



Evaluation Of Customer Services Of The Selected Urban CoOperative Banks In Ahmedabad

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Indian Financial System

Meaning

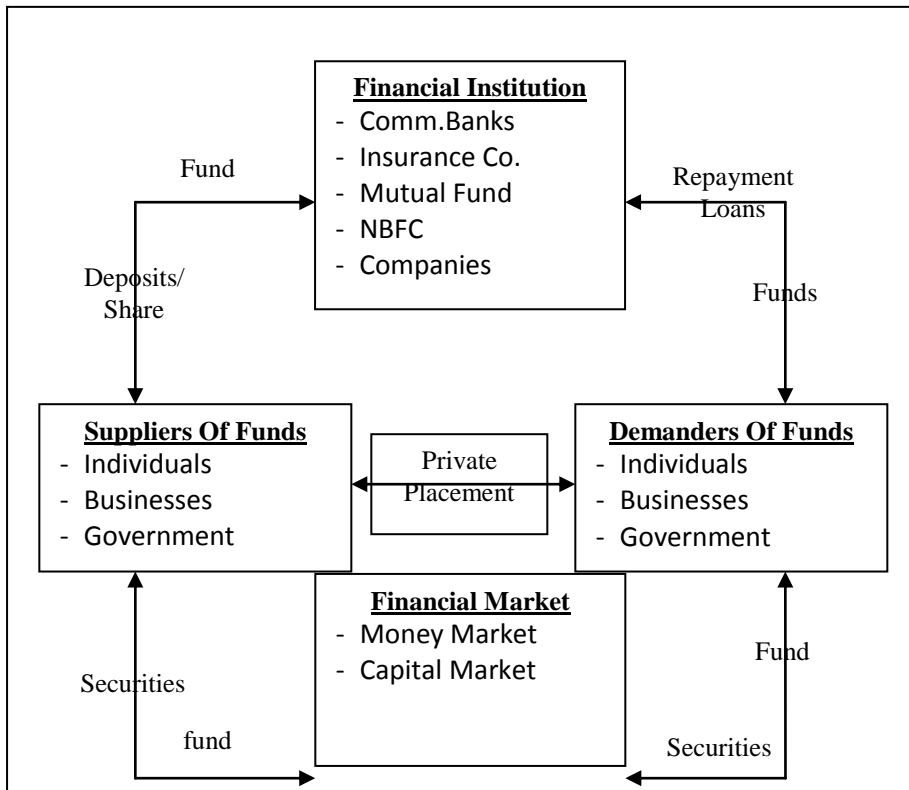
The economic development of any country depends upon the existence of a well-organized financial system. It is the financial system which supplies the necessary financial inputs for the production of goods and services which in turn promote the well-being and standard of living of the people of a country.

Thus, the financial system is a broader term which brings under its fold the financial markets, financial instruments and the financial institutions which supports the system.

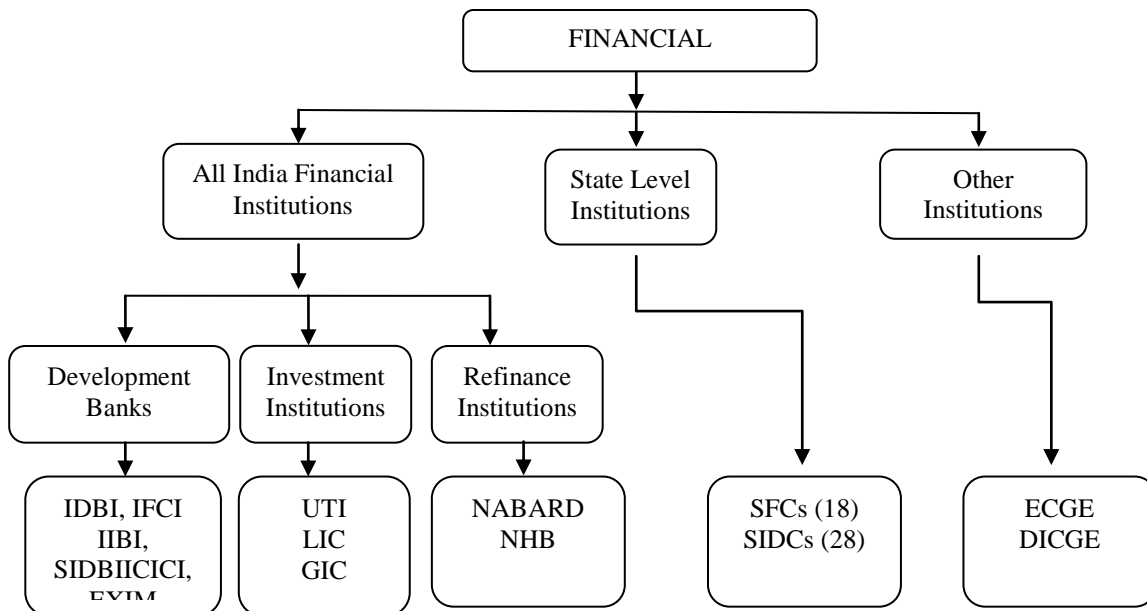
- “A Financial System is a composition of various institutions, markets, regulations and laws, practices, money manager, analysts, transactions and claims and liabilities.”
- “A well-developed financial system offers a variety of instruments that enable economic agents to pool, price and exchange risk.”



Financial Institutions As A Component Of Financial System:



Financial Institutions



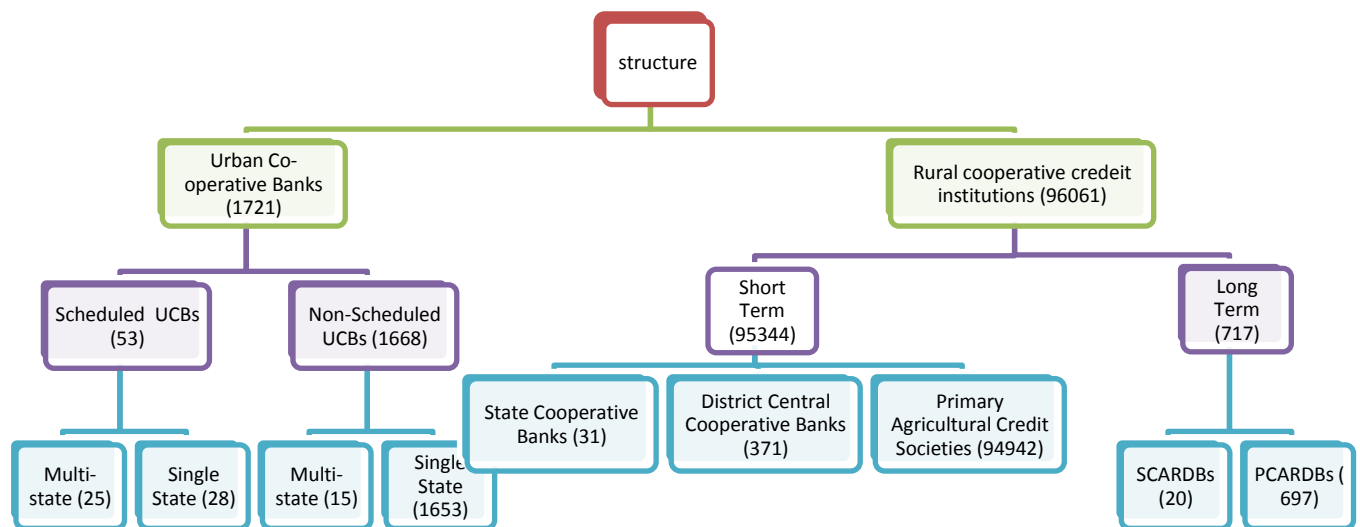


Urban Co-Operating Banking System

UCBs Originated and developed as a result of the Co-operative movement to provide self-help to need, sections of society. The co-operative movement came in to existence in the late 1700s in England where “Robert Owen” a great philosopher advocated the establishment of Co-operative Communities to mitigate the suffering of the exploited class in the wake of industrial revolution and charics Fourier (1772-1837) of France to think of an alternative system of economy. But the modern or actual co-operative movement began in 1844 near Manchester, England, when 28 flannel weavers established “The Rochdale Society of Equitable Pioneer ” to increase their wages.(on 24th October ,1844)

The co-operative credit societies which received legal sanctity in the year 1904 when the Government of India passed the first Co-operative Credit Societies Act 1904 with a view to encourage thrift, eradicate, rural indebtedness and provide credit to the needy and weaker families of the societies in rural areas.

The Co- Operative Credit Structure



Objectives Of The Urban Co-Operative Bank

The UCBs are generally considered as “Small People Bank” because they are organized for Promoting thrift and Co- Operation among the lower and middle strata of the society. The



Objectives of the UCBs are divided in two parts, which are as follows:

(a) Principal Objectives:-

- 1) To promote thrift, self-help and mutual co- operation among the members.
- 2) To mobilize resources i.e. to borrow funds from members and nonmembers to utilize for giving loans to their members
- 3) To provide credit to the members at a reasonable rate for productive or trading purpose.
- 4) To undertake collection of bills drawn, cheques, draft etc. accepted or endorsed by members and approved constituents; to remit funds and to discount cheques and bills of approved members subject to rules and bye laws on their behalf.
- 5) To arrange for safe custody of valuables and documents of members and constituents and
- 6) To provide other banking and subsidiary services.
- 7) To give vehicles loans to members of the bank.

(b) Subsidiary Objectives:-

- 1) To give possible help and necessary guidance to traders, artisans etc. who are members of the bank.
- 2) To do every kind of trust and agency business and particularly do the work of investment of funds, sale of properties and of recovery or acceptance of money.
- 3) To undertake every kind of banking and Sharaffi business and also give bank guarantee and letters of credit on behalf of members.

Objectives Of Study:

- ✓ To ascertain and analyze the strength of Co-operative Banks through measurement of performance indicators.
- ✓ To conduct the primary survey of the customers of the top Co-operative Banks.
- ✓ To evaluate the performance of the Indian Co-operative banks through technical analysis.
- ✓ One of the main aims of this study is to recommend some important measures which the Co-op. banks can adopt to improve their overall performance in terms of profits and general services.



Sampling Plan:

According to my Title “A Study on Performance Appraisal of Selected Indian Co-operative Banks”, we have to select Co-operative banks in India. As i am a lecture in Ahmedabad City Area, I have selected the Co-operative banks registered in Ahmedabad city and District Co-operative Banks Association Ltd. There are 30 Member’s Co-operative Banks and 6 Nominal Member’s Co-Operative Banks from out of City Area registered in Ahmedabad city and District Co-operative Banks Association Ltd. But the total register banks as per the RBI Guideline at the end of the june 2012, is **229¹**

We have taken the 50% sample i.e. 18 Co-operative Banks from above mentioned 36 Co-operative Banks i.e. 30 Member’s and 6 Nominal Member’s Co-operative bank as mentioned in the Table But the sample is not taken without using Sampling Method, as here we have to use an Area Sampling Method as we have to divide our Sample into Zones according to Ahmedabad Municipal Corporations as shown below Table

Population Elements

The relevant population elements for the research consist of the following:

- ✓ Major Co-op. Banks in India.

Ahmedabad Municipal Corporations is divided into Six Zones:

Zone	Total Co-Operative banks	Sample taken by %	Sample Taken by Number
CENTRAL	6	50%	3
NORTH	1	100%	1
SOUTH	3	66.67%	2
EAST	3	66.67%	2
WEST	13	46.15%	6
NEW WEST	4	50%	2
OUT OF CITY	6	33.33%	2
	36	50.00%	18



List of Sample Bank Taken:

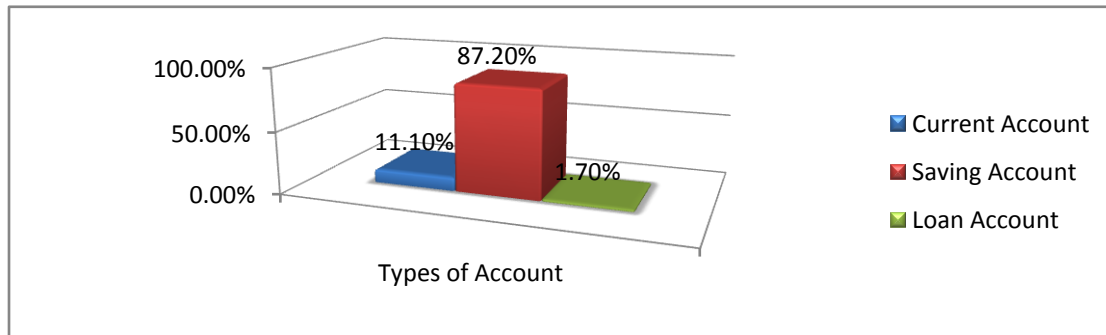
Zone	Zonal- Wise Sr. No.	Total Serial No.	Bank Name
CENTRAL			
	1	1	Apani Sahakari Bank Ltd.
	2	2	Colour Mercantile Co-operative Bank Ltd.
	3	3	Progressive Mercantile Co-operative Bank Ltd.
NORTH			
	1	4	Union Co-operative Bank Ltd.
SOUTH			
	1	5	KankariaM aninagar Nag. Sah. Bank Ltd.
	2	6	Maninagar Co-op. Bank Ltd.
EAST			
	1	7	Karnavati Co-op. Bank Ltd.
	2	8	Saurashtra Co-op. Bank Ltd.
WEST			
	1	9	Ahmedabad Mercantile Co-operative Bank Ltd.
	2	10	Kalupur Commercial Co-operative Bank Ltd.
	3	11	Mahila Seva Co-operative Bank Ltd.
	4	12	Nutan Nagarik Sahakari Bank Ltd.
	5	13	Nav Nirman Co-operative Bank Ltd.
	6	14	Saraspur Nagarik Co-operative Bank Ltd.
NEW WEST			
	1	15	Gujarat Ambuja Co-operative Bank Ltd.
	2	16	Naroda Nagrik Co-operative Bank Ltd.
OUT OF CITY (Nominal Member's)			
	1	17	Bhuj Mercantile Co-operative Ltd.
	2	18	Rajkot Nagarik Sahakari Bank Ltd.



Data Analysis On The Bases Of Questionnaire:

What kind of account do you maintain in this bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Current	20	11.1	11.1	11.1
	Savings	157	87.2	87.2	98.3
	Loan a/c	3	1.7	1.7	100.0
	Total	180	100.0	100.0	



Interpretation:

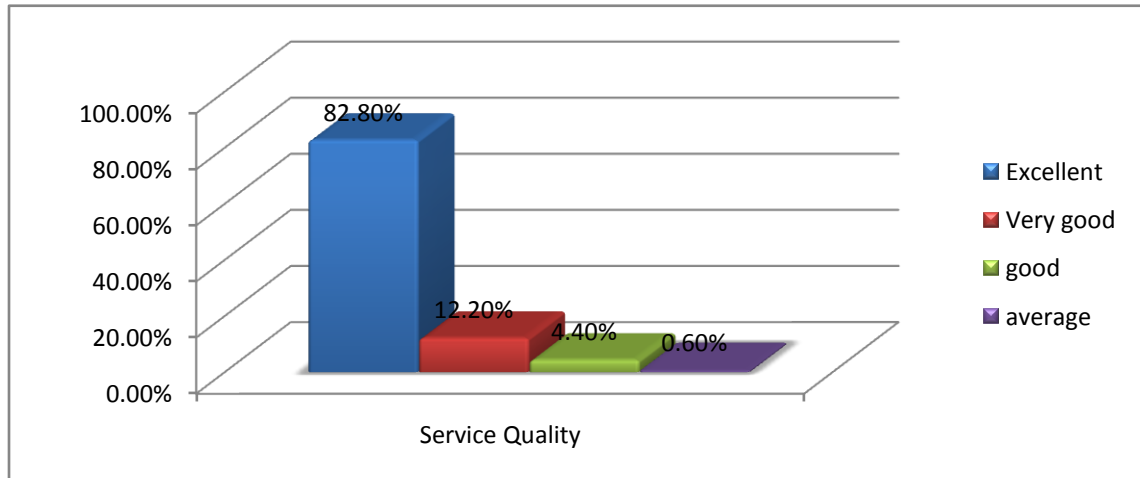
Above table gives us the information above what type of account that the customers are having an account with the co-operative bank? Here we are not surprised from the findings because most the people we have surveyed are having an saving account with the co-operative bank i.e. 157 customers from the 180 people we have surveyed which comes 87.2 % result. Only 20 customers are having a current account with the co-operative bank while 3 people having a loan account from the remaining customers from 180 people we have surveyed.

What do you feel about overall service quality of your co-operative bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	149	82.8	82.8	82.8
	very good	22	12.2	12.2	95.0
	good	8	4.4	4.4	99.4
	average	1	.6	.6	100.0



	Total	180	100.0	100.0	
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Interpretation:

Above table gives us the information about **overall service quality of your co-operative bank?** For this answer we cauterized it in for category i.e 'Excellent', 'very good', 'good', 'average'. It is also not up to the mark that we are thinking because from the 180 surveyed customer 149 customers gives us the answer 'Excellent' service quality is providing by the co-operative bank which comes 82.8% result. The other categories of 'very good', 'good', 'average' got the 22, 8 and 1 surveyed people result respectively (in percentage that is 12.2%, 4.4% and 0.6% resp)

For which of the following transactions you visit to the bank?

There are several reasons that why customers of the banks are visiting frequently to the bank. For that answers we are providing different following options like for Withdrawal, for Deposit, for Balance Enquiry, for Pass Book Updation, for cheque depositing, for Demand Draft, for Investment (RD / FD), for Bill Payment, for Money Transfer, for Repayment of Loan, and None of these.



Withdrawal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	3	1.7	1.7	1.7
	Yes	177	98.3	98.3	100.0
	Total	180	100.0	100.0	

Interpretation:

To the answers of the withdrawn facilities customers are visiting frequently for a bank, out of 180 customers we have surveyed 177 customers said yes that they are visiting a bank for withdraw the money which comes the result of 98.3% while remaining is only 3 out of 180 which comes the result of 1.7%

Deposit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	5	2.8	2.8	2.8
	Yes	175	97.2	97.2	100.0
	Total	180	100.0	100.0	

Interpretation:

Same as answers of the depositing money facilities customers are visiting frequently for a bank, out of 180 customers we have surveyed 175 customers said yes that they are visiting a bank for withdraw the money which comes the result of 97.2% while remaining is only 5 out of 180 which comes the result of 2.8%

Balance Enquiry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	23	12.8	12.8	12.8
	Yes	157	87.2	87.2	100.0



	Total	180	100.0	100.0	
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Interpretation:

To the answers of the balance inquiry facilities customers are visiting frequently for a bank, out of 180 customers we have surveyed 157 customers said yes that they are visiting a bank for withdraw the money which comes the result of 87.2% while remaining is only 23 out of 180 which comes the result of 12.8%. From the above information we can assume that till the surveyed date most fo the co-operative banks are not providing a SMS facilities or NET BANKING facilities to its customers. Because of that only customers have no options to know their balance and they must came to the bank.

Passbook

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	18	10.0	10.0	10.0
	Yes	162	90.0	90.0	100.0
	Total	180	100.0	100.0	

Interpretation:

Almost like answers of the depositing money facilities customers are visiting frequently for a bank, answers of the filling up a pass book facilities customers are visiting frequently for a bank are matched. Out of 180 customers we have surveyed 162 customers said yes that they are visiting a bank for withdraw the money which comes the result of 90% while remaining is only 18 out of 180 which comes the result of 10%

Cheque

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	6	3.3	3.3	3.3
	Yes	174	96.7	96.7	100.0
	Total	180	100.0	100.0	



Interpretation:

Almost same answers of the depositing money facilities customers are visiting frequently for a bank, answers of the depositing cheque facilities customers are visiting frequently for a bank are matched. Out of 180 customers we have surveyed 174 customers said yes that they are visiting a bank for withdraw the money which comes the result of 96.7% while remaining is only 6 out of 180 which comes the result of 3.3%

Demand Draft

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	180	100.0	100.0	100.0

Interpretation:

To the answers of the demand draft facilities customers are visiting frequently for a bank or not? Out of 180 customers we have surveyed 180 customers said NO we are not using a facility of demand draft which comes the result of 100 %. From the above information we can assume that in co-operative bank customers are opening an account for only individual purpose and for using a basic facilities for which most bank are established. Customers of the co-operative bank are either not interested in using more exotic services providing by a bank or they do not need these kinds of services from a co-operative bank.

Bill Payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	175	97.2	97.2	97.2
	Yes	5	2.8	2.8	100.0
	Total	180	100.0	100.0	

Interpretation:



We found the Same result that are showing by the demand draft facilities customers are visiting frequently for a bank or not? For the Bill payment facilities customers are visiting frequently for a bank or not? Out of 180 customers we have surveyed 175 customers said NO we are not using a facility of demand draft which comes the result of 97.2 %. While only 5 customers are using the services of bill payment facilities providing by the bank which comes the result of only 2.8 % From the above information we can assume the same thinking we assume for demand draft that in co-operative bank customers are opening an account for only individual purpose and for using a basic facilities for which most bank are established. Customers of the co-operative bank are either not interested in using more exotic services providing by a bank or they do not need these kinds of services from a co-operative bank.

Repayment Loan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	176	97.8	97.8	97.8
	Yes	4	2.2	2.2	100.0
	Total	180	100.0	100.0	

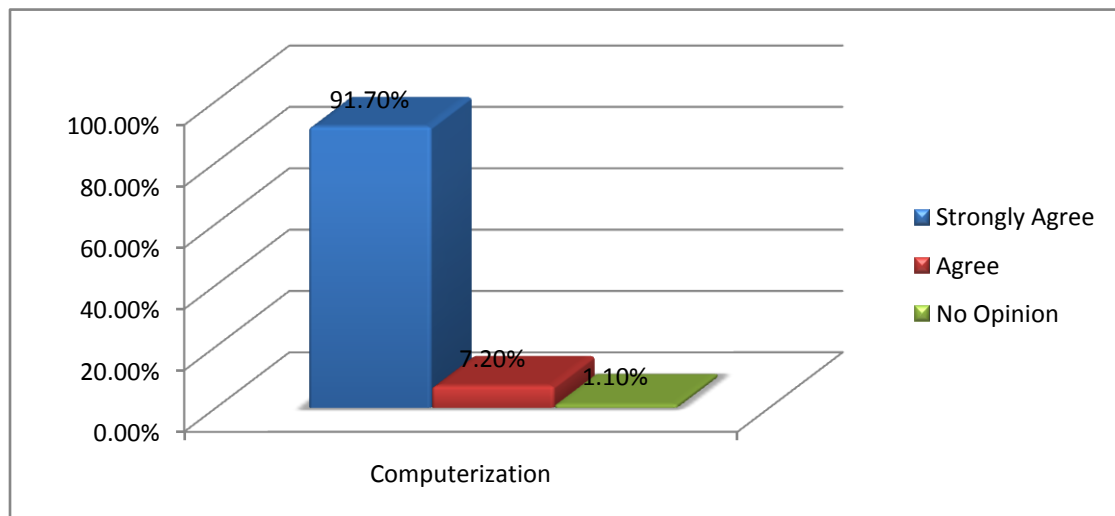
Interpretation:

We also found the Same result that are showing by the demand draft facilities and bills payment facilities using by customers are visiting frequently for a bank or not? For the Bill payment facilities customers are visiting frequently for a bank or not? Out of 180 customers we have surveyed 176 customers said NO we are not using a facility of demand draft which comes the result of 97.8 %. While only 4 customers are using the services of bill payment facilities providing by the bank which comes the result of only 2.2 % From the above information we can assume the same thinking we assume for demand draft and bills payment facilities that in co-operative bank customers are opening an account for only individual purpose and for using a basic facilities for which most bank are established. Customers of the co-operative bank are either not interested in using more exotic services providing by a bank or they do not need these kinds of services from a co-operative bank.



Computerization has helped me to reduce the waiting time for any transaction in the Bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	165	91.7	91.7	91.7
	Agree	13	7.2	7.2	98.9
	No Opinion	2	1.1	1.1	100.0
Total		180	100.0	100.0	



Interpretation:

To the answers of **Computerization has helped me to reduce the waiting time for any transaction in the Bank?** We found the following information that the customers of the co-operating banks needed. For this questions, we gave the choice to customers that they are either ‘Strongly Agree’, ‘only Agree’ or ‘Disagree’ and we found that majority of customers are Strongly Agree in wanting a Computerization which helped them to reduce the waiting time for any transaction in the Bank i.e. 165 customers out of 180 which comes result of 91.7%. while from remaining 13 (in percentage i.e. 7.2%) customers are agreed only which also shows the



positive answers in wanting a Computerization in bank And only 2 is remaining not wanting a Computerization i.e. 1.1% public which is most probably those public which either don't know computer skill or they hate the computerization because of cybercrime or hacking activities.

Overall, how would you rate the quality of customer service provided by co-operative banks?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	0	0	0	0
	2	1	.6	.6	.6
	3	6	3.3	3.3	3.9
	4	18	10.0	10.0	13.9
	5	155	86.1	86.1	100.0
	Total		180	100.0	100.0



Interpretation:

To the answers of **Overall, how would you rate the quality of customer service provided by co-operative banks** We found the following information that the customers of the co-operating banks needed. For this questions, we gave the choice to customers that they are from 'Poor' 1 to toward 2, 3, 4, 5 for excellent and we found that majority of customers are rated 5 for excellent the quality of customer service provided by co-operative banks i.e. 155 customers out of 180



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which comes result of 86.1 %. while from remaining 18 (in percentage i.e. 10 %) customers are rating 4 point which also shows the positive answers in for excellent the quality of customer service provided by co-operative banks and only 6 customers are rating 3 which also comes to the average as not excellent or not poor,

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