer’s behaviors towards using ATM. Customers are not surveyed either bank wise not account wise. The customers of bank were met in the bank branches itself and the information were collected there itself.
1.14 DATA COLLECTION AN ANALYSIS

Both primary and the Secondary Data are widely used for the study. Primary data is a collection of facts by means of a questionnaire. Besides various books, journals, periodicals, pamphlets etc., are widely used. The data collected are arranged and then tabulated. The tabulated data are analyzed by means of statistical techniques such as averages and percentages. To exhibit the results charts and diagrams are widely used.
1.15 CHAPTER ARRANGEMENTS

**Chapter I** - Introduction.

**Chapter II** - Rationale Behind is studying Reforms in the Banking Sector.

**Chapter III** - A Theoretical Analysis of Financial Services of Banks.

**Chapter IV** - Customer Satisfaction Towards Financial Services Banks: An Empirical Analysis.

**Chapter V** - Summary and Suggestions.
<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Bank Branch</th>
<th>Type of Bank</th>
<th>Computerization</th>
<th>ATM Facility</th>
<th>Internet Facility</th>
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<tr>
<td>1</td>
<td>Bank of Borada</td>
<td>Nationlized</td>
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<tr>
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<td>3</td>
<td>Bank of Maharashtra</td>
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<td>Canara Bank</td>
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<tr>
<td>5</td>
<td>Corporation Bank</td>
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<td>6</td>
<td>ICICI</td>
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<td>12</td>
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<td>Computerized</td>
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<td>13</td>
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<td>14</td>
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