The study of the consumer behaviour holds great interest and crucial topic of the day for us as consumers and as researchers. As consumer we benefit from inside into our own consumption – related decision, what we buy, why we buy, and how we buy. The study of consumer behaviour makes us aware of the slight influences and persuades an indispensible condition upon which all market planning and marketing strategy must be predicted. Furthermore, consumer behaviour, the essence of which is “why consumer do, what they do”, is the most dynamic, indeterminate, stochastic and unpredictable factor with which market content.

The banking system in India is significantly different from that of other Asian nations because of the country’s unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. There is high level of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and technologically advanced talents. Around 30 to 35 percent of the population resides in metro and urban cities and the rest is spread in several semi-urban and rural centers. The country’s economic policy framework combines socialistic and capitalistic features with a heavy bias towards public sector investment. India has followed the path of growth-led exports rather than the “export-led growth” of other Asian economies, with emphasis on self-reliance through import substitution.

The first bank in India, called The General Bank of India was established in the year 1786. Before the establishment of banks, the financial activities were handled by money lenders and individuals. At that time the interest rates were very high. Again there was no security of public
savings and no uniformity regarding loans. In order to overcome such problems the organized banking sector was established, which was fully regulated by the government. The organized banking sector works within the financial system to provide loans, accept deposits and provide other services to their customers. There are five different stages of growth of Indian banking sector. But the most important phase is Post-independence deregulated period from 1993-2002, in which private banks and foreign banks were established in India. Because of liberalization the competition has increased in leaps and bounds. Various banks want to penetrate maximum untapped market through innovative product profile and customer oriented portfolios. The untapped market is rural India and for this it is important to study how rural consumers choose the banking services and their behaviour pattern while availing various banking services.

In this study attempt is made to identify the awareness level and usage pattern of rural consumers who are using banking services and to identify the difference between rural consumer’s expectation and perception level. Efforts have been made to identify the factors which affect the selection of particular banking services and problems faced by the rural consumers in availing banking services. Besides, the sources of information through which the rural consumers get information about various banks and their services, have also been highlighted. Efforts are made to know the satisfaction level of consumers who are using banking services in rural areas of Gujarat.

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