

# **A Study on Issues and Challenges of Financial Services in TMB Bank - Virudhunagar**

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**Abstract:** *This study aims to identify and analyze the key issues and challenges faced by TMB Bank in delivering financial services. By examining these challenges, this study provides practical suggestions and recommendations to address the identified issues. The research includes a comprehensive literature review, qualitative interviews with bank executives, and an analysis of customer feedback and complaints. The findings highlight several critical areas that require attention, including technology integration, customer experience, regulatory compliance, and talent management. Based on these findings, specific suggestions are provided to TMB Bank to enhance its financial services and overcome the identified challenges.*

**Keywords:** Issues and Challenges, TMB Bank, Customers, Problems, Prospects

## **I. INTRODUCTION**

The process of economic growth, especially in developing countries, relies mainly on the elimination of serious threat i.e., lack of access to financial services by the small, marginal farmers and weaker sections of the society. The progress of banking system took its root from the transformation of technology from brick-and-mortar system of banking to innovative supplementary channels like automated teller machines (ATM), credit/debit cards, online money transaction, internet banking, etc., but it is accessed by certain segments of society. Much research has been carried out on inclusion of people financially all over the world.

A number of factors affecting access to financial services are identified and it is also concluded that large numbers of population do not have access to basic banking and financial services not only in India but also in the whole world. This is termed "financial exclusion". Financial exclusion is nothing but the social exclusion of people. The people living below the poverty line don't access their account. These people, particularly, those living on low incomes, cannot access mainstream financial services and products such as bank accounts which are used for making payments and keeping money, remittances, affordable credit, insurance and other financial services, etc.

### **1.1 Statement of the Problem**

Financial inclusion is delivery of banking services to the less privileged and weaning them away from the unscrupulous money lenders. This is a mammoth task and it cannot be achieved without active collaboration of all stakeholders. Banking to reach the unreached is considered to be one among several outstanding achievements to its credit. Although there has been improvement in the outreach programmed activity in the banking sector, the achievement is not significant. The main problem is they don't have sufficient income to open an account in the bank and money lenders are still dominant source of rural finance despite wide presence of banks in rural areas. The unending stream of new initiatives and orders in this regard clearly demonstrates that all these have failed to achieve their basic objective of financial inclusion.

### **1.2 Objectives of the Study**

The main objective of the study is

- To analyses the issues and challenges of financial inclusion of TMB-Bank branches at Virudhunagar.
- To identify the performance of TMB- bank and other bank at Virudhunagar.
- To study the financial supporting actives of TMB-Bank to the industry.

- To find the solution for the issues and challenges infect by the customer in TMB-bank at Virudhunagar.

### 1.3 Research Methodology

This chapter includes the rationale of the study, scope of the study, objectives of the study, research hypotheses, sample profile, data collection, data analysis, reliability of scale, organization, relevance and limitations of the study.

### 1.4 Research Plan

#### Data Source:

- Data source: Primary
- Research Approach: Survey method
- Research Instrument: Questionnaire
- Contact method: E-mails, social media

### 1.5 Research Design

Research which is used here is “Descriptive research”. This study uses Survey methods with closed endedquestion

### Sample Size

Sample size of the study is 120. Sample size procedure was used to get optimum and reasonable information. The survey method is used to collect data from the TMB Bank customers and a structured questionnaire is designed to measure their customers problems and prospects towards the Issues and Challenges.

### Sampling Method

Sampling methods are used to select a representative subset, or sample, of a larger population for the purpose of conducting research. In the study of "A study on Issues and Challenges of Financial Services in TMB bank Virudhunagar," a suitable sampling method can be selected to ensure that the results of the study are accurate and reliable.

### 1.6 Methods of Data Collection

This study uses both primary data and as well as secondary data.

#### Primary Data

Primary data can be collected through questionnaires, which are a popular method of data collection in surveys. Questionnaires are a set of standardized questions that are designed to collect information about a specific topic or research objective. They can be distributed online, through mail, or in-person, and can be completed anonymously or with the respondent's name attached. An advantage of using primary data is that researchers are collecting information for the specific purposes of their study. In essence, the questions the researchers ask are tailored to elicit the data that will help them with their study. Researchers collect the data themselves, using surveys.

#### Secondary Data

Secondary data, which means data that was collected by secondary sources namely websites, journal articles and magazines.

### 1.7 Scope of the Study

The present study is confined to know the issues and challenges of financial services in TMB Bank of Virudhunagar.

### 1.8 Statistical Tools used for Analysis

The present study is carried on by using the following tool to analyze the collected data. Percentage method is referred to a special kind of ratio in making comparison between two or more data and to describe relationships. Percentage can also be used to compare the relative terms in the distribution of two or more sources of data.

### 1.9 Limitation of the Study

- The sample survey is limited to 120. Hence it does not represent the entire population.
- The period of study and span of time is too short.
- Some of the respondents are not interested to answer the questions.
- Some respondents hesitate to give clear information. The results are only based on the data given by the respondents.

## II. REVIEW OF THE LITERATURE

The Impact of e-Marketing on Customer Loyalty: A Study of TMB Bank in Thailand" by K. Srisawat and P. Chankoson. This study examined the impact of TMB Bank's e-marketing activities on customer loyalty. The authors found that e-marketing had a positive effect on customer loyalty, particularly in terms of customer engagement and brand awareness. However, they also identified challenges such as limited resources and lack of expertise in e-marketing that could hinder the effectiveness of TMB Bank's e-marketing efforts.

(Srisawat, 2018)

**Sankaramuthukumar and S Alamelu, K. (2011)** Developing an index for insurance inclusion for India and her states rank the states according to insurance inclusion index, and compare the insurance inclusion index with the latest financial inclusion index for Indian states.

A number of factors affecting access to financial services have been identified and the gender issue is also one among them. Access to credit is often limited for women, who don't possess any land or property. She is also dependent on male guarantees to borrow from banks. They conclude that it affects the outcomes of the programs implemented by the government

**Swamy and Vighneswara (2014)**

Jones, J. Howard M. Williams, Marylin Nilsson, Esse Thorat, Yashwan (2007) examine the development of the training programme, its implementation, and the results of its evaluation. The authors suggest that training can bring about attitudinal change, which in turn is reflected in behavior and social impact

Shastri and Aditya (2014): delivers the efforts taken by the TMB bank to achieve greater growth in financial inclusive economic system. The authors pointed out those specially trained officers were appointed by the bank to work on the various initiatives proposed by the bank on financial inclusion

## III FINDINGS:

- The researcher found that 43.3 percentages of the respondents are fewer than 25 year's age group people.
- The researcher found that 54.2 percentages of the respondents are female people.
- The researcher found that 42.5 percentages of the respondents are under graduate.
- It is found that majority 63(52.5) of the respondents are Rs.21,000 – Rs.40,000.
- The researcher found that 52.5 percentages of the respondents are saving account.
- It is found that majority 50 (41.7) of the respondents are 4 – 6 years.
- The researcher found that 36.7 percentages of the respondents are All of the above.
- The researcher found that 45.2 percentages of the respondents are financial institutions and bank such as TMB.
- The researcher found that 39.2 percentages of the respondents are Promoting financial literacy and awareness programs.
- The researcher found that 64.2 percentages of the respondents are financial institutions and bank such as TMB.
- The researcher found that 44.2 percentages of the respondents are respondents are Improved financial stability and resilience.
- The researcher found that 40.0 percentages of the respondents are 4% interest.
- The researcher found that 38.3 percentages of the respondents are 3% interest.
- The researcher found that 35.8 percentages of the respondents are Credit and loan facilities.
- The researcher found that 39.2 percentages of the respondents are Employee development initiatives.
- The researcher found that 39.2 percentages of the respondents are Large multinational enterprise.

- The researcher found that 34.2 percentages of the respondents are home mortgage loans.
- The researcher found that 31.7 percentages of the respondents are Gaining market share.
- The researcher found that 37.5 percentages of the respondents are Corporate social responsibility.
- The researcher found that 39.2 percentages of the respondents are Improving customer satisfaction.
- The researcher found that 40.8 percentages of the respondents are Lack of digital banking facilities.
- The researcher found that 41.7 percentages of the respondents are Reducing the number of branch locations.
- The researcher found that 34.2 percentages of the respondents are Decreasing customer interaction.
- It is found that majority 80(66.7%) of the respondents are Agreed that bank help to reach the unreached financial inclusion.
- It is found that majority 50 (41.7%) of the respondents are neutral for the present scenario communication & technological augmentation support financial inclusion.
- It is found that majority 44 (36.7%) of the respondents are strongly agreed that the decentralization approach of government. for financial inclusion in their bank.
- It is found that majority 35 (29.2%) of the respondents are Strongly disagree that frequent financial services are done to accelerate Financial Inclusion.
- It is found that majority 34 (28.3%) of the respondents are agree that financial inclusion is as a viable Optimistic Business Model.
- It is found that majority 83 (69.2%) of the respondents are Neutral that understanding of client needs by the bank of their bank.
- It is found that majority 46 (38.3%) of the respondents are neutral and neutral for Limited financial literacy.
- It is found that majority 38 (31.7%) of the respondents are disagree that Receivers inadequate regulatory framework.
- It is found that majority 31 (25.8%) of the respondents are agree for Political interference.
- It is found that majority 31 (25.8%) of the respondents are agree for Limited institutional capacity among MFIs and other providers.
- It is found that majority 35 (29.2%) of the respondents are Strongly agree that Lack of credit bureaus.
- It is found that majority 33 (27.5%) of the respondents are strongly agree for Microfinance's single-product approach.
- It is found that majority 71 (59.2%) of the respondents are strongly agree that improving the system and operation, regulation and supervision of microfinance institutions.
- It is found that majority 73 (60.8%) of the respondents are strongly agreed for Developing affordable range of products.
- It is found that majority 63 (52.5%) of the respondents are neutral for Providing financial education to customers to manage their financial resource.
- It is found that majority 66 (55.0%) of the respondents are Neutral for Sharing information on borrower repayment histories and total debt with credit bureaus.
- It is found that majority 45 (37.5%) of the respondents are agreed that Regulating providers to treat client fairly.
- It is found that majority 88 (36.7%) of the respondents are agreed and neutral that the Creation of Mobile (phone) banking.
- It is found that majority 42 (35.0%) of the respondents are agreed and neutral that the Creation of Mobile (phone) banking.

#### IV. SUGGESTIONS

- While analysis the data on the demographics, economic conditions, and financial behavior of the local population. This information will help to identify the key areas of focus.

- Their searchers has industry by the number of new accounts opened, the growth in savings deposits, the number of loans disbursed to underserved segments, and the penetration of digital banking services.
- The TMB-Bank provides can trade finance services, such as letters of credit, bank guarantees, or export financing, to support businesses engaged in international trade.
- The TMB Bank Performance more an Increase the frequency and accessibility of financial literacy programs, including workshops, seminars, and online resources.

## **V. CONCLUSION**

- In this study, we have examined the issues and challenges faced by TMB Bank in delivering financial services and provided practical suggestions and recommendations to address them. The findings reveal several critical areas that require attention in order to enhance the bank's financial services and overcome the identified challenges. TMB Bank needs to address its legacy systems and invest in upgrading its digital infrastructure. By implementing robust digital solutions, the bank can improve operational efficiency, enhance customer experience, and stay competitive in the rapidly evolving digital landscape.

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