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A STUDY OF CUSTOMERS AWARENESS ABOUT FEE-BASED SERVICES OF BANKS

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Abstract

The paper deals with customers' awareness about the fee-based services offered by banks in India. Data for this survey were collected from primary sources. The sampling adopted is convenient and purposive. The data is collected between the months during June to December 2016. A sample of 406 customers is survey using a structured questionnaire. The data are analyzing using statistical techniques percentages, mean, S.D., ANOVA (one-way) and Multiple Comparison Post Hoc Turkey HSD Test. The findings reveal that the customers fully aware about cheque, demand draft, life insurance, credit card/debit card and locker services of banks but never heard hedge fund, cash management, letter of credit and Demat account. Banks need to educate the customers about the fee-based services of banks and should adopt an eclectic approach while providing fee based services.
Keywords: Customers awareness, Fee-based services, Non-fund Business, Hedge fund, Traveler cheque

I. INTRODUCTION

Since 1969, with nationalization of banks, public sector banks have acquired a still more prominent place in Indian banking sector. The need to acquire a customer centric focus has mandated the slow-moving public sector to adopt a fast track approach. The unleashing of products and services through the internet has galvanized players at all levels of banking and financial institutions to look anew at their existing portfolio offering (M.S. Baig 2014).

With the reform of the financial sector, banks have started widening their horizons into different activities, like insurance. For this purpose, the banking sector, armed with their wide branch network, particularly in the rural sector, aim at utilising this opportunity to mobilize sizable funds of long-term nature, which could finance the infrastructure projects having long gestation periods. However, international experience clearly reveals that the insurance may not break-even during the initial years of operations. It would therefore be necessary for banks to have an adequate financial strength to commence this activity. Insurance business also requires product designing skill and actuarial expertise; banks may be mandated to enter into joint ventures with foreign partners. The entry of banks into insurance business has been recognised as critical (Muraleedharan. D., 2009). With the issuance of notification by the government, specifying 'insurance' as a permissible form of business that could be undertaken by banks under section 6 (1) (o) of the Banking Regulation Act,949, applications were invited from banks with supporting documents for their entry into the insurance business. Since then, State Bank of India has been permitted to set up a life insurance subsidiary on risk participation basis with 74 % equity holding.

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Jammu and Kashmir Bank Ltd and Vysya Bank Ltd. have been accorded approval to contribute 25 % and 49 %, respectively, to the equity of joint venture on the risk participation basis. Punjab National Bank and Vijaya Bank have been permitted to make the strategic investment to the extent of 15 % and 8% respectively, in the life insurance and non-life insurance joint ventures and in distribution and service companies. HDFC Bank has been 'in principle' approval to act as a corporate agent of insurance companies for the distribution of insurance of products on fee basis. All these approvals have been granted by The Insurance Regulatory and Development Authority (Report 1). Traditional products were parallel selling by banks with their new fee-based products. The purpose of this paper is to study about the customer awareness level about these new fee-based services of banks.

II. REVIEW OF LITERATURE

Saleem et.al. (2011) study the key factors which influence customer satisfaction related to mobile technology adoption in Pakistan and observe that customers are more concerned about authenticity, security and reliability of such technology. They suggest that the firms in Pakistan should focus on innovative services. **Nagamani et.al. (2016)** finds that customer uses internet services of banks but have in doubt about the financial transaction and with the service quality. **Amutha D (2016)** concluded that bank customers were aware about all banking services in Tuticorin district of Tamilnadu. He also suggests that banks should focus on customer education regarding the new products and services of banks. **Gurbuz (2013)** concludes that diversification plays a positive role on risk adjusted returns of banks. **Lands Kroner et. al. (2005)** have undertaken to examine the impact of diversification effects across financial products and optimum portfolio of banking group on risk-adjusted performance of banks. Their findings point out that gains from diversification are real and also establish that banks do achieve competence from diversification, which is evident from the actual portfolios the banking groups hold. **Singh et. al. (2011)** point out that there are several factors determining customer satisfaction but the ones that play significant role are only three: 'word-of-mouth, social responsibility, and reliability'. **Alagarsamy's (2013)** assessment is that bank employees have need of sufficient training about bank products & services. They mention that customers find it difficult to understand different banking procedure adopted by different banks. This explains the 'customer hesitation to deal with banks', they add. **Joji et. al. (2013)** maintain that bank customers prefer convenience in getting services to giving importance to the bank which provides the services.

III. OBJECTIVE OF THE STUDY

- To study the customer awareness level about fee-based services of banks.
- To find out the reason of the respondents regarding the various problem in adopting fee-based products of banks.
- To suggest improvement in awareness and satisfaction about fee-based services of banks.

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IV. RESEARCH METHODOLOGY

The target population for the primary survey comprises bank customers. The data is collected between the months during June to December 2016. To know about the responses of customers, such respondents were chosen as have bank accounts and have some knowledge of or have been using non-fund services of banks. Keeping into consideration the nature of study, the researcher purposively contacted the locally accessible customers, who were asked to fill up the questionnaires administered to them and to help in generating network of peers to whom questionnaires could be sent by email. In this way, the numbers of questionnaires sent were approximately 700 to different customers. Around 450 questionnaires were received as filled up resulting in a response rate of 64 percent. Eventually, 406 questionnaires were finally used for our study because 44 questionnaires had to be dropped for want of complete information filled therein. For the analysis of primary data, the statistical techniques used are Percentages, Mean, and Standard Deviation, ANOVA (one-way), t-test, Multiple Comparisons Post Hoc Tukey HSD test and Factor Analysis. Frequency distribution is used to present the classification of respondents according to their selected demographic characteristics including gender, age, profession and education. To find out the statistically mean purpose, ANOVA (one-way) test is used where the demographic characteristics get classified into more than two categories.

V. RESULTS AND DISCUSSION

5.1 Respondents' profile: This section provides a holistic frequency distribution of the respondents, according to their demographic characteristics (independent variables). As in Table 1, the variables include gender, marital status, education levels, occupation, and income classes. The table shows that of the 406 persons surveyed, 64 percent of the respondents are males and other are females. Age wise, 42 percent of respondents are in 18-34 years age group, 30 percent in 35-49 years age group, and 29 percent in 50-65 years and above. Education-wise, the group consisting of matriculation and senior secondary customers makes 36.2 percent, followed by graduates (34%), postgraduates (16.7%) while the remaining (13.1%) are below matriculation. Occupation-wise, largest percentage is the one of service persons (43.6%), followed by others (23.2%), professionals (19.5%) and businessmen (13.8%). The distribution according to income class shows that the highest percentage (67%) of the respondents fall in the income class of up to Rs.5 lakhs, followed by Rs 5-10 lakhs (26%), and Rs 10-20 lakhs and above (7%). The table also shows that a majority (55.9%) of the respondents have accounts in public sector banks only, private sector banks (19.2) followed by respondents having accounts in both public and private sector banks (20.4%), foreign banks (2.2%), and cooperative banks (2.2%).

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Table 1. Profile of respondent customers **N=406**

Gender-wise distribution		
Gender	Frequency	Percent
Male	258	64
Female	148	36
Total	406	100
Age-wise distribution		
Age (in years)	Frequency	Percent
18-34	170	42
35-49	120	30
50-65 and above	116	29
Total	406	100
Education wise distribution		
Education	Frequency	Percent
Below Matriculation	53	13.1
Matriculation and sr. secondary	147	36.2
Graduate	138	34
Post graduate and above	68	16.7
Total	406	100
Income wise distribution		
Income (Rs. in lakhs p.a.)	Frequency	Percent
Up to 5	272	67
5-10	105	26
10-20 above	29	7
Total	406	100
Occupation-wise distribution		
Occupation	Frequency	Percent
Business	56	13.8
Service	177	43.6
Professionals	79	19.5
Others	94	23.2
Total	406	100
Number of Bank-wise distribution		
Types of Banks	Frequency	Percent
Public	227	55.9
Private	78	19.2
Foreign	9	2.2
Cooperative	9	2.2
Both public and private	83	20.4
Total	406	100

5.2 Customers' awareness about fee-based services: Non-interest/fee-based services are offered by banks to their customers by charging fee on such services. These services are divided into a six major heads i.e. remittance business, third party product, wealth management, precious metals,

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investment products and others services. Respondents expressed their knowledge about different services offered by banks on five point Likert scale (1 to not at all, 2 to very little extent, 3 to little extent, 4 to some extent and 5 to full extent). Table 2 reveals that 63 percent and 52 percent of respondents are fully/to some extent aware about cheque and demand draft services of banks. On the other hand, 37 percent, 34 percent, and 40 percent respectively of respondents replied that they have very little/not at all knowledge about traveler cheque, online services and foreign exchange. The table also reveals that frequencies of knowledge about different components of remittance business also vary. The mean awareness about cheques (M=3.73; SD =1.14) is the highest, followed by demand draft (M=3.45; SD =1.16), online services (M=2.99; SD =1.28) traveler cheques (M=2.94; SD =1.23) and foreign exchange (M=2.77; SD = 1.23) respectively. In third party products, 30 percent of respondents have little knowledge about mutual funds.Whereas, 43 percent, 35 percent and 40 percent respondents are fully/ to some extent aware about life insurance (M=3.18), non-life insurance (M=2.96) and credit card /debit card (M=3.08), a high percentage of respondents have little knowledge about travel and ticketing (44%) and insurance & package tour services (49%). In the case of wealth management and precious metal, 19 percent and 18 percent respectively of respondents expressed little knowledge about cash management and gold. Respondents' knowledge about investment products reveal that mean awareness about real estate (M=2.68; SD =1.25) is more than private equity (M=2.66; SD =1.22) and hedge fund (M=2.42; SD =1.22). Results regarding other sources reveal that respondents are more familiar with custodial & locker services (M=3.01; SD =1.38) chased by letter of credit (M=2.88; SD =1.33), Demat account (M=2.45; SD =1.24). It is worthwhile to note that respondents are fully aware about cheque, demand draft, life insurance, credit card /debit card and custodial & locker services of banks, as indicated by respective mean values. However, the respondents appear to have never heard hedge fund, cash management, letter of credit and Demat account.

Table 2. Respondents' level of awareness about non-interest/fee-based services N=406

Fee-based services	Scale	Not at all	Very little extent	Little extent	Some extent	Full extent	Total	Mean	SD
Remittance business	Cheque	27	25	97	139	118	406	3.73	1.14
		(7)	(6)	(24)	(34)	(29)	(100)		
	Demand drat	27	60	106	130	83	406	3.45	1.16
		(7)	(15)	(26)	(32)	(20)	(100)		
	Traveler cheque	72	77	87	145	25	406	2.94	1.23
		(18)	(19)	(21)	(36)	(6)	(100)		
	Online services (RTGS/ NEFT/ SWIFT)	81	58	83	151	33	406	2.99	1.28
		(20)	(14)	(20)	(37)	(8)	(100)		
	Foreign exchange	93	71	99	121	22	406	2.77	1.25
		(23)	(17)	(24)	(30)	(5)	(100)		
Third party products	Mutual funds	80	74	122	89	41	406	2.84	1.25
		(20)	(18)	(30)	(22)	(10)	(100)		
	Life insurance	48	70	114	108	66	406	3.18	1.24
		(12)	(17)	(28)	(27)	(16)	(100)		
	Non-life insurance	53	88	122	109	34	406	2.96	1.16

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		(13)	(22)	(30)	(27)	(8)	(100)		
	Credit card/ Debit card	49	68	129	121	39	406	3.08	1.15
		(12)	(17)	(32)	(30)	(10)	(100)		
	Travel and ticketing	84	51	138	106	27	406	2.85	1.21
		(21)	(13)	(34)	(26)	(7)	(100)		
	Insurance and package tour services	82	118	110	72	24	406	2.60	1.16
		(20)	(29)	(27)	(18)	(6)	(100)		
Wealth management	Cash management	102	126	76	57	45	406	2.55	1.30
		(25)	(31)	(19)	(14)	(11)	(100)		
Precious metal	Gold	56	120	72	88	70	406	2.99	1.33
		(14)	(30)	(18)	(22)	(17)	(100)		
	Silver	53	41	85	173	54	406	3.33	1.21
		(13)	(10)	(21)	(43)	(13)	(100)		
Investment products	Hedge fund	122	98	105	57	24	406	2.42	1.22
		(30)	(24)	(26)	(14)	(6)	(100)		
	Private equity	97	80	121	82	26	406	2.66	1.22
		(24)	(20)	(30)	(20)	(6)	(100)		
	Real state	89	102	97	86	32	406	2.68	1.25
		(22)	(25)	(24)	(21)	(8)	(100)		
Others sources	Demat account	130	72	116	67	21	406	2.45	1.24
		(32)	(18)	(29)	(17)	(5)	(100)		
	Letter of credit	100	56	69	154	27	406	2.88	1.33
		(25)	(14)	(17)	(38)	(7)	(100)		
	Custodial & locker services	68	98	84	73	83	406	3.01	1.38
		(17)	(24)	(21)	(18)	(20)	(100)		

Source: Based on field survey

Note: Figures in parentheses are percentages

This analysis has been made with the help of ANOVA (one-way) and multi-comparison Post Hoc Tukey HSD test to know the intra-independent variable difference in the level of awareness about non-interest services of banks.

5.2.1 Age-wise analysis: Age wise, respondents are grouped into three categories- 18-34 years, 35 to 49 years, and 50-65 years and above. Table 3 reveals respondents' age-wise analysis with respect to fee -based services. Here, an attempt is made to bring out the respondents' age group-wise differences as to their 'level of awareness' about fee- based services. The results of ANOVA (one-way) discern F-value is significant in remittance business (p=0.01), wealth management (p=0.00), precious metal (p=0.00), investment products (p=0.00) and other services (p=0.01). Post hoc Tukey HSD test (Table 4) result reveals that in remittance business, mean values are significantly different between age groups '18-34 years' (M=3.30, SD=0.64) and '35-49 years' (M=3.10, SD=0.75), '18-34 years' and '50-65 years and above' (M=3.07, SD=0.61). It shows that respondents of age group 18-34 years are better aware of remittance services offered by banks than other age groups. On the

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other hand, in wealth management services, it is found that respondents of age group 18-34 years show greater awareness of these services. In precious metal, significant mean difference is found between age group '18-34 years' (M=3.07, SD =1.01) and '50-65 years and above' (M=3.45, SD = 1.29), whereas age group '35-49 years' (M=2.98, SD = 0.90) is found significantly different from '50-65 years and above'. It shows that respondents belonging to age group '50-65 years and above' have more knowledge about these services of banks than others group. Regarding awareness about investment products, it is noted that there is significant mean difference between respondents of age group '50-65 years and above' (M=2.23, SD = 0.90) and '18-34 years' (M=2.78, SD = 0.97), '35-49 years' (M=2.64, SD = 0.78) and '50-65 years and above'. In the case of other services of banks, age group '18-34 years' (M=2.77, SD =0.84) is significantly different from age group '50-65 year and above' (M=2.48, SD = 0.81). Results show that respondents in age group 18-34 years' are more aware about the investment products and other services of banks.

Table 3. ANOVA for respondents' age-wise awareness of fee-based services N=406

Fee-based services	Age (in years)	N	Mean	S.D	F-value	Sig. level
Remittance business	18-34	170	3.30	0.65	5.05	0.01**
	35-49	120	3.10	0.76		
	50-65 and above	116	3.07	0.61		
Third party products	18-34	170	2.99	0.78	2.02	0.13
	35-49	120	2.93	0.74		
	50-65 and above	116	2.81	0.73		
Wealth management	18-34	170	2.94	1.26	16.84	0.00**
	35-49	120	2.45	1.09		
	50-65 and above	116	2.08	1.40		
Precious metal	18-34	170	3.08	1.01	6.50	0.00**
	35-49	120	2.99	0.90		
	50-65 and above	116	3.46	1.29		
Investment products	18-34	170	2.78	0.97	12.94	0.00**
	35-49	120	2.64	0.79		
	50-65 and above	116	2.24	0.90		
Others services	18-34	170	2.78	0.85	4.52	0.01**

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	35-49	120	2.66	0.67		
	50-65 and above	116	2.49	0.81		

Source: Based on field survey

Note: **Significant at the 0.05 level.

Table 4. Post Hoc Tukey HSD test for age-wise awareness of fee-based services N=406

Fee-based services	(I) Age (in years)	(J) Age (in years)	Mean Difference (I-J)	Sig. level
Remittance business	18-34	35-49	0.20	0.04**
		50-65 and above	0.23	0.01**
	35-49	18-34	-0.20	0.04**
		50-65 and above	0.03	0.93
	50-65 and above	18-34	-0.23	0.01**
		35-49	-0.03	0.93
Wealth management	18-34	35-49	0.49	0.00**
		50-65 and above	0.86	0.00**
	35-49	18-34	-0.49	0.00**
		50-65 and above	0.37	0.06
	50-65 and above	18-34	-0.86	0.00**
		35-49	-0.37	0.06
Precious metal	18-34	35-49	0.09	0.75
		50-65 and above	-0.38	0.01**
	35-49	18-34	-0.09	0.75
		50-65 and above	-0.47	0.00**
	50-65 and above	18-34	0.38	0.01**
		35-49	0.47	0.00**
Investment products	18-34	35-49	0.14	0.40
		50-65 and above	0.54	0.00**
	35-49	18-34	-0.14	0.40
		50-65 and above	0.41	0.00**
	50-65 and above	18-34	-0.54	0.00**
		35-49	-0.41	0.00**
Others services	18-34	35-49	0.11	0.46
		50-65 and above	0.29	0.01**
	35-49	18-34	-0.11	0.46
		50-65 and above	0.17	0.21

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	50-65 and above	18-34	-0.29	0.01**
		35-49	-0.17	0.21

Source: Based on field survey

Note: **Significant at the 0.05 level.

5.2.2 Education-wise analysis: ANOVA (one-way) is used to know education-wise awareness about fee-based services. Education is divided into four categories as below: matriculation, matriculation & senior secondary, graduate and postgraduate & above. Fee-based services include major heads of services including remittance business, third-party product, wealth-management, precious metal, investment products and other sources. Table 5 presents summary of statistics of responses so obtained according to various education-wise groups. Results indicate that wealth management service and investment products of banks is significant among all the services of banks with F= 10.46 at p=0.00 and F=5.84 at p=0.00, respectively.

Results of Tukey HSD (Table 6) point out significantly that graduates and postgraduates respondent are more aware about wealth management and investment products compared with other groups.

Table 5. ANOVA for respondents' education-wise awareness of fee-based service N=406

Fee-based services	Education	N	Mean	SD	F-value	Sig. level
Remittance business	Below Matriculation	53	3.08	0.65	0.93	0.43
	Matriculation and sr. secondary	147	3.15	0.63		
	Graduate	138	3.2	0.73		
	Post graduate and above	68	3.27	0.71		
Third party products	Below Matriculation	53	2.75	0.73	1.16	0.11
	Matriculation and sr. secondary	147	2.95	0.61		
	Graduate	138	2.93	0.91		
	Post graduate and above	68	2.99	0.73		
Wealth management	Below Matriculation	53	1.96	1.33	10.46	0.00**
	Matriculation and sr. secondary	147	2.3	1.26		
	Graduate	138	2.89	1.27		
	Post graduate and above	68	2.85	1.19		
Precious metal	Below Matriculation	53	3.1	1.43	1.09	0.13
	Matriculation and sr. secondary	147	3.29	1.12		
	Graduate	138	3.08	0.95		

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	Post graduate and above	68	3.08	0.94		
Investment products	Below Matriculation	53	2.23	1	5.84	0.00**
	Matriculation and sr. secondary	147	2.47	0.88		
	Graduate	138	2.75	0.89		
	Post graduate and above	68	2.76	0.95		
Others services	Below Matriculation	53	2.57	0.79	2.49	0.07
	Matriculation and sr. secondary	147	2.55	0.76		
	Graduate	138	2.79	0.84		
	Post graduate and above	68	2.72	0.76		

Source: Based on field survey

Note: **Significant at the 0.05 level.

Table 6. Post Hoc Tukey HSD test for education-wise awareness of fee-based services N=406

Fee-based services	(I) Educational qualification	(J) Educational qualification	Mean Difference (I-J)	Sig. level
Wealth management	Below Matriculation	Matriculation and sr. secondary	-0.34	0.34
		Graduate	-.92904	0.00**
		Post graduate and above	-.89068	0.00**
	Matriculation and sr. secondary	Below Matriculation	0.34	0.34
		Graduate	-.59198	0.00**
		Post graduate and above	-.55362	0.02**
	Graduate	Below Matriculation	.92904	0.00**
		Matriculation and sr. secondary	.59198	0.00**
		Post graduate and above	0.04	1.00
	Post graduate and above	Below Matriculation	.89068	0.00**
		Matriculation and sr. secondary	.55362	0.02**
		Graduate	-0.04	1.00

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Investment products	Below Matriculation	Matriculation and sr. secondary	-0.24	0.37
		Graduate	-.51850	0.00**
		Post graduate and above	-.53200	0.01**
	Matriculation and sr. secondary	Below Matriculation	0.24	0.37
		Graduate	-.28182	0.05**
		Post graduate and above	-0.30	0.12
	Graduate	Below Matriculation	.51850	0.00**
		Matriculation and sr. secondary	.28182	0.05**
		Post graduate and above	-0.01	1.00
	Post graduate and above	Below Matriculation	.53200	0.01**
		Matriculation and sr. secondory	0.30	0.12
		Graduate	0.01	1.00

Source: Based on field survey

Note: **Significant at the 0.05 level.

5.2.3 Occupation-wise analysis: On the basis of the occupation, respondents are classified into four types: business, service, professionals and others. Table 7 presents summary of statistics of the responses so obtained according to various occupational groups. In this table, the service of banks, remittance business, investment products and precious metal indicates significant F-value. This indicates that awareness level in these services significantly differs according to the occupation of customers. Results of Tukey HSD (Table 8) support that respondent from 'Others' occupational group is more aware about remittance services of banks. Regarding 'Precious metal', results reveal that respondents in service (M=3.39 and SD =1.28) are more aware about gold and silver services of banks.In the case of investment products, professionals (M=2.77, SD =0.88) are significantly different from service people (M=2.44, SD =1.01). It shows that respondents in professions have more knowledge about investment products of banks than those in services.

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Table 7. ANOVA for customers' occupation-wise awareness of fee-based service **N=406**

Fee-based services	Occupation	N	Mean	SD	F-value	Sig. level
Remittance business	Business	56	3.09	0.76	2.703	0.05**
	Service	177	3.1	0.74		
	Professionals	79	3.24	0.65		
	Others	94	3.32	0.48		
Third party products	Business	56	2.81	0.8	0.477	0.70
	Service	177	2.94	0.81		
	Professionals	79	2.91	0.83		
	Others	94	2.95	0.53		
Wealth management	Business	56	2.59	1.29	0.500	0.68
	Service	177	2.53	1.51		
	Professionals	79	2.68	1.23		
	Others	94	2.45	0.9		
Precious metal	Business	56	2.86	1.2	5.181	0.00**
	Service	177	3.39	1.28		
	Professionals	79	3.04	0.88		
	Others	94	3.01	0.57		
Investment products	Business	56	2.66	1.1	2.754	0.04**
	Service	177	2.44	1.01		
	Professionals	79	2.77	0.88		
	Others	94	2.65	0.61		
Others services	Business	56	2.5	0.9	2.671	0.06
	Service	177	2.6	0.86		
	Professionals	79	2.84	0.81		
	Others	94	2.72	0.53		

Source: Based on field survey

Note: **Significant at the 0.05 level.

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Table-8: Post Hoc Tukey HSD test for occupation-wise awareness of fee-based services N=406

Fee-based Services	(I) Occupation	(J) Occupation	Mean Difference (I-J)	Sig. level
Remittance business	Business	Service	-0.01	1.00
		Professionals	-0.15	0.57
		Others	-0.23	0.17
	Service	Business	0.01	1.00
		Professionals	-0.14	0.44
		Others	-0.22	0.05**
	Professionals	Business	0.15	0.57
		Service	0.14	0.44
		Others	-0.08	0.86
	Others	Business	0.23	0.17
		Service	0.22	0.05**
		Professionals	0.08	0.86
Precious metal	Business	Service	-0.53	0.01**
		Professionals	-0.18	0.77
		Others	-0.15	0.83
	Service	Business	0.53	0.01**
		Professionals	0.35	0.07
		Others	0.38	0.03**
	Professionals	Business	0.18	0.77
		Service	-0.35	0.07
		Others	0.03	1.00
	Others	Business	0.15	0.83
		Service	-0.38	0.03**
		Professionals	-0.03	1.00
Investment products	Business	Service	0.22	0.41
		Professionals	-0.11	0.90
		Others	0.02	1.00
	Service	Business	-0.22	0.41
		Professionals	-0.33	0.04**
		Others	-0.20	0.31
	Professionals	Business	0.11	0.90
		Service	0.33	0.04**
		Others	0.13	0.80
	Others	Business	-0.02	1.00
		Service	0.20	0.31

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		Professionals	-0.13	0.80

Source: Based on field survey

Note: **Significant at the 0.05 level.

5.2.4 Income-wise analysis: This section aims at analyzing different fee-based services according to income groups of selected respondents. For thispurpose, income is categorized in 3 groups—(a) up to Rs.5 lakhs p.a., (b) Rs. 5- 10 lakhs p.a. and above, and (c)Rs. 10-20 above lakhs p.a. F-valueis found significant in precious metal (p=0.04) and investment products (p=0.02) as shown by the results of ANOVA (one-way) in Table 9. This indicates in consonance with the differences in income of the respondents, awareness level of respondents differs significantly. The result of Tukey HSD (Table 10) test reveals significant differences at p<0.05 between the income-wise group of respondents 'Up to Rs. 5 lakh' and 'Rs. 5-10 lakh'. In the case of investment products, the result reveals significant mean difference in respondents of income group 'Up to Rs. 5 lakh' and 'Rs. 5-10 lakh'. It establishes that in both the types of services, respondents in income group 'Rs. 5-10 lakh' have greater knowledge of these products than the respondents of group 'Up to Rs. 5 lakh'.

Table-9: ANOVA for customers' income-wise awareness of fee-based services N=406

Fee-based services	Income (in Rs. Lakh p.a.)	N	Mean	SD	F-value	Sig. level
Remittance business	Up to 5	272	3.18	0.63	2.56	0.08
	5 -10	105	3.11	0.78		
	10-20 and above	29	3.43	0.67		
Third party products	Up to 5	272	2.96	0.73	0.93	0.39
	5 -10	105	2.85	0.87		
	10-20 and above	29	2.84	0.62		
Wealth management	Up to 5	272	2.57	1.37	0.20	0.82
	5 -10	105	2.53	1.23		
	10-20 and above	29	2.41	0.91		
Precious metal	Up to 5	272	3.25	1.12	3.36	0.04**
	5 -10	105	2.93	1.03		
	10-20 and above	29	3.16	0.78		
Investment products	Up to 5	272	2.5	0.91	3.96	0.02**
	5 -10	105	2.79	0.96		
	10-20 and above	29	2.66	0.85		
Others services	Up to 5	272	2.64	0.77	0.84	0.43
	5 -10	105	2.65	0.87		

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	10-20 and above	29	2.84	0.73		

Source: Based on field survey

Note: **Significant at the 0.05 level.

Table 10 Post Hoc Tukey HSD test for income-wise awareness of fee-based services N=406

Fee-based services	(I) Income (in Rs. Lakh p.a.)	(J) Income (in Rs. Lakh p.a.)	Mean Difference (I-J)	Sig. level
Precious metal	Up to 5	5 -10	0.32	0.03**
		10-20 and above	0.09	0.89
	5 -10	Up to 5	-0.32	0.03**
		10-20 and above	-0.23	0.58
	10-20 and above	Up to 5	-0.09	0.89
		5 -10	0.23	0.58
Investment products	Up to 5	5 -10	-0.29	0.02**
		10-20 and above	-0.16	0.65
	5 -10	Up to 5	0.29	0.02**
		10-20 and above	0.14	0.76
	10-20 and above	Up to 5	0.16	0.65
		5 -10	-0.14	0.76

Source: Based on field survey

Note: **Significant at the 0.05 level.

VI. CONCLUSION AND SUGGESTIONS

Though most banks in India claim to serve the best interests of their customers by increasing the use of information technology and by meeting RBI's guidelines regarding information technology, the findings of this study lead us to a different conclusion. The study brings to light that there is a lack of awareness among customers about the fee based services, hedge fund and Demat account cash management, private equity, real estate, and letter of credit of the banks. It is suggest that since customers do not have adequate awareness about fee-based services of banks, for which reason they hesitate in using these services, it is imperative that banks take into cognizance the different social and cultural backgrounds and education level of their customers and educate them about the nitty-gritty of non-fund business of the banks. Banks need to adopt an eclectic approach

when providing fee-based services. Apart from being customer-friendly and customer-centric, they need to convert their premises into a kind of banking mall where all products are available. They should build a 360 degree picture of a customer's demographics, engagements, needs and preferences, and strategize their products accordingly. At the same time, they should keep in mind that "one-size-fits-all" policy will not work. While it will not serve any purpose to import the western models of diversification in their entirety, Indian banks can learn a lesson or two from their foreign counterparts how to best employ these practices. Indian customers are difficult to handle, and may not accept the banks' "intervention" in their wealth management. Accordingly, banks must devise a mechanism to adopt 'mass customisation' strategy, the policy where every customer is taken as a unique and indispensable individual. They should therefore work on trust-building activities with regard to the customers.

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