ORIGINAL RESEARCH PAPER

Commerce

ACCESSIBILITY OF CUSTOMERS – A STUDY ON HOW FAR THE BANKING SECTOR COULD ACHIEVE THE SPREAD AMONG RURAL POPULATION

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ABSTRACT

Indian economy in general and banking services in particular have made rapid strides in the recent past. However, a sizeable section of the population, particularly the vulnerable groups, such as weaker sections and low income groups, continue to remain excluded from even the most basic opportunities and services provided by the financial sector. To address the issue of such financial exclusion in a holistic manner, it is essential to ensure that a range of financial services is available to every individual. The present study attempts to analyse the accessibility of banking products and services to customers of commercial banks.

INTRODUCTION

The financial services include the entire range - savings, loans, insurance, credit, payments etc. The financial system has to provide its function of transferring resources from surplus to deficit units but both deficit and surplus units are those with low incomes, poor background etc. By providing these services, the aim is to help them come out of poverty. Commercial banks play a vital role in the economic development of our country. According to the RBI guidelines, banks in India should implement financial inclusion policy to enter vulnerable groups, by providing adequate financial services and by mobilizing their small savings.

Financial inclusion is one of the top most policy priorities of the Government of India. Ever since the UPA government has come into power in the centre, one of the most visible aspects of the governance has been agenda of social inclusion of which financial inclusion is an integral part. Taking cue from the state proclivity towards inclusive growth agenda, the Reserve Bank of India (RBI) has taken a proactive role in ushering the enabling environment for expediting financial inclusion across length and breadth of the country through bank led model. To reach out at 400 million plus unbanked population at pace with profitability is the single most important challenge faced by the multi stakeholders, particularly banks and delivery channels.

SIGNIFICANCE OF THE STUDY

For the success of the financial inclusion initiative what is important is to provide banking services at an affordable cost to the disadvantaged and low income group. Commercial banks have to perform a vital role in this regard. However the road towards 100% financial inclusion is yet to complete.

Statement Of The Problem

With years, banks are adding services to their customers. The Indian banking industry is passing through a phase of customers market. The customers have more choices in choosing their banks. A competition has been established within the banks operating in India. The new age IT (Information Technology) is bringing about sweeping changes in the banking industry, forcing them to re-engineer many of their basic processes and systems.

Few of the technology-driven electronic banking services being offered are viz. Automated Teller Machines ATM, Electronic Clearing Service (ECS), Electronic Funds Transfer (EFT), tele-internet banking etc. New technological capabilities could be effectively used to create value and to better manage customer relationship banking. The present study attempts to analyse how far the customers have accessibility of banking products and services in rural area.

Objective Of The Study

To identify the accessibility of customers on banking products and services of commercial banks.

RESEARCH METHODOLOGY

Data Collection

Both primary and secondary data were used for the study. Primary data were collected using structured questionnaire. Secondary data were collected from magazines, journals, web sites, etc.

Universe And Sample

The present study is limited to the geographical area of Idukki district in Kerala state. Multi stage Random Sampling method was used.

Review Of Literature

Arindam Laha, Pravat Kumar Kuri (2015) attempted to analyse the role of microfinance in alleviating poverty across the states of India. The indicators used to measure microfinance outreach which was classified into two namely, supply side indicators and demand side indicators. Supply side indicators are number of microfinance accounts per1000 adult population, number of microfinance institutions per million people. Demand side indicators are amount of micro-savings, micro-insurance, remittance and outstanding credit. This study revealed that there was wide variability in the outreach of microfinance across various regions of India.

Anil Kumar V V (2013) examined the role played by the district co-operative banks operating in Kerala, in improving the financial inclusion status of its customers through SHG Bank linkage programme. The major variables in the study were financial awareness, financial necessity, financial availability, financial access, access to information, access to informal finance and attitude of the people. The study revealed that the DCBs in Kerala provide only the conventional banking products of deposits and loans. Due to the non- availability of modern financial services and information, the beneficiaries were not much aware of the use of financial services. The major issues which would challenge the financial inclusion initiative of the DCBs were staff shortage and lack of infrastructure Akhtar & Parveen (2014) analyzed the growth rate of branch expansion of scheduled commercial banks (SCBs) in India during the period between1980 and 2013 in which the whole time period was divided into two phases' i.e. pre-reform phase and post-reform phase. The study found that there had been a considerable difference in the growth rate of branch expansion of SCBs in the pre and post-reform periods.

Akintunde (2016) investigated customer relationship

management and customer retention in the Nigerian banking industry. The result established a positive significant relationship between customer relationship management and customer retention. It stated that the 'know your customer' and the 'bank verification number' programmes should be fully integrated in the customer data base for effective relationship management and customer retention.

A. Ali & Bisht (2018) measured satisfaction level of customers of Public and Private Banks and analyzed the factors that were responsible for variation in customers' satisfaction level between Private and Public banks in India. The objective of the research was to attain the satisfaction level, to know variations in satisfaction level and to understand the reasons which are responsible for variations either in satisfaction level or in dissatisfaction level at public and private banks. It concluded that customers of Private and Public sector banks are satisfied except some tangibles and behavioural factors of the bank employees due to the banking policies, strategies for tangibles and inefficiency of the bank employees.

DATA ANALYSIS AND INTERPRETATION

Accessibility is a crucial element for the success of every business and industry. One of the elements in the outreach of commercial banks is the accessibility of banking products and services by its customers. Customers may prefer a bank only when it is easily accessible to them. In order to know the accessibility, the respondents are asked to give their agreement to 12 statements as Strongly Disagree (SD), Disagree (D), Neutral (N), Some What Agree (SWA) and Strongly Agree (SA). The percentage analysis for the accessibility of banking products and services are given below.

PERCENTAGE ANALYSIS OF ACCESSIBILITY OF BANKING PRODUCT AND SERVICE
Table 1 Accessibility Of Banking Products And Services

Sl. No	Statements	SD	D	N	SWA	SA
1	Ease of Use	10(2.4)	31(7.5)	97(23.5)	145(35.2)	129(31.3)
2	Security Concern	15(3.6)	39(9.5)	80(19.4)	149(36.2)	129(31.3)
3	Affordability to customers	21(5.1)	40(9.7)	109(26.5)	148(35.9)	94(22.8)
4	Service Charge	7(1.7)	40(9.7)	88(21.4)	155(37.6)	122(29.6)
5	Anywhere Banking	8(1.9)	34(8.3)	98(23.8)	172(41.7)	100(24.3)
6	Convenience	44(10.7)	55(13.3)	103(25.0)	113(27.5)	97(23.5)
7	Cost	50(12.1)	101(24.5)	100(24.3)	96(23.3)	65(15.8)
8	Low interest	10(2.4)	27(6.6)	88(21.4)	129(31.3)	158(38.3)
9	Ease of Availability	18(4.4)	30(7.3)	104(25.2)	139(33.7)	121(29.4)
10	Less formalities	10(2.4)	24(5.8)	91(22.2)	155(37.6)	132(32.0)
11	Any time banking	17(4.2)	52(12.6)	104(25.2)	170(41.3)	69(16.7)
12	Variety products and services	14(3.4)	45(10.9)	96(23.3)	118(28.6)	139(33.8)

Source: Primary Data

Note: Strongly Disagree (SD), Disagree (D), Neutral (N), Somewhat Agree (SWA) and Strongly Agree (SA).

MEAN PERCENT SCORE ANALYSIS OF ACCESSIBILITY
Table 2 Accessibility Of Banking Products And Service

Sl. No	Statement	N	Mean	SD	MPS	Decision
1	Ease of use	412	3.85	1.024	77.0	SA
2	Security concern	412	3.82	1.088	76.4	SA
3	Affordability to customer	412	3.62	1.093	72.4	SWA
4	Service charges	412	3.84	1.013	76.8	SA
5	Anywhere banking	412	3.78	.970	75.6	SA
6	Convenience	412	3.40	1.274	68.0	SWA
7	Cost	412	3.06	1.263	61.2	SWA
8	Low interest	412	4.09	2.671	81.8	SA
9	Ease of availability	412	3.76	1.085	75.2	SA
10	Less formalities	412	3.91	.994	78.2	SA
11	Anytime banking	412	3.54	1.042	70.8	SWA
12	Variety products and services	412	3.78	1.127	75.6	SA

Source: Primary Data

Note: 1. N - No. of respondents, SD - Standard Deviation, MPS - Mean Per cent Score 2. Strongly Disagree (SD), Disagree (D), Neutral (N), Somewhat Agree (SWA) and Strongly Agree (SA).

This score is classified into four groups. If the mean percent score is less than 35percent, the score is identified as poor or low. The score comes under average category if the mean percent score falls between 35 to 50 per cent. Good or medium score will be given if the mean per cent score lies between 50 to 75 per cent and the category of excellent or high will be identified when the mean per cent score is above 75 per cent.

From table 2, it is clear that respondents strongly agree with the statements such as ease of use, security concern, service charges, anywhere banking, and low interest, ease of availability, less formalities, and variety products and services. It is also clear that the respondents somewhat agree with the statements such as affordability to customer, convenience, cost and anytime banking.

HYPOTHESIS TESTING
The following hypothesis is formulated to test the relationship between gender and accessibility of banking products and services.

Gender And Accessibility Of Banking Products And Services
Ho: Accessibility of banking products and services does not differ significantly on the basis of gender of the respondents:

Mann Whitney U-Test is used for testing of hypothesis. Here the reason for choosing Mann Whitney U-test is that, Independent variable is categorical data with two options and dependent variable is metric data.

Mann Whitney U-Test
Table 3

Sl. No	Statement	Gender	N	Mean Rank	Sum of Ranks
1	Ease of use	Male	209	208.36	43546.50
		Female	203	204.59	41531.50
		Total	412		
2	Security concern	Male	209	214.11	44750.00
		Female	203	198.66	40328.00
		Total	412		
3	Affordability to customer	Male	209	204.43	42725.00
		Female	203	208.64	42353.00
		Total	412		
4	Service charges	Male	209	210.98	44095.00
		Female	203	201.89	40983.00
		Total	412		
5	Anywhere banking	Male	209	206.87	43235.50

		Female	203	206.12	41842.50	
		Total	412			
6	Convenience	Male	209	198.45	41476.50	
		Female	203	214.79	43601.50	
		Total	412			
7	Cost	Male	209	207.20	43305.50	
		Female	203	205.78	41772.50	
		Total	412			
8	Low interest	Male	209	196.37	41042.00	
		Female	203	216.93	44036.00	
		Total	412			
9	Ease of availability	Male	209	208.99	43679.00	
		Female	203	203.94	41399.00	
		Total	412			
10	Less formalities	Male	209	209.03	43687.00	
		Female	203	203.90	41391.00	
		Total	412			
11	Anytime banking	Male	209	199.48	41691.00	
		Female	203	213.73	43387.00	
		Total	412			
12	Variety products and services	Male	209	208.99	43678.50	
		Female	203	203.94	41399.50	
		Total	412			

Table 4

Test Statistics[a]

Sl. No		Mann-Whitney U	Wilcoxon W	Z	P value
1	Ease of use	20825.500	41531.500	-.336	.737
2	Security concern	19622.000	40328.000	-1.378	.168
3	Affordability to customer	20780.000	42725.000	-.374	.709
4	Service charges	20277.000	40983.000	-.812	.417
5	Anywhere banking	21136.500	41842.500	-.067	.946
6	Convenience	19531.500	41476.500	-1.430	.153
7	Cost	21066.500	41772.500	-.125	.901
8	Low interest	19097.000	41042.000	-1.843	.065
9	Ease of availability	20693.000	41399.000	-.449	.653
10	Less formalities	20685.000	41391.000	-.460	.645
11	Anytime banking	19746.000	41691.000	-1.275	.202
12	Variety products and services	20693.500	41399.500	-.448	.654
a. Grouping Variable:		Gender:			

CONCLUSION

Mean Percent Score Analysis of Accessibility of banking products and services reveals that respondent Strongly Agree the statement ease of use, security concern, service charges, anywhere banking, low interest, ease of availability, less formalities and variety products and services. Respondents somewhat agree the statements affordability to customer, convenience, cost and anytime banking. Hypothesis testing to know whether there is any significant difference for gender and accessibility of banking products and services shows that there is no difference of opinion regarding the accessibility of banking products and services among male and female.

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