



# Customers Perception towards Core Banking Services of Public Sector Banks in Sivakasi

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## Abstract

*The foundation of any economy or financial system is the banking industry. Since the introduction of information and communication technology (ICT), attempts have been made to automate various banking processes through software programs to make them easier, more cost-effective, and efficient. Nowadays, most banks rely on core banking applications to manage and support their operations. Banks provide their services through multiple channels, including branches, internet banking, and automated teller machines (ATMs). The emergence of the internet and information technologies has given rise to new banking practices. Information technology has enhanced efficiency, reduced time consumption, and enabled the handling of multiple tasks simultaneously. In this context, computer software is developed to carry out key banking functions, including recording transactions, updating passbooks, calculating interest on loans and deposits, maintaining customer records, determining payment balances, and facilitating withdrawals. The software is implemented in the bank's different branches and linked together via satellites, telephone lines, the internet, and other communication networks. The objective of the study is to analyze how customers perceive the core banking services of public sector banks in Sivakasi.*

**Keywords:** core banking, perception, public sector banks, information communication technology, ATM, internet banking and customer.

## Introduction

The banking industry serves as the foundation of a country's financial system and economy. Historically, banking tasks such as ledger maintenance, interest calculation, and the recording of customer transactions and account balances were all performed by hand. These tasks were labor-intensive, time-consuming, and prone to errors. However, with the rapid advancement of information and communication technology (ICT), banks started adopting automated solutions to improve the efficiency of their core operations. This transformation led to the development of the Core Banking System (CBS). It is a platform that uses centralized software

applications to enable the seamless, efficient, and real-time execution of a bank's core functions. In a Core Banking Solution (CBS) environment, a bank's branches are linked to a central server. This setup allows customers to access their accounts and perform transactions from any branch or digital channel, regardless of where they originally opened the account. This shift, brought about by Core Banking Solutions (CBS), revolutionized the customer experience and enhanced banking convenience by introducing "anywhere, anytime banking." It fundamentally changed how customers interact with their banks.



### Statement of the Problem

Since the economic liberalization of 1991, the Indian banking industry has undergone significant transformation, driven largely by the adoption of technology. This development has allowed banks to deliver diverse modern banking services, enriching customer experience with technology-enabled solutions and self-service facilities. Modern financial services play a vital role in enhancing customer convenience and engagement. At present, consumers can choose from various options such as Automated Teller Machines (ATMs), debit and credit cards, Electronic Clearing Service (ECS), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Cheque Truncation System (CTS), dematerialization, along with telebanking, internet banking, and mobile banking. Core Banking has revolutionized banking operations and acts as a crucial facilitator of these services. These technological innovations lead to quicker transactions, minimized waiting periods, and enhanced convenience for customers. By successfully combining advanced information and communication technology with retail and commercial banking, core banking delivers a smoother, more efficient, and customer-oriented banking experience. The extensive use of modern and essential financial services underscores their importance in the Indian economy. In this regard, research has been carried out to analyze how customers perceive core banking services in Sivakasi.

### Objectives of the Study

1. To study customers' views and experiences

regarding core banking services.

2. To evaluate customers' satisfaction with core banking services.
3. To explore the problems faced by customers in using core banking services.
4. To present suitable recommendations informed by the study's results.

### Methodology

The study uses the interview schedule approach and is empirical in nature. Primary and secondary data, bank and sample selection, data processing, and analytical tools are all part of the technique.

### Primary Data

Customers were given interview schedules in order to gather primary data and extract the necessary information.

### Secondary Data

Existing information gathered by the researcher from other sources is referred to as a secondary source of data. RBI reports, bank annual reports, magazines, research journals, bank websites, and other online sources are examples of external sources. In order to comprehend the history of Core financial services, the researcher has gathered the necessary secondary sources of information.

### Analysis and Interpretation of Data

One of the key factors in determining the respondents' perceptions is their demographic profile. The demographic profile of the local responders is explained in detail in the following tables.

**Table 1 Demographic Profile of the Respondents**

Gender	No. of respondents	Percentage
Male	67	67
Female	33	33
<b>Total</b>	<b>100</b>	<b>100</b>
Age	No. of Respondents	Percentage
Below 20 years	4	4
20-30 years	12	12
31-40 years	28	28
41-50 years	35	35



51-60 years	19	19
above 60 years	2	2
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Marital status</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Married	55	55
Unmarried	41	41
Widow	4	4
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Educational Qualification</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Illiterate	2	2
SSLC	6	6
HSC	21	21
Degree	42	42
Master degree	29	29
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Occupation</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Govt employee	9	9
private employee	42	42
Business	18	18
Selfemployee	21	21
Student	8	8
House wife	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

**Source: Primary Data**

Out of 100 respondents surveyed, Most respondents were male (67%), with females making up 31.7%. The largest group was 41-50 years old (35%), followed by 31-40 years (28%), 51-60 years (19%), 20-30 years (12%), below 20 years (4%), and above 60 years (2%). A majority were married (55%), while 41% were unmarried, and 4% were widowed. Most respondents were graduates (42%), followed by post-graduates (29%), those with higher secondary education (21%), SSLC completion (6%),

and a small percentage (2%) who were illiterate. The largest occupational group was private employees (42%). Other groups included self-employed (21%), business employees (18%), government employees (9%), students (8%), and housewives (2%). The most common income bracket was ₹10,000-₹20,000 (30%). This was closely followed by those earning below ₹10,000 (28%). Other income groups included ₹20,000-₹30,000 (18%), ₹30,000-₹40,000 (14%), and above ₹40,000 (10%).

**Table 2 Level of Satisfaction Towards Core Banking Services**

S. NO	PARTICULARS	ES(5)	S(4)	N(3)	DS(2)	EDS(1)	X=	RANK
1	ATM Services	150	80	30	60	10	3.3	II
2	Internet banking services	100	120	30	20	30	3	I
3	Telephone Banking services	200	80	30	20	10	3.4	III



4	Mobile Banking services	100	120	60	30	30	3.4	III
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**Source: Primary Data**

To find out the level of satisfaction of various core banking services, weighted average method is used. The above table ensures that the most satisfied factor among the core banking service is 'Internet banking services' with the weighted average score of 3, followed by 'ATM services' with the weighted average score of 3.3 and 'Telephone banking services' and 'mobile banking services' are the least satisfied services with the weighted average score of 3.4.

**Preference Towards Secondary Products**

Apart from the primary products of core banking such as payment processing, customer relationship management, etc. it also provides various secondary products namely mutual fund, credit card, insurance, etc. The table 4.14 denotes the secondary products under core banking services.

**Table 3 Preference Towards Secondary Products**

S. No	Preference Towards Secondary Products	No. of Respondents	Percentage
1.	Mutual fund	8	8
2.	Credit card	25	25
3.	Insurance	49	49
4.	Trading account	11	11
5.	Other investment (PPF, FD)	7	7
Total	100	100	

**Source: Primary Data**

Out of 100 respondents, 49% of them prefer insurance products, 25% prefer credit cards, 11% prefer trading accounts, 8% prefer mutual funds,

and the remaining 7% prefer alternative investments, according to the survey.

**Problems of the Respondents in Core Banking Services**

**Problems related to ATM**

**Table 4 Problems Related Atm**

S. no	Problems related ATM	Often	Rarely	Never	Total
1	Cards get blocked	18	61	21	100
2	Machine out of cash	11	59	30	100
3	Non printing statement	31	39	30	100
4	Machine out of order	25	30	45	100
5	Long waiting time in queues	15	61	24	100
6	Reduction in balance without cash payment	17	68	15	100

**Source: Primary Data**

Out of 100 respondents surveyed, 18% of users often experience their card getting blocked, the majority (61%) rarely faces this issue, and 21% have

never encountered it. Only 11% of respondents often find ATMs are out of cash, with most (59%) saying this rarely happens, and 30% have never had this problem.



Often experienced by 31% of users, non-printing statements are rarely an issue for 39%, and 30% have never faced it. A significant 45% of respondents have never encountered an out-of-order ATM, though 25% often do, and 30% rarely do. The majority (61%) rarely faces long queues, and 24% have never experienced them. However, 15% often encounter this problem. This is a rare occurrence for most, with 68% saying it rarely happens and 15% having never experienced it. Still, 17% often face this issue.

### Suggestions

Based on the above findings, the following recommendations are proposed to improve the core banking services offered by public sector banks in Sivakasi.

1. Customers should have easy access to ATMs, as having ATMs in close proximity improves the delivery of core banking services.
2. Banks should take initiatives to inform and guide their customers, especially the unaware, about essential banking services.
3. Bank officials have undertaken the necessary steps to enhance the services and products provided to customers through CBS.
4. Banks must take corrective measures to resolve these issues and boost customer satisfaction.
5. Banks should aim to offer their services at minimal cost to customers in order to expand into areas that were previously unserved.

### Conclusion

In conclusion, while Core Banking Solutions (CBS) offer significant benefits for both banks and customers, they are no longer a complete solution for modern banking needs. Banks understand that

to maintain competitiveness and fulfill customer expectations, investing in supplementary solutions for ATMs, mobile payments, and e-commerce channels is essential. Despite these obstacles, the main aim continues to be the removal of current CBS limitations and the improvement of overall efficiency. This effort towards modernization is particularly vital for regional, rural, and cooperative banks that are yet to fully advance. Motivated by the Reserve Bank of India's (RBI) vision of achieving 100% CBS implementation, the future of Indian banking will feature a fully integrated, technology-driven system that extends beyond the core platform to offer smooth and comprehensive customer services.

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