Chapter: 6: Findings, Recommendation, Conclusion & Future Scope

6.1 Findings from the Study:

The focus of the study is usage pattern and satisfaction level of banking services in rural areas of Gujarat state. Findings, Recommendations, Conclusions and Future Scope of the given research study have been detailed in this chapter.

6.1.1 Findings from the Demographic Profile of the Respondents

- From the demographic data it was found that from total respondents 68% were male respondents and 32% were female respondents. Majority of respondent’s (28.9%) were between the age group of 41 to 50 years and only 5.9% respondent’s age was less than 18 years.

- From the data it was also found that majority respondents (45.1%) were farmers and only 7.7% respondents were students.

- Demographic data also shows that 31.1 % respondents had primary education, 19.7% respondents were illiterate, 17.2% respondents had secondary education, 10% respondents had higher secondary education, 11.3% respondents were graduates and only 10.8% respondents were postgraduates.

- As per the demographic data 41.7% respondent’s annual income was less than Rs. 25,000 and only 11.1% respondent’s annual income was more than Rs. 2,00,000/-
Almost 23.56% respondents from north region were not aware about current account, 24.10% respondents from saurashtra region were not aware about recurring deposit, 24.33% respondents from central region were not aware about personal loan. 23.87% respondents from south region were not aware about agriculture loan, 27.40% respondents from central region were not aware about weather insurance and 25.04% respondents were not aware about crop insurance.

6.1.2 Findings from the Frequency of Usage of Banking Services

- From total respondents 53.8% were using public sector bank services, 26% respondents were using private sector bank services and remaining 20.2% respondents were using cooperative bank services.

- Majority of respondents i.e. 56.7% visited bank once in a month, and only 0.8% respondents visited bank daily.

- From the data it was found (41.1%) respondents maintained their bank account for the past 1 to 5 years and only 2% respondents maintained their bank account since more than 15 years.

- Maximum respondents’ (54.2%) primary motive to visit bank is to deposit/withdraw money and only 5.9% respondents’ primary motive to visit bank is for acquiring demand draft.

- Almost (50.9%) respondents said that their main source of information about bank services is friends and relatives and only 0.5% respondent’s said that main source of information about bank services are hoardings.
6.1.3 Findings from the Awareness of Banking Services

- Pearson Chi-square test is conducted to find the association between awareness of various banking services and gender of the respondents. It was found in majority of services such as types of bank accounts, types of bank loans, types of bank insurance and other value added services, there is an association between awareness of various banking services among male and female respondents of rural areas.

- Pearson Chi-square test is conducted to find the association between awareness of various banking service charges and gender of the respondents. It was found that for all types of service charges such as saving a/c charges, credit and debit card charges, online banking charges and loan charges, there is an association between awareness of various banking services among male and female respondents of rural areas.

- As per Chi-square test it was found that there is a significant difference in overall satisfaction level of banking services among male and female respondents of rural areas.

- Paired Sample T-test is carried out to find out the overall satisfaction level of respondents from public sector banks, private sector banks and co-operative banks. It was found that there is a significant difference in satisfaction level of public sector banks and private sector banks. There is a significant difference in satisfaction level of public sector banks and co-operative banks and result also shows that there is a significant difference in satisfaction level of co-operative banks and private sector banks.

- Pearson Chi-square test is performed to find the association between demographic profile (age, occupation, education level and income level) of the respondents and awareness about various banking services. It was found from the analysis for all types of services that there is a significant difference between age, occupation and education level of the
respondents and awareness about various banking services. For income level bank services like salary account, personal insurance and vehicle loan, there is no association and for other services there is an association.

6.1.4 Findings from the Usage Pattern of Banking Services

- Pearson Chi-square test is conducted to find the association between usage pattern of various banking services and gender of the respondents. It was found in majority of services such as types of bank accounts, types of bank loans, types of bank insurances and other value added services, there is an association between usage pattern of various banking services among male and female respondents of rural areas, but only for the usage of salary account and demand draft services there is no association among male and female respondents of rural areas.

- Pearson Chi-square test is performed to find the association between demographic profile (age, occupation, education level and income level) of the respondents and usage pattern of various banking services. It was found from the analysis that usage pattern does not depend for services like crop insurance and bank locker service across various age groups. It was also found that usage pattern does not depend for weather insurance across various occupation and but for other services usage pattern of various banking services depended demographic profile of the respondents in rural areas of Gujarat.

- To find out the association between various districts of Gujarat and usage pattern of various banking services Pearson chi-square test is carried out. It was found from analysis that usage pattern of services like salary account, vehicle loan, personal insurance and ATM service does not depended among rural respondents from various districts and
services other than above usage pattern depended on rural respondents from various districts of Gujarat.

- To find out the association between various districts of Gujarat and usage pattern of various banking services Pearson chi-square test is carried out. It was found from analysis that usage pattern of banking services like fixed deposit, vehicle loan, microfinance, personal insurance and ATM service does not depended among rural respondents from various zones of Gujarat and services other than above usage pattern depended on rural respondents from various zones of Gujarat.

### 6.1.5 Findings from the Overall Satisfaction Level of Banking Services

- To find out the significant difference in satisfaction level of banking services and demographic profile of the respondents such as age groups, occupation, education level and income level one-way ANOVA test is carried out. It was found from the analysis that there is a significant difference between overall satisfaction level of banking services among demographic variable such as age, education, occupation and income level of rural respondents of Gujarat.

- To find out the significant difference in satisfaction level of banking services and respondents from various geographical location of Gujarat such as zones, districts and talukas, one-way ANOVA test is carried out. Test result shows that rural respondents from various zones and districts of Gujarat the there is a significant difference in satisfaction level of banking services they are availing and in case of rural respondents
from various talukas of Gujarat there is no significant difference in satisfaction level of banking services they are availing.

### 6.1.6 Findings out of Factor Analysis for Respondent’s Expectation for Banking Services

The test of sampling adequacy for administration of factor analysis revealed that the factor analysis is an appropriate technique for analyzing the data. In the case of expectation for banking services, the variables with highest factor loading for the satisfaction of rural consumers are:

- Trustworthiness
- Reassurance
- Compassion
- Responsiveness
- Tangibility

It was found from the mean value of factors that, trustworthiness was given highest Importance where as tangibility was having least important in case of rural banking services in rural areas of Gujarat.
6.1.7 Findings out of Factor Analysis for Respondent’s Satisfaction level for Banking Services

The test of sampling adequacy for administration of factor analysis revealed that the factor analysis is an appropriate technique for analyzing the data. In the case of satisfaction level for banking services, the variables with highest factor loading for the satisfaction of rural consumers are:

- Compassion
- Tangibility
- Reassurance
- Trustworthiness
- Responsiveness

It was found from the mean value of factors that, compassion was given highest satisfaction where as responsiveness was having least satisfaction in case of banking services in rural areas of Gujarat.
6.1.8 Findings out of Factor Analysis for Problems faced by Rural Respondents

The test of sampling adequacy for administration of factor analysis revealed that the factor analysis is an appropriate technique for analyzing the data. In the case of problems faced by rural respondents, the variables with highest factor loading for the satisfaction of rural consumers are:

- Inefficient Services
- Non-responsiveness of Staff
- Inconvenient Services
- Unreliability
- Impoliteness

It was found from the mean value of factors that, an inefficient service was most common problem faced by rural consumers in Gujarat.

6.1.9 Findings out of Factor Analysis for Motivational Factors for Availing Banking Services by Respondent’s

The test of sampling adequacy for administration of factor analysis revealed that the factor analysis is an appropriate technique for analyzing the data. In the case of motivational factors for availing banking services, the variables with highest factor loading for the satisfaction of rural consumers are:
 ➢ Consumer Oriented Services
 ➢ Reliability
 ➢ Accessibility

It was found from the mean value of factors that, consumer oriented services was given highest importance factor where as accessibility was having least important factor in case of availing banking services in rural areas of Gujarat.

### 6.1.10 Findings out of Gap Score Analysis

➢ It was found from the Gap score analysis that rural consumers given more importance to Trustworthiness factor it means that rural consumers expected that banks should be respond consumer request promptly and banks staff is more polite towards to them. The second important dimension is reassurance and third and fourth important factors are responsiveness and compassion. According to the weighted gap score rural consumer is not more concerned about the tangibility factor in which weighted gap score value is lowest with reference to other factors. It means that rural consumers were not concerned about modern looking equipment and visually appealing physical facilities of the banks.

➢ It was also found from the weighted gap score analysis that there was a large gap in rural consumer expectations and their actual experience about various banking services.
6.2 Recommendations of the Study:

The present research contributes to the existing field of knowledge by analyzing the rural consumer’s usage pattern and satisfaction level of banking services. The study would help the banks to better frame consumer service strategies in rural branches. Therefore, the management of banks should consider the findings of the study carefully while framing their strategies. On the basis of the findings of the study, following recommendations are offered to the banks to improve their rural consumer services for rural consumers.

- All the public, private, and cooperative banks in rural areas need to improve upon their trustworthiness, reassurance and responsiveness factors of service quality. Hence, would be better for all the banks to be very polite and ready and speedy in their process & communication with rural consumers and assure them about unique and advantageous products and services.

- All banks in rural areas should also try to employ trained staff who can easily communicate and understand rural consumer’s needs and problems.

- The most important and popular source of awareness among the rural consumers is found to be Friends/Relatives/Colleagues. This source of awareness can provide sufficient and correct information to new and existing consumers only if their
Friends/Relatives/Colleagues themselves are adequately aware and satisfied with their bank and the banking services. Therefore, banks are suggested to organize training and development programmes for their front line employees to improve their technical and communication skills. It would contribute towards improved consumer service and raise the level of awareness among consumers which in turn, will lead to positive word-of-mouth. In this way, banks can increase the awareness level of existing as well as new consumers.

✓ According to major findings, male & female are having some difference in awareness and usage pattern of banking services, so banks should try to educate rural women for their banking services and if possible employ female staff for better conversation & response.

✓ Findings also suggest that majority of rural consumers are not aware about various bank service charges, so banks should be more transparent in dealing with rural consumers and try to make them aware about service charges.

✓ Another major finding shows that most of rural consumers are not aware about services such as crop insurance and weather insurance which are particularly meant for farmers, so banks should advertise these services in rural haat (weekly market), mela and if possible door to door advertising.
As per the finding, rural consumers with different age, education, income level & occupation having different usage pattern. Hence banks should provide customized products & services to them, by indentifying the needs of each segment.

Findings revealed that as compared to other region there is less awareness about current account in north region, less awareness about recurring deposit in saurashtra region, and personal loan, weather insurance and online banking in central region. Hence, all banks should create awareness programme for above mentioned services in respective regions through television advertising, mouth publicity, door to door awareness etc.

As per the finding, rural consumers with different age, education, income level & occupation having different satisfaction level regarding banking services. Hence banks should provide customized and verity of products & services to them, by indentifying the needs and wants of each segment and tried to satisfied rural consumers.

Findings show that customized products/services, convenient timing, transparent, fair dealing and high interest rate on deposit are the most motivational factors for using banking services in rural areas, so banks should give top priorities to above factors while preparing strategies for rural bank branches.

The study shows that inefficient services, unresponsiveness, impoliteness, inconvenient services and unreliability of the banks are the major problems faced by the rural consumers while availing banking services, so all banks should try to solve there
problems by providing more efficient services and better responsiveness towards to rural consumers. Banks should also provide training to their bank staff for better behaviour and communication.

 ✓ Finding shows that trustworthiness of banks is the most important factor as par as expectations of the rural consumers are concerned, hence all banks should improve security for any types of transactions, train the bank staff in such way that consumer can trust the employee of the bank and banks should always ready to promptly respond to consumers request.
The study concludes from the various findings that usage pattern of the various banking services in different rural areas of Gujarat is moderate. But, the usage of saving account is more among rural areas and the less usage of demand draft, online banking, credit card and weather insurance among rural areas of Gujarat. Except saving account, vehicle loan and usage of ATM, overall usage pattern of banking services depended among rural respondents from five different zones which comprised of thirteen different districts of Gujarat. The study reveal that the most important source of information for various banking services in rural area is friends and relatives. Most of the rural consumers are not aware about various charges on bank services. The factors that motivated rural consumers for adopting banking services are consumer oriented services, accessibility and reliability. These factors include variables like positive word of mouth, location of branch, transparent and speedy services and high rate of interest on deposit. The important problems faced by the rural consumers while accessing banking services are insufficient services, inconvenient services, impoliteness, unresponsiveness. The most important factor required by rural consumer in banking services is trustworthiness, responsiveness, reassurance, compassion and tangibility. The satisfaction level among men and women respondents is different for various banking services. There is also a significant difference in overall satisfaction among public sector banks private sector banks and co-operative banks consumers in rural areas. There is significant difference between awareness and usage pattern and demographic profile of respondents. The study reveals that there is major gap in rural consumers’ expectation and satisfaction for various
banking services. Rural consumers are more concerned about the trustworthiness and reassurance of the services and various banks have failed to fulfill their expectations and that’s why majority of rural consumers are not satisfied with their services. Rural consumers are not much concerned about tangible aspect of banks such as physical infrastructure, modern looking equipment and well dressed bank staff etc.

Hence, it is concluded that usage pattern and satisfaction level of banking services in rural areas of Gujarat is different in case of geographical location and demographic profile of respondents.

6.4 Future Scope of the Study:

This study was focusing on usage pattern and satisfaction level of banking services in selected rural areas of Gujarat state. Further studies can be carried out in the following areas:

The study of usage pattern and satisfaction level of banking services in rural areas of India would give better idea about usage and satisfaction of banking at national level.

The study of adoption level of e-banking and mobile banking in rural areas of India would give idea about usage of technological advancement in banking and their implication in rural India.

A comparative study can also be undertaken on usage pattern and satisfaction level of banking services in rural India vs. urban India.