CHAPTER-5
SUMMARY
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This chapter of the present study entitled "A study of Financial Inclusion Through Consumer Finance with Special Reference for White Goods in Haryana" summarizes the whole research work done by the researcher. The present study is concerned with consumer finance for white goods and to study the role of consumer finance in promoting the financial inclusion. Financial inclusion refers to the delivery of banking services and credit facilities at an affordable cost to the vast segment of disadvantaged and low income groups. Financial services involve savings, loans, insurance, payments, remittance facilities and financial counseling or advisory services by the formal financial system. Further, financial inclusion includes accessing of financial products and services such as savings and facilities of cheques, financial advice, debit and credit cards facilities, overdrafts facilities, micro-credit, insurance, commercial loans and electronic fund transfer etc.

In Indian context, the main pillars of financial inclusion are micro-finance, self-help-groups programmes, small loans, consumer loans, and now Jan Dhan Yojana and credit granting to goods buyers.

The term consumer-finance refers to the activities involved in granting credit to consumers to enable them to possess own goods that are meant for everyday use. In a market, driven by consumerism, it is consumer finance that serves as the founding stone on which the edifice of modern social, cultural, and economic development is built. Consumer-finance known by several names such as credit merchandising, deferred payments, installment buying, hire-purchase, pay-out of income scheme, pay-as-you earn scheme, easy payment, credit buying, installment credit plan, retail loans, consumer loans, consumer credit, retail finance and personal loans etc. Basically, consumer finance is associated with the loans given for other than food credit in the household sector. It involves personal finance, housing finance, auto finance, education finance, and finance for the purchases of consumer durable goods. The present study focuses on the finance for the purchases of consumer durable goods including white goods.

Review of Literature

In the present study, Chapter-2 deals with the review of literature. The chapter includes the review of literature relating to financial inclusion, micro-finance, self-help groups, consumer
behavior for durable goods and white goods, consumer finance/consumer loan, and retail loan/retail banking. In fact, all these are related with ‘financial inclusion’ directly or indirectly. After reviewing the various previous studies relating to the all aspects of financial inclusion, micro-finance and self-help group, the researcher found that mostly previous literature such as research papers, books, reports and others related material focused on financial inclusion in respect of bank accounts, bank branches, micro-credit to the rural, no-frills accounts, BCs, micro-credit for agriculture, micro-finance for SHGs and credit for micro and small enterprises. The researcher found research gaps (remittance and commercial loan facilities regarding durable goods for low income groups and disadvantage section of the society) from the review of literature. It was not considered much by the previous studies in the area of financial inclusion through consumer finance. The commercial loans and remittance facilities for durable goods are very wide areas. So, only commercial loans for white goods have been considered by the researcher. Thereafter, the researcher had decided to conduct a study entitled “A Study of Financial Inclusion Through Consumer Finance with Special Reference for White Goods in Haryana.” The review of literature helped to determine the objectives of the study and to discuss the results of the analysis (given in Chapter-4). The objectives of the study were:

1. To study the contribution of consumer finance in the progress of white goods of the state.
2. To study the trends and composition of consumer finance taken by the different categories of consumers in rural as well as urban areas of the state.
3. To identify the factors leading to efficient implementation of the consumer finance program.
4. To study the role of consumer finance in promoting the financial inclusion.
5. To finds out the scope, challenges and improvement aspects in the area of consumer finance with suggestions.

**Research Methodology**

Chapter-3 discusses the whole modus operandi adopted by the researcher in conducting the present research work. This chapter deals with the research design, sample design, data collection-procedures, statistical tools/techniques for the analysis of data, and limitations of the study. The research design of the present study is descriptive-cum-analytical in nature. In the present study, eight districts of Haryana state were selected on the basis of random-cum-convenience sampling method (four districts were taken from NCR and four districts were
taken from Non-NCR region). Both types of data (primary and secondary) were used by the researcher to carry out the present research work. Primary data were collected from 400 white goods consumers and 120 white goods dealers/agencies through questionnaire method. The secondary data were obtained from the Basic Statistical Return of SCBs, RBI, CMIE, Journals, books, and newspapers for the period of 2002-03 to 2012-13. The various statistical techniques were used for the analysis of data (given in Chapter-3).

Analysis, Results, and Discussion

Chapter-4 deals with the analysis of the collected data. The results found by researcher have been explained in detail. The discussions of the result have also been given along with the explanation with supportive or contradictory results of previous studies (given in Chapter-2) and suggestions. The present chapter has been divided in to two parts. Part- 1 deals with analysis and results of the responses of consumers and dealers of white goods regarding consumer finance. Part- II includes the results of trends and composition of consumer finance portfolio for the period of 2002-03 to 2012-13 in Haryana. In fact, the whole modus operandi of data analysis followed for the present piece of research work goes step-wise in all the parts given in the Chapter-4.

Conclusion

The present project of the research work under the title of “A Study of Financial Inclusion Through Consumer Finance with Special Reference for White Goods in Haryana” was taken up to study the various issues pertaining the contribution of Consumer Finance in increasing the customers of WGs in the selected areas of Haryana, trends, composition, factors leading to efficient implementation of consumer finance, and role of consumer finance in escalating the financial involvement through loan/finance facilities provided by the formal financial institutions. The results could be extended to the parties of financial inclusion through white goods. The relevant results have been given under the heading of main findings.

Main Findings

The main results of the present study are delineated point-wise as follows:

1. The age group of 30-40 years’ consumers purchased white goods on consumer durable loan/consumer finance. The maximum average age of consumers was found in Jind district (40.2 years) and minimum was in Jhajjar district (34.64 years). The
significant difference of average age was found between Jhajjar & Sonepat districts, and between Jhajjar & Jind districts (as per Table-4.1).

2. The white goods finance market was found male (79.22 percent) dominated in Haryana.

3. Most of the white goods loan takers (68.4 percent) were found higher educated.

4. Maximum 41.56 percent white goods loan takers were found servicemen (as per Table-4.4).

5. Maximum (55.84 percent) WGs consumers who purchased WGs on loan were found in urban areas of Haryana state (as per Table-4.5).

6. Most of the white goods loan takers (23.38 percent) were found from the income group of Rs. 1, 50,000 to Rs. 2, 00,000 and minimum consumers (9.95 percent) were from the income group of less than Rs. 50,000. The highest average income of WGs consumers was found in Jhajjar district (Rs. 1, 95,000) and the lowest income was in Karnal district (Rs. 1, 40,789).

7. Maximum 57.75 percent consumers purchased white goods through financing facilities in Haryana. Maximum (76 percent) white goods loan takers were found in Karnal district and minimum (44 percent) were in Rohtak district. The difference between white goods beneficiaries and non-beneficiaries was found significant at 5 percent level of significance (as per Table-4.7).

8. The differences of inter-district proportions of white goods loan takers were found significant between Rohtak & Panipat, Rohtak & Karnal, Rohtak & Kurukshetra, Jhajjar & Karnal, Sonepat & Panipat, Sonepat & Karnal, Sonepat & Kurukshetra, Bhiwani & Karnal, Jind & Karnal, and, Jind & Kurukshetra at 5 percent level of significance (as per Table-4.8).

9. Maximum 35.06 percent consumers (consumers selected under the study) purchased washing machine through consumer durable loan/consumer finance.

10. Most of the white goods beneficiaries (42.42 percent) were found the borrower of the banks (Credit cards), whereas, NBFCs were at number two. Most of the white goods beneficiaries who took loan from the loan companies (NBFCs) were from districts Panipat, Karnal, and Kurukshetra (as per Table-4.10).

11. Majority of the white goods consumers (40.69 percent) responded that the availed loan amount fulfilled the 80 to 90 percent requirements of them (as per Table-4.11).

12. Most of the white goods beneficiaries (31.6 percent) selected the consumer finance organization on the basis of credit cards facilities and the least white goods
beneficiaries selected consumer finance organization on the basis of dealers/traders offers (as per Table-4.12).

13. Most of the consumers (32.17 percent) took loans for white goods due to shortage of funds and households needs.

14. Maximum (52.38 percent) consumers bought white goods on loan at the time of festivals or special occasions.

15. Maximum 51.95 percent consumers responded that the white goods dealers/traders were doing behaviour as profit-earner at the time of purchase.

16. Most of white goods consumers (57.25 percent) found potential consumers (who wanted to buy WGs through credit facilities in future).

17. Most of the WGs beneficiaries were found in favour of easy availability of consumer finance. The attitude of the consumers of districts Karnal, Kurukshetra, and Panipat was found more favourable as compared to the consumers of other districts. Whereas, the attitude of the consumers of Bhiwani district was found unfavourable towards easy availability of consumer finance. The differences of mean scores regarding easy availability of consumer finance were found significant (at 5% level of significance) between the districts Rohtak & Karnal, Rohtak & Kurukshetra district, Bhiwani & Kurukshetra, Jind & Karnal, and between Bhiwani & Karnal (results given in Chapter-4, Tables-4.13 and 4.13a).

18. The white goods loan takers were satisfied with the cost of availability of consumer finance in Kurukshetra district, whereas, Jind district’s WGs loan takers were found unsatisfied. The difference of mean score between districts Rohtak & Jind was found significant at 5 percent significance level.

19. White goods loan takers of all selected districts were found satisfied that consumer finance improve the living standard of the people in society.

20. Approximately 56 percent white goods dealers/agencies sold goods on consumer finance/consumer durable loan. The significant differences were found among the dealers/agencies of all districts regarding consumer finance.

21. Most of the white goods dealers/agencies provided loan facilities to the consumers through banks credit cards. The significant difference (at 5 percent significance level) was found between the proportions of white good finance providers.

22. Maximum 43 percent dealers/agencies were agreed that sale of white geode increased 20 to 40 percent from the consumer finance.
23. Fluctuating trends were found in TCDF, THF, TRCF, and TCF provided by SCBs. The maximum average growth rate was found in Total Housing Finance segment and minimum was in Total Consumer Durable Finance segment.

24. It was found that the consumer finance/loan (including CDF, HF, and RCF) was granted by the all SCBs more to the urban population as compared to the rural population.

25. The highest average consumer finance was disbursed by the nationalized banks as compared to the private banks and regional rural banks during the study period (2002-03 to 2012-13). The similar results were found under the TCDF, THF, TRCF segments during the above said period.

26. The fluctuating trends were in the growth rate (as on percentage from the base year 2002-03) of TCDF, THF, TRCF, and TCF which were disbursed by the nationalized banks, private banks and regional rural banks during the study period. The maximum average growth rate was found in case of private banks in the all above mentioned segments.

27. The average percentage share of housing finance provided by nationalized banks and private sector banks was high in total consumer finance, whereas, these banks contributed their minimum in consumer durable finance.

**Suggestions**

On the basis of the results and observations made by the researcher during the study period, the following points are suggested:

1. Consumer finance for durable goods should be provided to the old age people by the consumer finance institutions/banks. The finance providers and policy makers should make initiative policies for the old age people to promote the consumer durable loan schemes.

2. Consumer finance providers and white goods manufacturers should start some joint programmes/schemes to promote the women empowerment through consumer finance.

3. The rural and low educated people should be more awakened by the consumer quarters by organizing the ‘White-Goods Financial Help Melas’.

4. Banks and NBFCs should provide loan facilities for durable goods (White goods) to the low income people and non- salaried people like farmers, workers, and etc.
5. The white goods manufacturers and intermediaries should start more consumer finance schemes to provide the white goods at low interest rates and low down payment during the festivals or seasonal times.
6. Consumer finance facilities should be provided more for daily household uses white goods other than luxury goods.
7. The white goods consumers should pay the installment of loan at the due time.
8. Financial institutions should provide credit to the WGs consumers through easy process.
9. The number of branches should be increased by the NBFCs in black listed districts of Haryana state to expand the credit facilities for durable goods.
10. The all SCBs (including public sector banks, private sector banks, and regional rural banks) should promote the financial inclusion through consumer finance. The consumer finance facilities for durable goods (white goods) should be given to rural and low income group's people with easy availability and affordable cost. So that, living standard of poor people may be improved through consumer finance. In this way, the objectives of financial inclusion may be achieved.
11. Commercial banks should open new branches in rural areas and they should provide more credit facilities to uplift the standard of living in rural areas.
12. The share of consumer durable finance in the total consumer finance should be increased by the SCBs.

Limitations of the Study

1. The present study focused mainly on WGCs and WGDs of eight districts of Haryana state. That is why; generalization of the results could not be made for the WGCs and WGDs of whole Haryana state.
2. Secondary data for the period of two years (i.e., 2013-14 and 2014-15) were not available in appropriate form. That is why; secondary data of eleven years (2002-03 to 2012-13) were analyzed to meet the objective (objective no. 2) of the study.
3. The researcher considered the secondary data of consumer finance of SCBs for the purpose of analysis.
4. The present study considered WGCs and WGDs only.
Scope for the Further Study

• The association between consumer finance and industrial production may be measured.

• Comparative analysis of SCBs and NBFCs regarding consumer finance may be analyzed.

• Consumer finance for all durable goods may be considered.

Implications

The results of this study may be applied in the following manner:

1. This work can be worth using by consumer finance providing institutions to making the policies for the consumer finance schemes.

2. The consumer durable goods (white goods) manufacturers/dealers/intermediaries may take benefits by the results given in the all parts of the Chapter-4. They can use the results for getting the advantage of consumer finance schemes.

3. Financial inclusion mechanism bodies may use the results to understanding the relationship of financial inclusion with consumer durable finance.