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A STUDY ON CUSTOMER PREFERENCE TOWARDS VARIOUS DEPOSIT SCHEME IN INDIAN BANK

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ABSTRACT

This study investigates the customer preferences towards various deposit schemes offered by Indian banks. With the rapid evolution of the banking sector in India, understanding customer preferences becomes crucial for banks to tailor their offerings effectively. The research employs a mixed-methods approach, combining qualitative interviews and quantitative surveys to gather comprehensive insights. Through analysis, the study aims to identify key factors influencing customers' choices among deposit schemes, such as interest rates, flexibility, and perceived risks. It seeks to uncover demographic trends and behavioral patterns that shape deposit scheme preferences. The findings of this study can provide valuable guidance to Indian banks in designing competitive deposit products and enhancing customer satisfaction and loyalty. By aligning their offerings with customer preferences, banks can enhance their competitiveness, foster stronger customer relationships, and drive sustained growth in the dynamic Indian banking sector.

INTRODUCTION

In the dynamic landscape of Indian banking, customer preferences play a pivotal role in shaping the deposit schemes offered by banks. As financial institutions vie for market share and strive to meet the diverse needs of their clientele, gaining insight into customer preferences becomes paramount. This introductory exploration delves into the multifaceted realm of customer preferences towards various deposit schemes in India, aiming to shed light on the factors influencing deposit scheme selection, the evolving landscape of banking preferences, and the implications for banks and policymakers alike.

In a country with a vast and heterogeneous population like India, the preferences of depositors are influenced by a myriad of factors, including demographic characteristics, financial literacy levels, risk appetite, and life stage considerations. Banks offer a variety of deposit schemes to cater to the diverse financial needs and preferences of their customers.

INDIAN BANK

Indian Bank is an Indian public sector bank, established in 1907 and headquartered in Chennai. It serves over 100 million customers with 41,645 employees, 5,814 branches with 4,929 ATMs and Cash deposit machines. Total business of the bank has touched ₹1,094,752 crore (US$140 billion) as on March 231, 023.

The bank's information systems and security processes are certified to meet ISO27001:2013 standard. It has overseas branches in Colombo and Singapore including foreign currency banking units in Colombo and Jaffna. It has 227 overseas correspondent banks in 75 countries. Since 1969, the Government of India has owned the bank. As per the announcement made by the Indian Finance Minister Nirmala Sitharaman on 30, 2019, Allahabad Bank merged on April 1, 2020, making Indian Bank the seventh largest bank in the country.

OBJECTIVE OF THE STUDY

- ✓ To identify various deposit scheme provided by Indian bank align with financial goal of customer.
- ✓ To assess the satisfaction level of customer towards various deposit scheme offered by Indian bank.
- ✓ To identify the customer understanding on deposit scheme offered by Indian bank.
- ✓ To find out the factors influence customers to make a decision on deposit scheme.
- ✓ To evaluate the quality of service provided by Indian bank

REVIEW OF LITERATURE

1) **Nidhi Bala and S. S. Narta (2009) A study of income savings and investment behavior of agriculturist:** They found that Investment in the form of bank deposits was most popular among the agriculturists as it alone accounts for more than half of the total investment made by them in the form of financial assets. The agriculturists attribute safety the main reason for making investment in bank deposits.

2) **Prof. Ujwala Bairagi and prof. Charu Rastogi (2011) A Study of saving pattern and investment preference of individual household:** They found that there is an explosion in the growth of middle-class families to double income and increase in number of working women. Hence effort should be made to attract women investor by providing right information and knowledge about various investment schemes.

HYPOTHESIS OF THE STUDY

1) **To identify various deposit scheme provided by Indian bank align with financial goal of customer.**

Null hypothesis (H0): There is no significant allocation between deposit scheme that align with financial goal of customer and occupation of customer.

Alternative hypothesis (H1): There is a significant allocation between deposit scheme that align with financial goal of customer and occupation of customer.

2) **To assess the satisfaction level of customer towards various deposit scheme offered by Indian bank.**

Null hypothesis (H0): There is no significant relationship between the satisfaction level of customer and type of deposit scheme offered by Indian bank.

Alternative hypothesis (H1): There is significant relationship between the satisfaction level of customer and type of deposit scheme offered by Indian bank.

SOURCES OF DATA

The data collected from both primary and secondary data

2.5(a) Primary data: A questionnaire was prepared and administered to 88 respondents.

2.5(b) Secondary data: Collected from online journals, websites & review of literature from published articles.

TOOLS AND TECHNIQUES

The study utilized a questionnaire as its research instrument for data collection. This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

STATISTICAL TOOL:

The research has used the following tools

Chi-square: The chi-square test is used to analyse categorical data and determine whether there is a significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies

Correlation: Correlation is a statistical measure that quantifies the degree of association or relationship between two or more variables. It quantifies how changes in one variable are associated with changes in another variable. Correlation values range from -1 to +1.
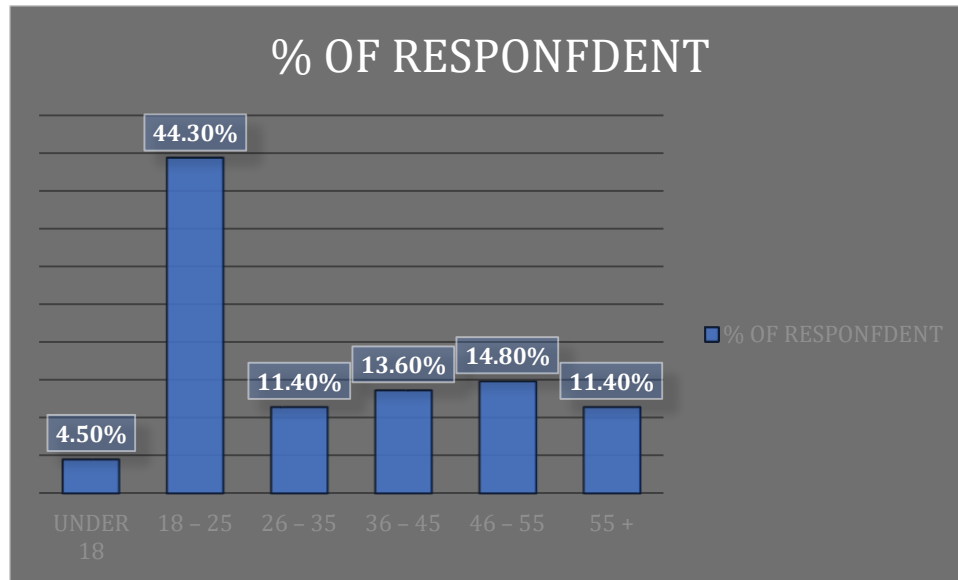
ANALYSIS AND INTERPRETATION DATA

TABLE NO.: 1 AGE WISE CLASSIFICATION

TABLE: 1 Age wise classification

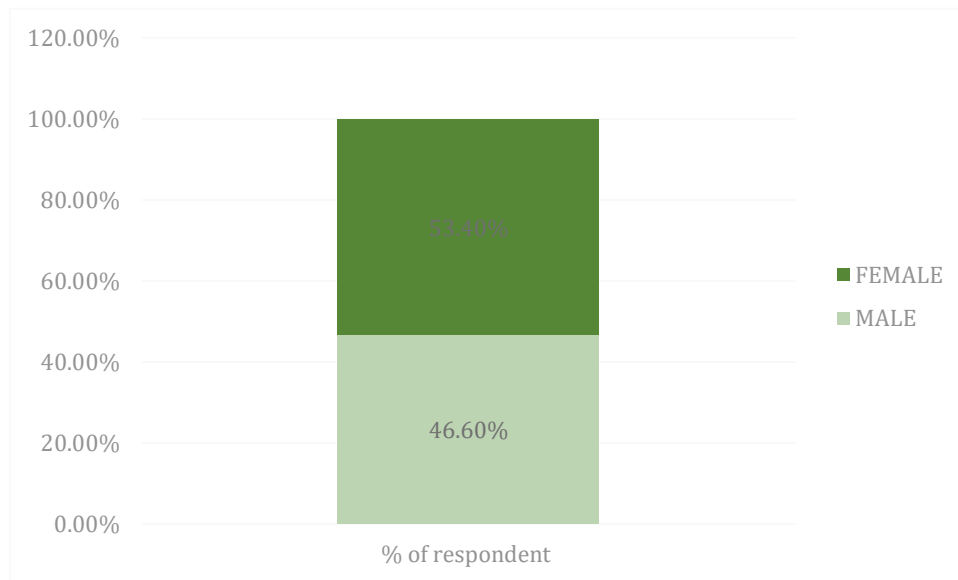| AGE	NO OF RESPONDENT	%OF RESPONFDENT
UNDER 18	4	4.5%
18 – 25	39	44.3%
26 – 35	10	11.4%
36 – 45	12	13.6%
46 – 55	13	14.8%
55 +	10	11.4%

Age wise classification

INTERPRETATION:

From the above analysis (4.50%) of the respondent are from the age group of under 18, (44.3%) of the respondents are from the age group of 18-25, (11.4%) are from 26-35, (13.6%) are from 36-45, (14.8%) are from 46-55, (11.4%) are from 55+.

TABLE:2 Gender wise classification

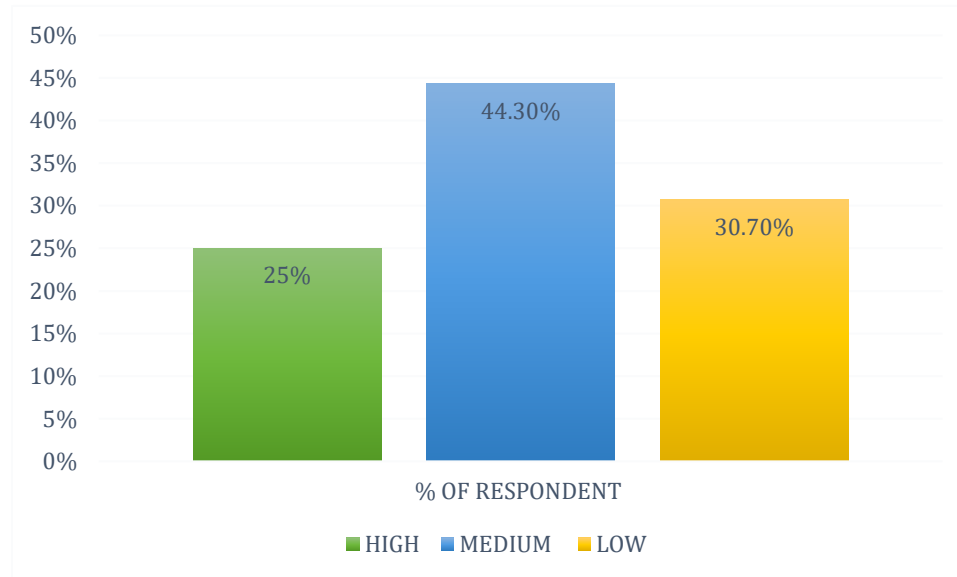| GENDER	NO OF RESPONDENT	% of Respondent
MALE	41	46.6%
FEMALE	47	53.4%

Gender wise classification

INTERPRETATION:

From the above analysis (53.4%) of respondents are female and (46.6%) of respondents are male.

Table:3 Income wise classification

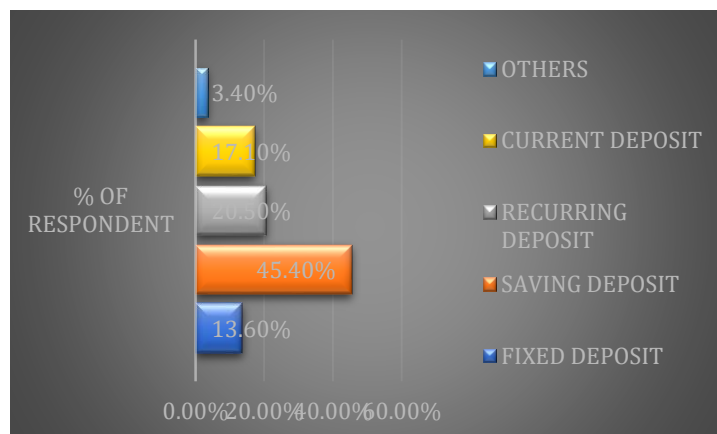| INCOME LEVEL	NO OF RESPONDENT	% OF RESPONDENT
HIGH	22	25%
MEDIUM	39	44.3%
LOW	27	30.7%

Income wise classification

INTERPRETATION

From the above analysis (30.7%) are from low level, (44.3%) are from medium level, (25%) are from high level.

TABLE:4 Types of deposit scheme interested

| PARTICULARS	NO OF RESPONDENT	% OF RESPONDENT
FIXED DEPOSIT	12	13.6%
SAVING DEPOSIT	40	45.4%
RECURRING DEPOSIT	18	20.5%
CURRENT DEPOSIT	15	17.1%
OTHERS	3	3.4%

Types of deposit scheme

INTERPRETATION

From the above (13.6%) are from fixed deposit, (45.4%) are from saving deposit, (20.5%) are from recurring deposit, (20.5%) are from current deposit.

TABLE:5 Deposit scheme align your specific financial goals

PARTICULARS	NO OF RESPONDENT	% OF RESPONDENT
HIGH	36	40.9%
MEDIUM	29	33
LOW	23	26.1%

Scheme aligning financial goal
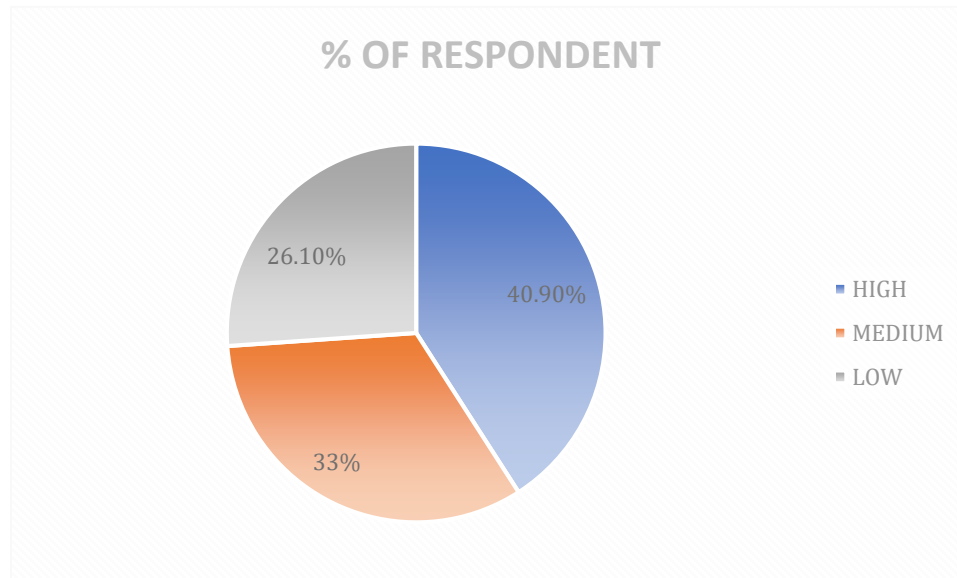
INTERPRETATION

From the above analysis the (26.2%) are from yes to deposit choice with specific goals, (32.9%) are from no to deposit choice with specific goals, (40.9%) are from maybe to deposit choice with specific goals.

CHI-SQUARE

GENDER	HIGH	MEDIUM	LOW	TOTAL
MALE	16	12	13	41
FEMALE	20	17	10	47
TOTAL	36	29	23	88

O	E	O-E	(O-E)²	(O-E)²/E
16	16.8	-0.8	0.64	0.038
12	13.5	-1.5	2.25	0.167
13	10.7	2.3	5.29	0.494
20	19.2	0.8	0.64	0.033
17	15.5	1.5	2.25	0.145
10	12.3	-2.3	5.29	0.43
CALCULATED VALUE				1.307

CALCULATED VALUE 1.307

DEGREE OF FREEDOM:

= (r-1) (c-1)

= (2-1) (3-1)

=2

Level of significance: 0.05

Table value: 5.99

INFERENCE

Therefore, calculated value is 1.307 is less than the table value 5.99. So, accept H0.

Hence proved that there is no significant allocation between deposit scheme that align with financial goal of customer and occupation of customer.

CORRELATION

TYPE OF DEPOSIT SCHEME	ALIGN FINANCIAL GOAL
12	29
40	18
18	15
15	20
3	6

X	Y	X^2	Y^2	XY
12	29	144	841	348
40	18	1600	324	720
18	15	324	225	270
15	20	225	400	300
3	6	9	36	18
88	88	2302	1826	1656

$$r = \frac{N \sum X Y - \sum X \sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} * \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

= 536/2284.1

=0.2346

DEGREE OF FREEDOM:

= (r-1) (c-1)

= (5-1) (2-1)

=4

Level of significance: 0.05

TABLE VALUE:9.49

INFERENCE

Therefore, calculated value is 0.2346 is less than the table value 9.49. So, accept H0.

Hence proved that there is no significant relationship between the satisfaction level of customer and type of deposit scheme offered by Indian bank.

FINDINGS:

- ❖ 44.3% of the respondent's age between 18-25.
- ❖ 47% of the respondents are female.
- ❖ 44.3% of the respondents have medium level income.
- ❖ 45.4% of the respondent are interested in saving deposit scheme.
- ❖ 40.9% of the respondent deposit scheme are aligning their financial goals,
- ❖ 40% of the respondent needs medium term duration.

SUGGESTION:

- ❖ Preferences may vary based on income levels, the bank should offer a diverse range of deposit schemes to cater to the varying needs and preferences of its customer base.
- ❖ The bank could focus on providing flexible deposit options that cater to different needs and offering periodic promotions or incentives to encourage more frequent engagement.
- ❖ To effectively serve the needs of different customer segments, the bank should offer a comprehensive suite of deposit products while also focusing on customer education and personalized advisory services to help customers make informed financial decisions aligned with their goals and preferences.

CONCLUSION:

In conclusion, this study highlights the customer preference towards various deposit scheme in Indian bank. Customers prioritize factors such as interest rates, flexibility in deposit tenure, and ease of access when selecting a deposit scheme. Banks must tailor their offerings to align with these preferences to attract and retain customers effectively. Indian banks can strengthen their competitive position in the market and better meet the evolving needs of customers in the realm of deposit schemes. Continuous efforts to innovate, personalize, and communicate effectively will be crucial for sustained success in this dynamic landscape.