



A Study on Customer Perception Towards Core Banking Solution W.R.T Vadodara

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ABSTRACT

All of the banks are now in the process of implementing Core banking Solutions. With the advent of core banking, customers of a given bank are now able to manage their accounts from any of their institution's locations. Almost a hundred participants from a range of demographics and lifestyles participated in the current research.

Everyone's accounts, ages, incomes, and sex were taken into consideration, and their levels of contentment were measured. Customers were polled using a variety of service-specific questions, and the results indicated that 93% of them are happy with the fundamental banking solutions offered by their respective financial institutions.

It's safe to say that with globalization, the world's economies have seen some radical shifts. As a result of globalization, the banking sector in particular has been subjected to a slew of new issues. There has been a significant decline in the amount of personal service provided to consumers at bank locations. Banks have adopted Core Banking Solutions, which has led to the electronic performance of various branch-specific tasks through a wide variety of electronic devices, including computers, mobile phones, iPad, tablets, etc. Consumers nowadays are quite tech aware. Customers no longer wait at teller desks before completing their financial operations. Customers may manage their accounts from any location or branch of a bank that has implemented core banking technology. The days of a bank teller personally assisting each client at the teller counter are long gone. Customers now have access to high-powered desktops and smart phones with internet access. They have the ability to complete them.

1. INTRODUCTION

Real-Time core banking services such as loan management, withdrawals, deposits, and payments are made possible via a system called "core banking," which links several locations of the same bank. Customers can interact with the bank as if it were a single entity, regardless of their physical location, thanks to the bank's new Centralized Online Real-time Environment (CORE), which was designed to give customers greater freedom to access their accounts and make transactions from anywhere in the world.

Among the most important core banking services are the establishment of new accounts and the administration of client relationships, the computation of interest, the handling of deposits and withdrawals, the issuance and servicing of loans, etc.

Back-end servers in a core banking system perform routine tasks like calculating interest and updating passbooks. Customers' requests for cash withdrawals from a branch or ATM are sent to a central data centre, which verifies the withdrawals and authorizes the withdrawals.

Everything from the database server to the application server to the web server and the firewall that safeguards the whole system is located in the data center. It is up to the individual bank to decide whether to host its data centre on-premises or in the cloud.

Based on our research of the industry's leading banking software providers, we've identified the fundamental banking capabilities that must be included in any respectable system.

Online control panel with a consolidated view

Banking professionals want a consolidated dashboard for real-time system monitoring. Customers and bank employees alike need access to the same dashboard in order to efficiently identify and address problems.

On boarding (with KYC features) (with KYC features)

The customer must first log in using their own login and password in order to access the dashboard. Banks can ensure the legitimacy of their new clients with the use of Know Your Customer (KYC) capabilities. In addition, the onboarding procedure should be stress-free for the consumers.

Use of two separate authentication methods

Two-factor authentication is a must for this system to increase security and keep customer information safe.

Notifications sent automatically

Use push alerts to keep your customers up-to-date on their accounts while you develop your Mobil core banking solution for your bank's core banking system.

Controlling debts

Customers should be able to track their loan balances and make payments on time using the basic banking system.

The Use of an Interest Calculator

Real-time calculators are essential for customers to make educated choices about loan and mortgage payments.

2. LITERATURE REVIEW

Quality of Customer Service in the core banking Industry of India: An Exploratory Study by **Tasneem Afreen** (2022) revealed that clients who banked in India were more satisfied with their service than those who banked elsewhere.

When evaluating the quality of a bank's services, responsiveness is paramount. After that we have Tangible, then Dependable, then Assured, and finally Empathetic. Banks may do better at making their clients feel cared about by giving more personalized service. Location, availability of ATMs, and other such features are important to customers when choosing a bank. She kept mum about the joy felt by her clients.

According to **B.K. Swain's** (2023) "Measuring customer services using Customer Satisfaction Index," an attempt was made to establish a mathematical framework to measure the amount and extent of customers' satisfaction level at various branches in a rational and objective way using mathematics. Based on his research, he concluded those not meeting consumers' perceptions of quality or suitable levels of expectation may undermine even the most clearly specified defect-free service from the staff.

In their study "A Research on Consumer Satisfaction with Online core banking services with reference to India," **Lakshmi Narayana, Sri Hari, et al.** (2022) dug deep into what makes online core banking clients happy or unhappy. According to their findings, the most important aspects that contribute to online shoppers' happiness core banking requirements, followed by essential services, problem solving, cost savings, ease of use, risk and privacy concerns. They believe that in order to increase consumer happiness, banks must place more focus on online and Mobil core banking. They don't even touch on the idea of happy consumers.

According to research conducted by **N.V. Krishna Reddy and M. Sudhir Reddy** (2020) and published in their article "A Study on Customer's Perception and Satisfaction Towards Electronic Banking In," Core banking offers many advantages that contribute significantly to raising customers' levels of satisfaction with the overall quality of the services they receive. That gives financial institutions a leg up on the competition. They suggested the banks boost their promotional and marketing tactics to increase consumer knowledge among It services and favourable impression to boost E-banking adoption.

M. Fouzia (2021), This study's primary objective is to analyze consumer sentiment regarding **noncore banking**. Participants were asked to provide feedback on the study's findings as it progressed. The strong associations between age and customer perception of E-Banking services and between employment and customer perception of E-Banking services are investigated using analysis of variance

According to **Surabhi Singh's** (2019) research, "the current analysis was done with the purpose to estimate the degree of usage of services, particularly the enabled services, in these banks and to analyze the component elements impacting customer satisfaction with the quality of services."

Sawant K (2018), Two Indian banks, both domestic and international, assumed their clientele for this research. Researchers in India have been studying how they might improve the quality of banking services. The study's most important finding is that Indian customers are more satisfied with domestic banks than with international ones. Most international banks can't compete with the quality of service offered by domestic ones.

3. BACKGROUND OF THE STUDY

Simply defined, technology is the manner of doing things, and by "technology," I do not merely mean computer systems and the like. Technology encompasses all knowledge products, processes, tools, techniques, and systems used in the production or provision of commodities or services.

Hardware, software, and brain ware all make up the technology.

Reviewing the ways in which technology has impacted the aforementioned part of the core banking sector, particularly in the post-liberalization period, is a necessary part of any investigation of the role of technology in bank technology management. As banks are fundamentally service providers, their success and continued existence are contingent on their capacity to attract new customers and keep existing ones satisfied with the breadth and quality of the services they provide.

The most fundamental components of customer focus, such as speed, care, and reconditioning, are evaluated by customers whether they are aware of it or not. This necessitates that at least some portion of the feature be heavily focused on cutting-edge technology. As the old adage goes, "information technology rules the roost" (when it comes to banks), and no financial institution can hope to succeed in the long run if it fails to give this field the attention it deserves.

Following the advice of the Committee, Indian banks started experimenting with technology on a modest scale in the 2020s, and the 2021s's falling hardware price further assisted to its acceptance. India's technical prowess and highly sought-after IT professionals have earned the country a global reputation. On the contrary, the Indian economy as a whole and the core banking industry in particular have fallen well behind the industrialized countries in terms of technology adoption, missing out on the timely advantages of all the technical innovation and knowledge.

Customers nowadays are pickier than ever before and want to be able to reach their bank when and how they choose. Banks have chosen for computerization in order to fulfil the demands of their customers who may go elsewhere if the bank is unable to deliver the information and services they want. Yet, the need for computerization at banks necessitates a system that is dependable, easily maintained, accessible to both customers and employees, and so on.

For the purposes of this definition, computerization dependability implies that it always performs as intended. Computerization's maintainability indicates that all system modules and program may be rapidly improved, updated, and adapted to new operational development of the bank as and when necessary, ensuring that decision makers have fast access to the information they need. When a system's presence and functionality are crucial to an application's success, its availability may be characterized as revealing this information.

4. RESEARCH METHODOLOGY

METHODS FOR DATA COLLECTION & VARIABLES OF THE STUDY

Methods for data collection

Primary Data

Secondary Data

Primary Data

Primary source of data was collected by questionnaire.

Secondary Data

Secondary source of data was collected from

Books

Journals

Magazines

Web's big data's

Sampling

The sample technique utilized for data gathering is convenient sampling. The convenience sampling method is a non-probability strategy.

Sampling size

Big data indicates the numbers of people to be surveyed. Though large samples give more reliable results than small samples but due to constraint of time and money,

Plan of analysis

Diagrammatic representation through graphs and charts

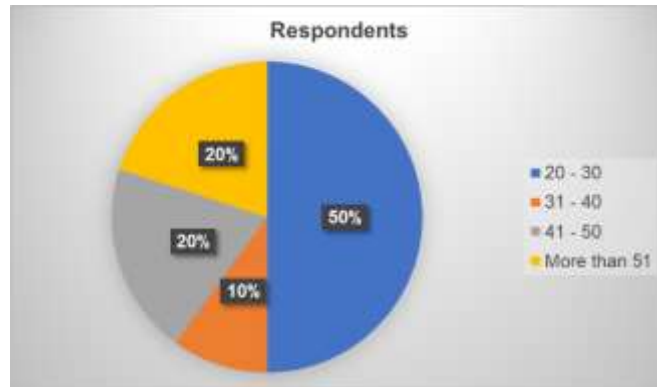
Big data able inferences will be made after applying necessary statistical tools.

Findings & suggestions will be given to make the study more useful.

5. DATA ANALYSIS

1. Age

| Category | Respondents | Percentage |
|--------------|-------------|------------|
| 20 - 30 | 100 | 50% |
| 31 - 40 | 20 | 10% |
| 41 - 50 | 40 | 20% |
| More than 51 | 40 | 20% |

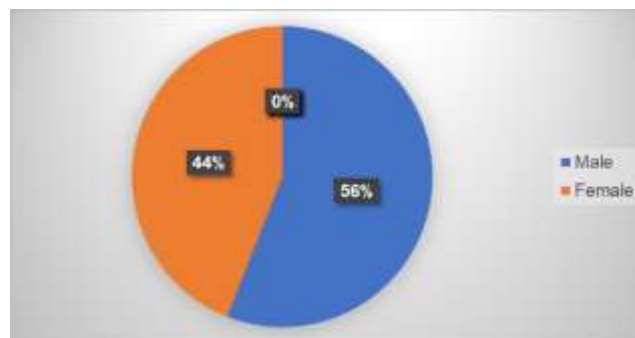


Interpretation:

50% responses are between the ages of 20 and 30, with a sizeable minority falling between the ages of 31 and 40 (10%) and a considerably smaller number falling between the ages of 41 and 50 (20%). Over 51-and-up 20%.

2. Gender

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Male | 112 | 56% |
| Female | 88 | 44% |

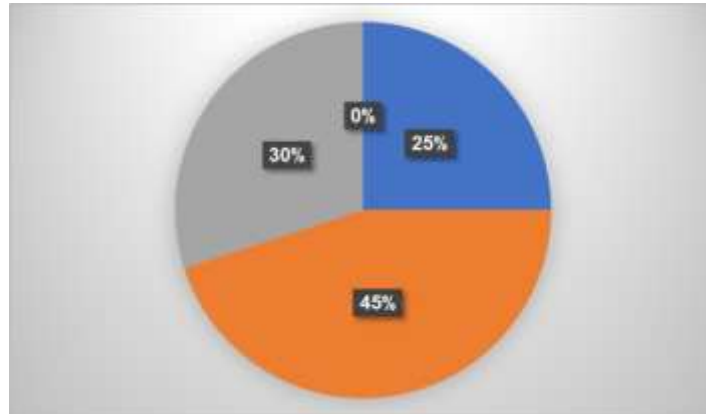


Interpretation:

It turns out that the numbers show that 56% of the sample are male and 44% are female. This would indicate that more attracts about an equal amount of male and female customers.

3. Occupation

| Categories | Respondents | Percentage |
|------------|-------------|------------|
| Business | 50 | 25% |
| Job | 90 | 45% |
| Student | 60 | 30% |

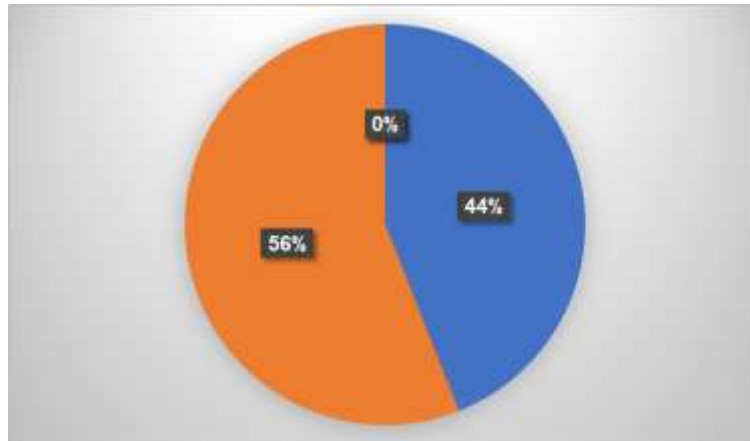


Interpretation:

From a pool of one hundred people, 25% would be in business, 45% would have a job, and 30% would be students.

4. Educational Qualification

| Category | Respondents | Percentage |
|----------|-------------|------------|
| UG | 88 | 44% |
| PG | 112 | 56% |

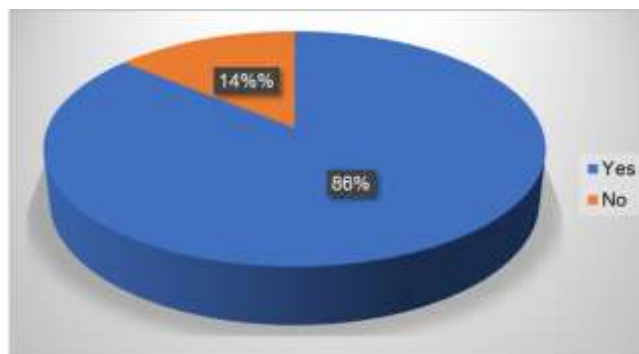


Interpretation:

A summary of educational attainment is shown in the table above. 44% with an undergraduate degree, and 56% with a post graduate degree among the respondents.

5. Are you aware about core banking solution?

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Yes | 172 | 86% |
| No | 28 | 14% |

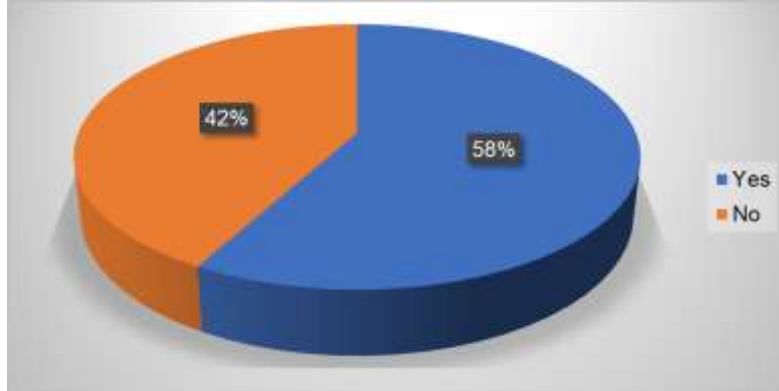


Interpretation:

86 out of 200 respondents agree with the statement above, while 14 disagree, as seen in the table.

6. If we provide best security and protection for your transaction, will you use core banking?

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Yes | 116 | 58% |
| No | 84 | 42% |

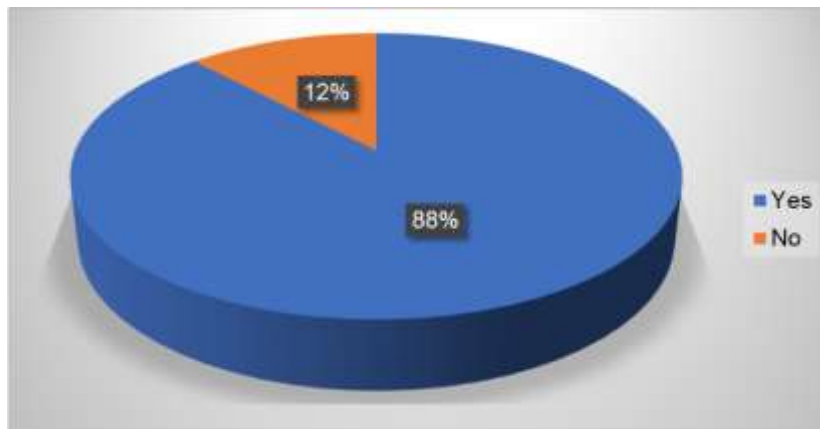


Interpretation:

The above table shows that 58% of respondents agree that the team is able to quickly and effectively adapt to changing project needs, while 42% disagree.

7. Do you think that internet banking is convenient?

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Yes | 176 | 88% |
| No | 24 | 12% |

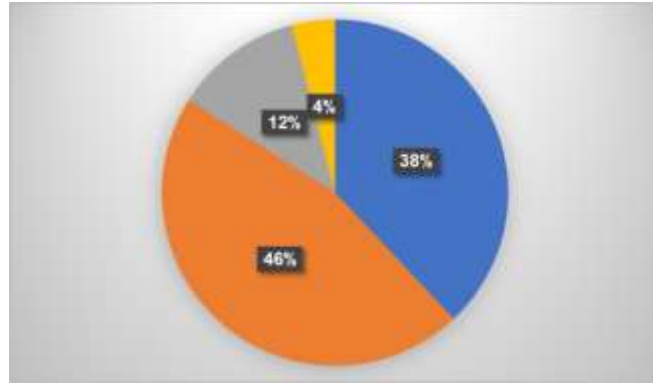


Interpretation:

The above table shows the percentage of on-time milestone completion. The majority (88% yes) and a sizable minority (12%) disagree.

8. Which Digital payment Did you find easiest to use?

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Paytm | 76 | 38% |
| Gpay | 92 | 46% |
| Phoenpay | 24 | 12% |
| Other | 8 | 4% |

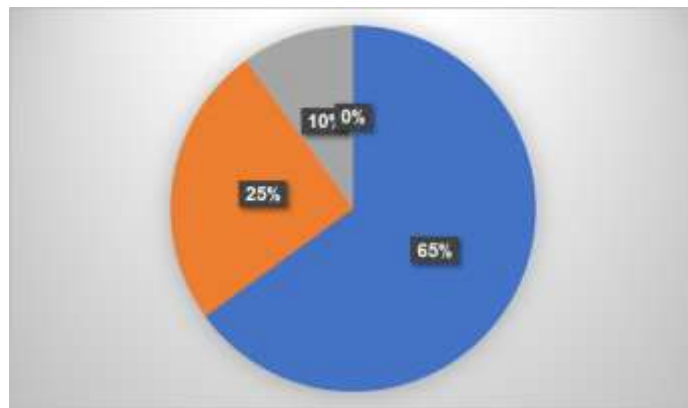


Interpretation:

The table above provides a quick snapshot of accomplishments. Of the respondents, 38% said " Paytm," 46% answered "Gpay," 12% answered "Phoenpay," and 4% answered " Other"

9. How Important would online Banking in your daily banking activities

| Category | Respondents | Percentage |
|------------|-------------|------------|
| Frequently | 130 | 65% |
| Rarely | 50 | 25% |
| Not at all | 20 | 10% |

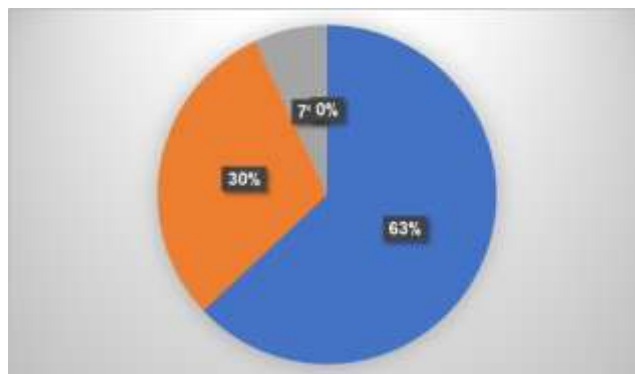


Interpretation

As can be seen from the data provided above, 65% of all transactions fall into the category of "Frequently," 25% into the category of "Rarely," and 10% into the category of "Not at all."

10. In which sector you have bank account?

| Category | Respondents | Percentage |
|----------|-------------|------------|
| Private | 126 | 63% |
| Public | 60 | 30% |
| Both | 14 | 7% |



Interpretation

The information presented above clearly demonstrates. Around 63% were in the private sector, 30% in the public sector, and 7% in both.

6. CONCLUSION

Capital, labour, technology, and resources may more freely travel across borders thanks to globalization, which has had a profound impact on the economic sector. With the advent of globalization, the banking industry as a whole has seen a number of dramatic shifts, and with them have come several technical breakthroughs.

Financial institutions' efforts to deploy customer-friendly Core Banking Solutions saw increased adoption with the advent of globalization. Notwithstanding certain obstacles, Core Banking technology in the nation has the potential to perform marvels and gain the delight of consumers if the right steps are made at the right time. Over recent years, the banking industry has expanded into new areas.

To ease banking transactions for clients, the Reserve Bank of India has created a number of high-tech services. One example of technology that can speed up a procedure anywhere in the globe within a few seconds and with little to no disruption is the core banking system. In today's world, the success of the financial system is impossible without the use of information and communication technologies.

The significance of the banking industry in India's economy has grown as a result. With this new system, monetary transactions and payments may be completed rapidly and with little effort. In today's highly competitive banking industry, the institutions that invest in cutting-edge technology and methods tend to do better. As the banking industry has become more competitive and the market has shifted, it has been compelled to adapt to new challenges.

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