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A STUDY ON CUSTOMERS' PERCEPTION TOWARDS TAMILNADU GRAMA BANK IN TIRUPUR DISTRICT

*Dr. S. Ajithkumar

Assistant Professor, Department of Commerce, Hindusthan College of Science and Commerce, Injur.

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*Corresponding Author: Dr. S. Ajithkumar

Assistant Professor, Department of Commerce, Hindusthan College of Science and Commerce, Injur.

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ABSTRACT

Bank plays an important role in the economic development of every nation. This is applicable to India too. They have control over a part of supply of money in circulation. A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities. Bank are fundamental component of the financial system, and also active players in financial market. Economic development is dynamic and continuous process. Because, the operational efficiency of various segment of the economy.

INTRODUCTION

Banks now operates in a situation of keen competition in their financial service. In such competitive environment, the ability of a bank even to sustain its growth rate depends on how well the needs are involved. This involves developing new and improved innovation of technology. The role of bank in economic development of a country assumes significance due to the fact that they provides one of the essential inputs, namely finance and for the growth of various segments of the country. In developing economy like ours, where the scarcity of financial resource is admittedly one of the constraints for accelerating the pace of economic growth, an efficient and responsive banking system is utmost important.

Over the past years banking sector of our country has undergone great metamorphosis. It is look and perception has changed tremendously. Initially from the concept of quantitative expansion, banks went for a business consolidation which later on culminated into functional diversification in novel areas. The banking industry as a whole becomes competitive both

within and outside the industry. Indian Banking System is in the form of the Public sector Banks, Private Sector Banks, Foreign Banks, Regional Rural Banks and Co-operative Banks.

All these banks are extending their services only for the betterment of common people and various Industrial sectors of them such services empowerment of rural economy, during 1975, Government of India was very interested to have a separate bank for extending banks' services to rural mass.

Consequence of this view, Regional Rural Banks were established under provisions of an ordinance promulgated on the 26th December, 1975 and the RRB Act, 1975 with an objective to ensure sufficient institutional credit for agriculture and other rural sectors. The RRBs mobilize financial resource from rural /semi urban areas and grant loans and advances mostly to small and marginal farmers, agricultural laborers and rural artisans. For the purpose of classification of bank branches, The Reserve Bank of India defines rural area as a place with a population of less than 10,000.

RRBs are jointly owned by the Government of India, the concerned State Government and sponsor bank the issued capital of RRB is share by the owners in the proportion of 50%, 15%, and 35% respectively. The first five RRBs in Haryana, West Bengal, Rajasthan, with one each and two in Uttar Pradesh, which are sponsored by different commercial banks. These banks covered 11 District of the five states.

In course of time the RRBs have been subjected to close examination by a number of experts committees like Dantwala Commission (1997), Committee to Review Arrangements for Institutional Credit Agriculture and Rural Development (CRAFICARD), Agricultural Finance Corporation, Mr. Kelkar working Group (1987), khusro committee (1989), Narasiman Committee (1991), M.C.Bhandurai Committee (1995), K.Basu committee (1995) and evaluated by various committee the working of RRBs in India from several aspects and suggested different measures to restructure and revitalize the Regional Rural Banks. At present there are 56 RRBs in India.

Tamilnadu Grama Bank in Tirupur District

The following are the 14 Branches of Tamilnadu Grama Bank in Tirupur District. Devanpudur, Dharapuram, Karathozhulv, Kumaralingam, Kangeyam, Mulanur, Perumanallur, Tirupur, Dhali, kolathupalayam, Madathukulam, Nathakadaiyur and Sevur.

REVIEW OF THE LITERATURE

In any study, the review of previous studies are considered as important for getting a better understanding of the problems, objectives, methodology, followed and to identify the unexplored part of the field of the study under consideration. In this regard a review of some of studies relating to the present study has been undertaken and presented in the following section.

VenkataNaidu.,G (2012) conducted a study on performance of Regional Rural Bank and he stated that RRBs today face a lot of problems in their holistic growth. The foremost being the pro poor image of RRBs public still perceives these banks as only for rural people. Some people assume them to be private banks and desists from having banking relationship with RRBs. Not only this, the confinement to total aspect narrowed down the vision and experience of RRBs staff resulting in their little development. Thus, there is decisive need to allow the RRBs to grow out and face their relatives of the world.

Muthulakshmi and Selvaraj.V.M (2012) pointed out that Regional Rural Banks are encouraging the process of capital formation by advancing loans for different activities and motivatinga large number of persons to save out of their income. These banks have also increasing self-employment and rehabited the rural artisans. Land less laborers have been given loan for different productive purpose to provide employment to them. The objectives of the study are financial performance of RRBs and to examine the problems being faced by the regional rural bank.

Rajasekharappa G.I. andKundanBasavaraj (2012) have made to analyse the performance in term of certain different parameters like number of branches, district covered, capital funds, mobilization of saving deposits, loan and investment by bank. The performance of Tamilnadu Grama Bank is gradually increased and also the banks network has been increased to extend toanalyze the data and draw conclusion in their study, various statistical tools used like Mean, Median, Mode,standard deviation and 't' test have been accompanied.

OBJECTIVES OF THE STUDY

The present study is undertaken with the following objectives:

- To examine the factors influencing the customers to prefer the Tamilnadu Grama Bank.
- To analyse the satisfaction level of the Tamilnadu Grama Bank customers.
- To offer suitable suggestions to improve performance of the Tamilnadu Grama Bank.

SAMPLING AND METHODOLOGY

This study is an empirical research based on survey method. There are 56 RRBs are in India. In Tamilnadu, at present there is a RRB Tamilnadu Grama Bank has been selected. Area of Operation is Prior to amalgamation, Pallavan Grama Bank with its Headquarters at Salem functioned in 16 districts and Pandyan Grama Bank with its Headquarters at Virudhunagar functioned in 16 districts of Tamilnadu. After amalgamation, the Bank is operating in 37 Districts of Tamil Nadu except Chennai with its Headquarters at Salem.

In Tirupur District the following are the branches of Tamilnadu Grama Bank.

DevanPudur, Dharapuram, Karatholuvu, Kumaralingam, Mulanur, Kangayam, Perumanallur, Tirupur, Dhali, Kolathupalayam, Madathukulam, Nathakadaiyur and Sevur. On the information provided by the branch officials of selected branch, on that sevur branch has been purposively selected. The following information of the customers are as follows:

BRANCH	SB A/C	CURRENT A/C	FIXED DEPOSIT A/C	LOAN A/C	RECCURRING DEPOSIT A/C
SEVUR	1520	10	45	88	87

In that branch, there are 1750 customers. Of them 70 sample customers selected randomly and this is considered to be adequate and representative. Owing to incomplete and contradictory information, it is possible to have only 60 sample customers as final sample size. Hence, the study is based on simple random sampling method.

FRAMEWORK OF ANALYSIS

In the present study, the collected primary data have been analyzed with statistical tools like Garrets Ranking Technique

GARRETT'S RANKING TECHNIQUE

Garrets ranking technique

has been used in this study, the following formula has been applied

$$\text{Percent position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = Rank given for the i^{th} factor by the j^{th} respondents

N_j = Number of the factor marked by j^{th} respondents.

FACTORS INFULENCING CUSTOMERS TO PREFER THE TAMILNADU GRAMA BANK

The quality of service provided by the bank can be measured by the analyzing the influencing factors of the customers towards the service provided by the bank. The sample customers are assess to each factor by giving rank I to the most important factor rank II to the second important factor and so on value has been calculated for the rank assigned by the respondents with the help of Garrett ranking technique.

The present position the each rank is made into score by referring table given by Henry Garrett is followed for all the customers score of this individual customer is summed up for computation of the rank details of the findings are shown in the table 1.1

TABLE1.1: FACTORS INFLUENCING TO PREFER TAMILNADU GRAMA BANK: GARRETT'S RANKING TECHNIQUES

S. No	Factors	Ran k	1	2	3	4	5	6	7	8	9	10	Total scor e	Mean scor e	Ran k
		x	81	70	63	57	52	47	42	36	29	18			
1	Low and reasonable service charges	f	2	6	20	16	6	6	2	4	2	2	60	61.16	II
		fx	162	420	1260	912	312	282	842	144	58	36	3670		
2	Courteous service at counter	f	2	8	6	6	16	8	4	2	6	2	60	50.86	V
		fx	162	560	3782	342	832	376	168	72	174	36	3100		
3	Location of Branch	f	22	10	8	2	2	4	4	2	2	4	60	62.7	I
		fx	1782	700	5044	114	104	188	168	72	58	72	3762		
4	Availability of ATM facility	f	6	16	4	12	2	2	4	10	2	2	60	56.03	III
		fx	486	1120	252	684	104	94	168	360	58	36	3362		
5	High rate of interest on deposit	f	12	4	8	8	6	2	2	6	4	8	60	53.16	IV
		fx	9420	280	5046	456	312	94	84	216	116	144	3148		
6	Reasonable	f	2	6	4	6	12	8	12	4	4	2	60	49.6	VI
		fx	162	42	252	34	62	37	50	14	11	36	297		

	rate of interest on loan			0		2	4	6	4	4	6		6		
7	Fund transfer like NEFT/ RTGS	f	4	10	4	4	2	2	10	4	10	10	60	45. 6	VII
		fx	324	70 0	252 8	22 4	10 4	94 2	42 0	14 4	29 0	18 0	273 6		
8	Reputation	f	4	2	2	2	2	16	6	8	8	10	60	41. 86	XI
		fx	324	14 0	126 4	11 4	10 4	75 2	25 2	28 8	23 2	18 0	251 2		
9	Advertisement	f	2	2	2	2	2	4	12	10	8	16	60	36. 96	X
		fx	162	14 0	126 4	11 4	10 8	18 4	50 0	36 2	23 8	28 8	221 8		
10	Mobile Banking	f	4	2	2	2	10	8	4	10	14	4	60	43. 1	VII I
		fx	324	14 0	126 4	11 0	52 6	37 8	16 0	36 6	40 6	72	260 6		

x =scale value; f = number of customers; fx= score value

Table 1.1 shows that the main factors felt sample customer is the location of the branch indicated by its highest mean score of 62.7, this is followed low and reasonable service charges, availability of ATM facility, high rate of interest on deposit, reasonable rate of interest on loan, courteous service at the counter, fund transfers like NEFT/ RTGS, mobile banking, reputation and advertisement.

TABLE 1.2 DISTRIBUTION OF SAMPLE CUSTOMERS S BY SATISFACTION LEVEL

SATISFACTION LEVEL	NO.OF CUSTOMERS	PERCENTAGE
High	22	36.67
Low	38	63.33
TOTAL	60	100

From the above Table 1.2 reveals that the majority 63.33% of the sample customers are having low level of satisfaction and 36.67% of the sample customers are having high level of satisfaction on services provided by Tamilnadu Grama Bank.

FINDINGS OF THE STUDY

The following are the findings of the study:

- As per Garrett's Ranking Technique, it is found that the most important factor felt by the customers is location of the branch(62.7%)
- It is found that 63.33 % of the customers are having low satisfaction level about the Tamilnadu Grama Bank

SUGGESTIONS

In the light of the present findings given by the sample customers, The following recommendations are made for the improvement of Tamilnadu Grama Bank services in the Sevur branch in Tirupur district are as follows: It is found that, 63.33 % of the customers are having low satisfaction level about the Tamilnadu Grama Bank Hence, it is suggested to improve banker that they may try to advertise their services to the public which would help to satisfy their customers and retain them as well.

CONCLUSION

In the present technological era, no banks can survive without the wholehearted support of the customers. So, all the banks are keen interest to provide good services to their customers. It is felt that offering good, quick and innovative services is vital for success of any banks.

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