



## A Study of "Marketing of Financial Services in Rural Area With Special Reference To Districts in The State of Maharashtra

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### ABSTRACT

Whereas do the policy of Reserve bank of India many Private banks/Financial institutions as well as Nationalised Banks were initiated to open branches in rural areas. However there were many Banks who spread their network in rural Maharashtra to cater the rural markets. Whereas many bank innovated new financial products aligning them with needs of rural farmers and designed it as per the need for the finance for the rural population. Banks also initiated many training program and strategy such Financial literacy training program, Introduced financial Product with return correlated with investment in share markets, and provided facility of cash withdraw and credit cards on these deposits with privilege services. This study was conducted to analyse the impact of these strategies on marketing of financial Services in rural Maharashtra.

### KEYWORDS

A Study of "Marketing of Financial Services in Rural area with special reference to Districts in the state of Maharashtra"

#### 1.11. Introduction

##### Need For the Selection of the Topic

- More than 70% of country's consumers represent rural market.
- About 300 million live in urban India where as 800 million resides in rural India.
- There is a number of class of people with disposable surplus has not been explored fully and the class is rising.
- The investment potential of Rural India is untapped by and large.
- The rural population is not aware of investment options beyond conventional ones.
- All rural areas are backward in terms of financial Literacy.

##### Current Scenario

- Rural market is neglected.
- Financial Institutions do not see profits.
- Increase in cost.
- Marketing efforts are not up to the mark.
- Regional Disparity.

##### Objective of research.

- To know and understand the present position of saving and investment habits of rural population.
- To find out service ( in the form of financial products ) offerings by the financial institution
- To know the impact of marketing by the financial institutions on the rural population.Measurement of impact of advertisement
- Case study of product/ services
- Impact of financial literacy provided on the purchase of new products.

##### Research Methodology

- The approach of the research is Pragmatic
- The Method of the research is Analytical
- The Type of the research is applied
- Scope of the research the New financial Products marketed by SBI,Bank of Maharashtra, Maharastra Gramin bank, HDFC bank, ICICI bank, Axis bank, IDBI Bank.
- Dependent Variable: -
- Advertisement of new financial Products in rural area

- Impact of Financial literacy campaign in rural area
- Independent Variable
- Sale of New financial Product in rural Maharashtra
- Statistical Technique used.
- Testing Hypothesis: T test & Z test. T test will be used to test the hypothesis with less than 30 samples. And Z test will be used with more than 30 samples.
- Correlation will be used to study the relation between dependent and independent variable.
- ii. Variance of data between the Financial Institutions/ Bank: - One way Annova will be used to study the impact of literacy/Marketing campaign for the intend to purchase the product on the attending rural investors.
- iii. Results will be interpreted by non-parametric testing i.e. the graphs

#### 1.14. Data collection Methods & Instruments

##### a. Primary Data Collection:

The primary data will be collected from the rural citizens attending the financial literacy/marketing campaign conducted by these financial institutions/Banks in the rural areas. The following methods will be used to collect data.

- i. Questionnaire
  - ii. Interviews and discussions by personal visits.
  - iii. Observations and experiences
- Information from rural citizens attending the campaign.

##### b) Secondary data will be collected from relevant information sources such as:

- i. Published Research Papers or published Journals
- ii. From visit to banks
- iii. Documents and records
- iv. Internet etc.

##### Sampling Technique

Type of Sampling Probability type and Method of Sampling is simple random sampling.

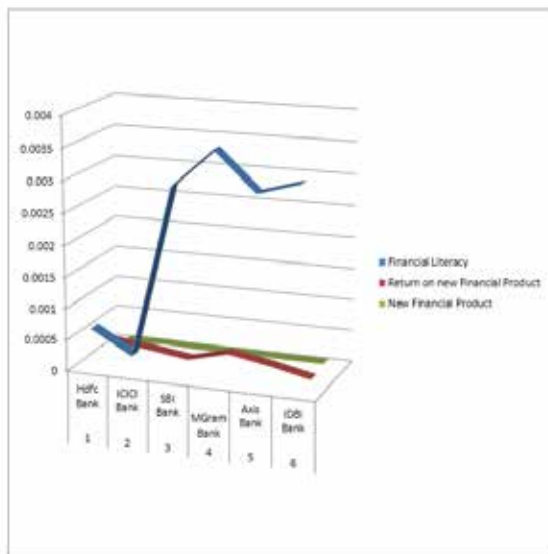
The Samples were collected from the place where the campaign was conducted by these banks SBI, Axis, ICICI, HDFC, IDBI, Maharastra Gramin bank,

Name of the Bank/ Financial institutions	Number of Individuals attending the Sales & Financial Literacy Campaign	Sample Selected as per Stanley Morgan table with 5% Margin of Error
HDFC Bank	74	63
ICICI Bank	31	28
SBI Bank	52	44
Maharashtra Garmin Bank	16	14
Axis Bank	17	14
IDBI Bank	19	14

**Table No 1.2:-Table of attendees selected who attended the Sales & Financial Literacy Campaign from Six Selected Financial institutions.**

**1.16. Data Analysis:-**

Name of financial institutions/Banks	HDFC Bank	ICICI Bank	SBI Bank	Maha-Gram Bank	Axis Bank	IDBI Bank
H1-Financial Literacy	0.000663	0.0003	0.003	0.0036	0.003	0.00319
H2-Return on new Financial Product	0.000268	0.0002	0.00011	0.000273	0.00016	0.0000169
H3-New Financial Product	0.0000746	0.0000811	0.000059	0.000075	0.000059	0.000059



**1.17. Testing of Hypothesis**

Name of financial institutions/Banks	HDFC Bank	Critical value of t from the table	Maintained/not maintained
H1-Financial Literacy	0.000663	0.0003	Maintained
H2-Return on new Financial Product	0.000268	0.0002	Maintained
H3-New Financial Product	0.0000746	0.0000811	Not Maintained

Name of financial institutions/Banks	ICICI Bank	Critical value of t from the table	Maintained /not maintained
H1-Financial Literacy	0.0003	0.0003	Maintained
H2-Return on new Financial Product	0.0002	0.0002	Maintained
H3-New Financial Product	0.000081	0.0000811	Not Maintained

Name of financial institutions/Banks	SBI Bank	Critical value of t from the table	Maintained/not maintained
H1-Financial Literacy	0.003	0.0003	Maintained
H2-Return on new Financial Product	0.00011	0.0002	Maintained
H3-New Financial Product	0.000059	0.0000811	Not Maintained

**1.15. Hypothesis:-**

H1. Rural India is becoming literate in terms of financial products available to them.

H2. They tend to invest in various new financial products than previously available conventional financial products.

H3. There is no direct relation between returns given by the new financial product and the investment made in new financial product.

H1-Financial Literacy	0.0003	0.0003	Maintained
H2-Return on new Financial Product	0.00011	0.0002	Maintained
H3-New Financial Product	0.000059	0.0000811	Not Maintained

Name of financial institutions/Banks	Maha-rashtra gramin Bank	Critical value of t from the table	Maintained/not maintained
H1-Financial Literacy	0.0036	0.0003	Maintained
H2-Return on new Financial Product	0.000273	0.0002	Maintained
H3-New Financial Product	0.000075	0.0000811	Not Maintained

Name of financial institutions/Banks	Axis Bank	Critical value of t from the table	Maintained/not maintained
H1-Financial Literacy	0.003	0.0003	Maintained
H2-Return on new Financial Product	0.00016	0.0002	Maintained
H3-New Financial Product	0.000059	0.0000811	Not Maintained

Name of financial institutions/Banks	IDBI Bank	Critical value of t from the table	Maintained/not maintained
H1-Financial Literacy	0.00319	0.0003	Maintained
H2-Return on new Financial Product	0.0000169	0.0002	Maintained
H3-New Financial Product	0.000059	0.0000811	Not Maintained

**1.18. Conclusions**

Cause	Effect
Financial literacy campaign was conducted by the Banks under the marketing campaign	Rural villagers got awareness of the new financial product and also got insight of how the investment is made in modern financial market and confidence regarding financial product have increased

Various tailor made product suitable to farming community were introduced and its financial implication was explained in the financial literacy campaign	Rural villagers were attracted towards these products many of them opted to invest in these new products after getting awareness of the rate of return and facility to withdraw money during their need
Due opening of new branches in rural areas and conducting marketing campaign	Rural people have started making investment in financial products of Financial institutions.
Marketing campaign and exposure of data regarding more rate of return on new financial products in the financial literature campaign	Many old investors investing in post office have started investing in Financial products of financial institutions.
Advertisement of new products of financial investment on mobile ATM in village fairs, weekly village markets and various cultural festivals.	Due increase in awareness of the products many villagers from rural areas had opted for investment in these products.

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