

A STUDY ON CUSTOMER PERCEPTION TOWARDS DEPOSIT IN SUNDARAM DIRECT, (AMBATTUR) CHENNAI

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Abstract—*The research is carried out with the aim to measure the “Customer Perception towards deposits”. It focuses its attention towards the possibilities of measuring the expectations and satisfaction level of more Fixed Deposit and Cumulative Deposit products. Deposits under the scheme are accepted for periods as Monthly interest is payable on the last day of every month (for 36/48/60 months deposit only). Quarterly interest is payable on the last day of March, June, September and December of every year. Where the interest will be calculated up to the last day of the month in which the interest is due. The research is done through the Primary data collection method by using a structured Questionnaire. The primary data are collected from 400 respondents using systematic random sampling method. The data collected will be analyzed and interpreted using statistical tools, such as Simple Percentage Analysis, Descriptive Analysis, Factor Analysis, Karl Pearson's Correlation, reliability analysis and ANOVA. After the data collection researcher has identified the reliability of the scale was tested through Cronbach Alpha (0.821) and the respondents were mostly men as compared to women. The data analysis shows that age, educational qualification, occupation, income level of respondents is significant factor that decide perception of Sundaram Finance with the special reference to Chennai region. The study reveals that the TVS Sundaram Finance provide better service than other bank and also make more convenient and easier from the customer point of view. The drop of customer traffic of Sundaram Finance is due to drop in interest rate. The intimation process of Sundaram Finance is slow and not properly given to the customer within a specific time. It also aims to suggest techniques to improve the present level of perception. The study will help the firm in understanding the expectations, future needs and requirements and complaints of the consumers. The study had been dedicated mainly towards the promotion of products or concept in the Chennai Market.*

Keywords—*Customer Perception, Deposit, Expectations, Satisfaction, Service Provider.*

INTRODUCTION

One would think that's the main purpose for finance besides managing one's money would be giving good customer service. Excellence in customer service is the most important tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. This is more so for finance because finance are service organizations. As a service organization, customer service and customer satisfaction should be the prime concern of any finance.

Finance believe that by providing prompt and efficient service on to their customers, this is essential not only to attract new customers, but also to retain existing ones because customer dissatisfaction would spoil the finance name and image. To provide this kind of service more fast and efficient, the major weapon of finance.

A survey was implemented to find out how well customer perception about finance deposits leads to various finance functions and the studies have found that the exploratory research was used in order to identify all problems associated with customer service specifically finance deposits.

Consumer perception applies the concept of sensory perception to marketing and advertising. Just as sensory perception relates to how humans perceive and process sensory stimuli through their five senses, consumer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make. The

deposit scheme where a depositor agrees to receive back the principle amount over a specified period agreed at the time of deposit. Interest may be received by him periodically or at maturity.

OBJECTIVES OF THE STUDY

The main objective of this study is to examine the customer perception of deposit in Sundaram Direct with special reference to Sundaram Finance.

- To evaluate the customer opinion on Sundaram Finance.
- To analyze the extent to which perception of customers influences company's performance.
- To evaluate the brand awareness of Sundaram finance.
- To evaluate customer preferences about Sundaram finance.
- It will help to know the overall performance of Sundaram finance.

LIMITATIONS OF THE STUDY

- Busy schedule of workers and various holidays during the study period are the constraints.
- Detailed study could not be carried out because of the time limit.
- The study is confined to Ambattur area only.
- The sample size is only 400 convenience sampling is used.
- The attitude, perception of the finance and the financial situations in Chennai differs from other finance so same approach may not be beneficial.

RESEARCH METHODOLOGY

This study shows the customer perception towards a deposit in Sundaram Direct. The first step in a marketing research process is to define the problem chosen for investigation, this step is a very significant one, since it is said "problem well defined the next step that is the research design becomes easier". The research design is the basic framework, which provides guidelines for the rest of the research process. The data will be collected through a structured questionnaire. Random sampling methods will be used.

LITERATURE REVIEW

Jafor Ali Akhan (2010)

writes on "Non-Banking Financial Companies (NBFCs) in India". The book discussed the financial system in India. It covers the financial intermediaries including commercial banks, regional rural banks, cooperative banks and Non-Banking Financial Companies in India. The book is good source in getting information on businesses, classification, management of assets, risk coverage, etc of the NBFCs in India.

Shailendra Bhushan Sharma and Lokesh Goel (2012)

Write on "Functioning and Reforms in Non-Banking Financial Companies in India". Non-Banking Financial Companies do offer all sorts of banking services, such as loans and credit facilities, retirement planning, money markets, underwriting and merger activities.

Subina Syal and Menka Goswami (2012)

Writes on "Financial Evaluation of Non-Banking Financial Institutions: An Insight" in 'Indian Journal of Applied Research'. The Indian financial system consists of the various financial institutions. Non-banking financial institutions in India are one of the major stakeholders of financial system.

Sornaganesh and Maria Navis Soris (2013)

"A Fundamental Analysis of NBFCs in India" in 'Outreach'. The study was made to analyse the performance of five NBFCs in India. The annual reports of these companies are evaluated so as to ascertain investments, loans disbursed, growth, return, risk, etc.

Taxmann's (2013)

published "Statutory Guide for Non-Banking Financial Companies" is published by Taxmann's Publications, New Delhi. The book listed the laws relating to Non-Banking Financial Companies. The rules and laws governing the kinds of businesses undertaken by different types of NBFCs are also discussed.

Amit Kumar and Anshika Agarwal (2014)

Published a paper entitled "Latest Trends in Non-Banking Financial Institutions" in 'Academicia: An International Multidisciplinary Research Journal'. In Indian Economy, there are two major Financial Institutions, one is banking and other is Non-Banking. The Non-Banking Financial Institutions plays an important role in our economy as they provide financial services on wide range.

Dash Saroj K, et al (2014)

Writes on "Housing Loan Disbursement in India: Suggestive Metrics to Prevent Bad Debts" in 'International Journal of Management, IT and Engineering'. Non-Banking Financial Corporation (NBFC) in each of the countries involved in the business of lending mortgage loans took stock of their policies and terms & conditions while disbursement of loans.

Naresh Makhijani (2014)

Writes on "Non-Banking Finance Companies: Time to Introspect" in 'Analytique'. Over the last few years the Non-Banking Finance Companies (NBFC) sector has gained significant advantages over the banking system in supplying credit under-served and non-banked areas given their reach and niche business model

Ravi Puliani and Mahesh Puliani (2014)

Writes a book entitled "Manual of Non-Banking Financial Companies". The book discussed the glossary of terms that are used in banking operations and non-banking activities. The book covers the circulars and directions issued by Reserve Bank of India from time to time to control, manage and regulate the business of NBFCs.

Shail Shakya (2014)

Published a working paper entitled "Regulation of Non-Banking Financial Companies in India: Some Visions & Revisions". Non-Banking Financial Companies are pioneer in their cash deployment, accessibility to the markets and others to count. NBFCs are known for their higher risk taking capacity than the banks.

Thilakam and Saravanan (2014)

Writes on "CAMEL Analysis of NBFCs in Tamil Nadu" in 'International Journal of Business and Administration Research Review'. Financial intermediation is a crucial function of Banks, Non-Banking financial companies (NBFCs) and Development Financial Institutions (DFIs) the post reform period in India is characterized by phenomenal growth.

A.H.Sequeira (2012)

He made an attempt to address the issues related to customer satisfaction and quickness of transactions in non-banking sector. It is clear from the results that the customer services are reasonably satisfactory.

Aparna Mishra and Kamini Tandon (2011)

In their study on "A Customer Centric Approach towards non-Banking Services: A Glimpsel analysed the customers' perception on the retail banking services offered by namely five private sector banks situated in Delhi and to study the major factors influencing their choice of banks and its products.

Ravi C.S & Kundan Basavaraj (2013)

Investigated the preference and satisfaction level of level of customer toward loans, deposits schemes, insurance and value added services rendered, by and public banks in private banks in Shivamogga district. Business and vehicle, loans are fast moving than other services and overall satisfaction resulted at 50%.

Dr. Balwintersigh and Ruchika sonsi (2015)

Study is genuine attempt to understudy the construct of customer satisfaction and the factor affecting customer satisfaction in the urban non-banking sector in the states of Punjab, Harayana, and Himachal Pradesh through a qualitative approach.

Worthington A. G., (2007)

The Sundaram Finance design product and offer service according to Sundaram Finance rule. This study is focus on knowledge, observation and the way of thinking about the product and service of individual business and other financial institution outlook regarding Sundaram finance are analyse on the bases of observation, information and compare it with commercial bank product and service

Azeem (2014)

The concept of Sundaram Finance is not newly introduced. In different countries include both north and south side countries the Sundaram Finance is grow rapidly. The result of this study is that whether the customer is satisfied with the product and service provided by both north and south side non-banking sector and the customer are aware about it.

Mehtab (2015)

This study is used to discuss and the preparation of Sundaram Finance. Whether there is association between them. This study is also used to discuss the moderate variable and the impact of moderate variable is negative, neutral are positive on the awareness and preparation of Sundaram Direct in Chennai.

Nasrabadi (2015)

Financial resources are necessary for the development of any business. The big business cannot meet its need of finance alone. So, it takes credit to meet their need. This study is done on advertising about credit which the financial institution used to convey the information to attract the customer.

Ghaith (2010)

Development in technology to provide online service to create the chance for IB to use it to create extortions for other institution due to inadequate formation about non-banking service is change the perception of customer. This study is done on different factor which effect on preference and the use of this service in Chennai.

DATA ANALYSIS& INTERPRETATION

Table 1: Frequency Analysis of Demographic Variables

| <i>Variables</i> | <i>Category</i> | <i>Frequency</i> | <i>Percentage</i> |
|------------------|---------------------|------------------|-------------------|
| Age | Under 30 | 81 | 20.25 |
| | 30-40 | 117 | 29.25 |
| | 40-50 | 21 | 5.25 |
| | 50-60 | 64 | 16 |
| | Above 60 | 117 | 29.25 |
| Gender | Male | 329 | 82.2 |
| | Female | 71 | 17.8 |
| Place of living | Metro | 54 | 13.5 |
| | Urban | 200 | 50 |
| | Semi Urban | 100 | 25 |
| | Rural | 46 | 11.5 |
| Occupation | Self Employed | 87 | 21.75 |
| | Private | 97 | 24.25 |
| | Government Employed | 7 | 1.75 |
| | Retried | 196 | 49 |
| | Others | 13 | 3.25 |
| | Secondary | 108 | 27 |

| | | | |
|---------------------------|------------------|-----|------|
| Educational qualification | Higher Secondary | 124 | 31 |
| | U.G | 60 | 15 |
| | P.G | 77 | 19 |
| | Illiterate | 31 | 7.8 |
| Income | Upto 3Lakhs | 117 | 29.2 |
| | 3-5Lakhs | 97 | 24.2 |
| | 5-7Lakhs | 72 | 18 |
| | 7-10Lakhs | 114 | 28 |

Source: Primary data

The demographic characteristics of the respondents are depicted in Table 1, The detailed analysis of descriptive statistics ages of the overall majority of the respondents were above 60years, the accumulating a total of 82.2% revealed that male respondents (82.2) are more than female respondents (17.8). In terms of the respondents' place of living, in Urban area (50%) and only less population from rural area. In terms of the respondents' Occupation are retired (49%) rather than private employees. In terms of the respondents' educational level, the majority (31%) indicated to have secondary, followed by bachelor degree holders with around 19% influence on the survey. Most of the respondent's income level are upto 3Lakhs with around 29.2%.

Table 2: Types of Deposit

| Particulars | Frequency | Percent | Cumulative Percent |
|--------------------|-----------|---------|--------------------|
| Fixed Deposit | 131 | 32.8 | 32.8 |
| Cumulative Deposit | 269 | 67.2 | 100 |
| Total | 400 | 100 | |

Source: Primary data

Chart 1: Types of Deposit

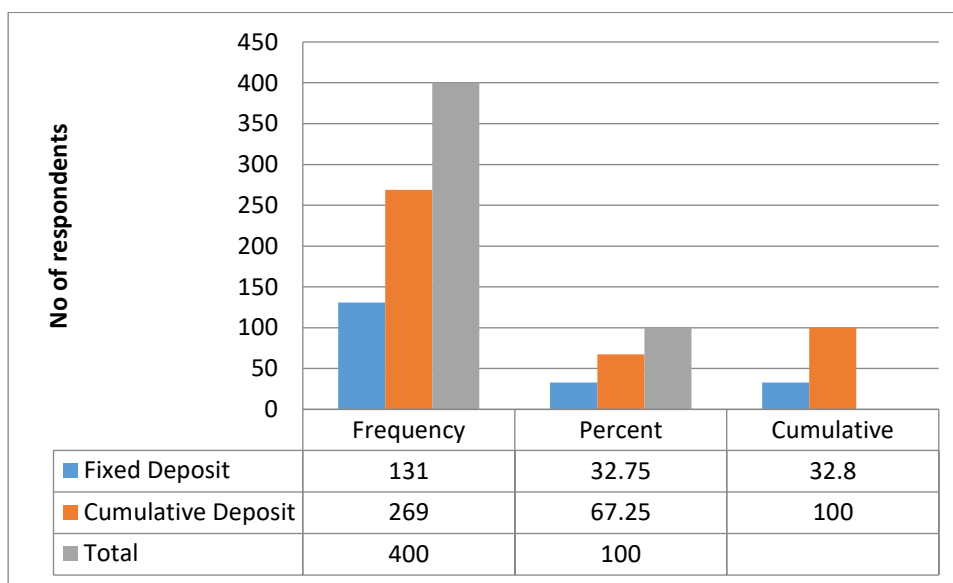


Chart-1 shows that represents, depicts that out of 400 respondents, 32.8% of the respondents are fixed deposit and 67.2% of the respondents are cumulative deposits.

Table 3: Interest Rate of Sundaram Finance

| <i>Particulars</i> | <i>Frequency</i> | <i>Percent</i> | <i>Cumulative Percent</i> |
|----------------------------|------------------|----------------|---------------------------|
| Strongly disagree | 13 | 3.2 | 3.2 |
| Disagree | 12 | 3 | 6.2 |
| Neither agree nor Disagree | 26 | 6.5 | 12.8 |
| Agree | 191 | 47.8 | 60.5 |
| Strongly agree | 158 | 39.5 | 100 |
| Total | 400 | 100 | |

Source: Primary data

Chart 3: Interest Rate of Sundaram Finance

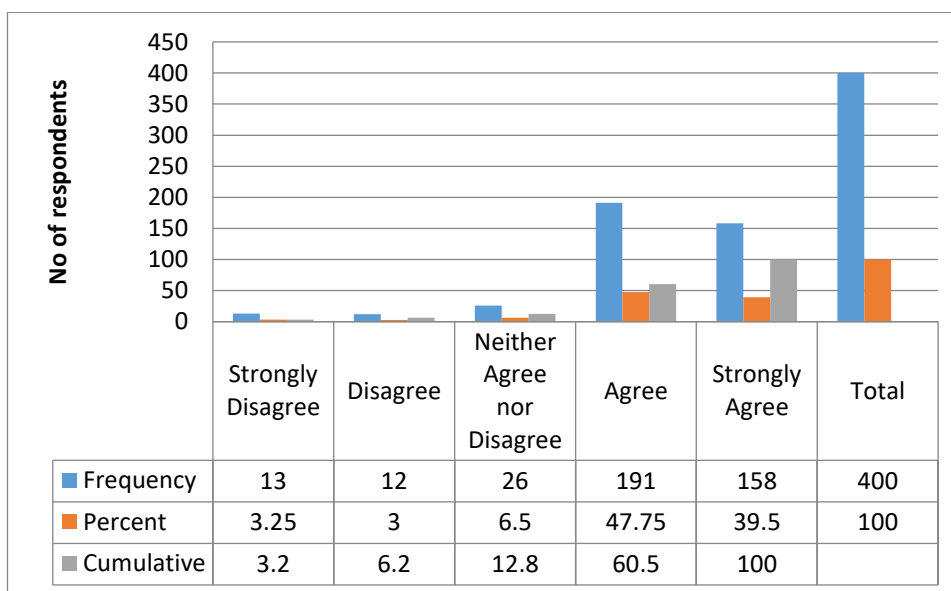


Chart- 3 shows that depicts that out of 400 respondents, 3.25% strongly disagree for the interest rate of deposit, 3% disagree for the interest rate of deposit, 6.5% neither agree nor disagree for the interest rate of deposit, 47.75% agree to the interest rate of deposit and 39.5% strongly agree to the interest rate of deposit.

Table 4: ANOVA - Income of The Respondent and Deposit Return of Sundaram Finance

H₀ there is no significant relationship between income of the respondent and deposit return of Sundaram Finance.

| | <i>Sum of Squares</i> | <i>Df</i> | <i>Mean Square</i> | <i>F</i> | <i>Sig.</i> |
|----------------|-----------------------|-----------|--------------------|----------|-------------|
| Between Groups | 29.905 | 4 | 7.476 | 5.557 | 0.000 |
| Within Groups | 531.373 | 395 | 1.345 | | |
| Total | 561.278 | 399 | | | |

Table- 4 shows that Null Hypothesis H₀ is rejected value is below then 0.05 there is no significant relationship between income of the respondent and deposit return of Sundaram Finance.

Table 5: ANOVA - Income of The Respondent and Type of Deposit in Sundaram Finance

H₀ there is no significant relationship between income of the respondent and type of deposit in Sundaram Finance.

| | <i>Sum of Squares</i> | <i>df</i> | <i>Mean Square</i> | <i>F</i> | <i>Sig.</i> |
|----------------|-----------------------|-----------|--------------------|----------|-------------|
| Between Groups | 0.643 | 2 | 0.321 | 0.228 | 0.797 |
| Within Groups | 560.635 | 397 | 1.412 | | |
| Total | 561.277 | 399 | | | |

Table- 5 shows that Null Hypothesis H₀ is accepted the value is above 0.05 there is a significant relationship between income of the respondent and types of deposit.

Table 6: Inter Correlation – Customer Perception of Deposit and Schemes

| <i>Correlations</i> | <i>Type of deposit</i> | <i>Satisfaction of respondent based on the deposit scheme provided by Sundaram Finance</i> | <i>The Satisfaction level of the respondent based on the interest rate provided by Sundaram finance</i> |
|--|------------------------|--|---|
| Type of deposit | 1 | 0.647** | 0.534** |
| Satisfaction of respondent based on deposit scheme provided by Sundaram Finance | 0.647** | 1 | 0.564** |
| Satisfaction level of the respondent based on the interest rate provided by Sundaram finance | 0.534** | 0.564** | 1 |

** . Correlation is significant at the 0.01 level (2-tailed).

Table- 6 shows that depicts the inter-correlation between the three variables. They are type of deposit, satisfaction level of deposit scheme and satisfaction level of interest rate of customer perception towards deposit in Sundaram Finance. Out of these three variables, correlation between type of deposit and satisfaction of deposit scheme (0.647) Satisfaction level of deposit scheme and interest rate (0.564) these two variables are highly correlated.

FINDINGS

- Out of 400 respondents, 20.25 % are under 30 between the age group of 30-40, 29.25% are between the age group of 40-50, 5.25% are between the age group of 50-60, 16% and 29.25% is the age group of above 60.
- Out of 400 respondents, 82.2% are male respondents and 17.8% are female respondents.
- that around 13.5% of the respondents are from the metro, 50% of the respondents are from urban, 25% of the respondents are from semi urban and 11.5% of the respondents are from rural.
- Out of 400 respondents, 21.75% of the respondents are self-employed, 24.25% of the respondent's private employees, 1.75% of the respondents Governments employed, 49% of the respondents retired and 3.25% of the respondent's others.
- The respondents have completed secondary level, 31% of the respondents have completed higher secondary level, 15% of the respondents are U.G graduates, 19% of the respondents are P.G graduates and 7.8% of the respondents are illiterate.
- The respondents are earning upto 3Lakhs, 24.2% of the respondents are earning 3-5Lakhs, 18% of the respondents are earning 5-7Lakhs and 28% of the respondents are earning 7-10Lakhs.

RECOMMENDATION

- To avoid these kinds of drawbacks we should do some rectifications, so that we can improve standards and number of customers. Providing online services for the customers may help a lot to attract customers towards our firm.
- From the information, it is clear that the current status is good. So, it is better to maintain the current way of approach towards the customers.
- Almost half of the respondents were just agreed but the percentage of respondents strongly agrees is almost equal. So, increasing the amount of interest provided now may give a large developer.
- More information and details regarding the fixed deposits to the customers may increase the respondents towards the satisfied categories. Also, more information on E-sites will also be more helpful.
- Satisfaction level of service is Sundaram Finance Excellent. Further improvement in the quality of the services results in company growth and it helps in establishing the brand.

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