

A Study on Banking Services in Ahmedabad District: A Perspective of Rural and Urban Consumer

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Abstract: The analysis tries to show the preferential consumer behaviour towards the Banking Sector. Indian economy is considered to be a developing economy and in order to be at par with the economies of the developed countries, it needs to excel in providing the financial services. Banking is considered to be one of the most important financial services hence for economic up-liftment and growth, it is very essential that efforts are streamlined towards better provision of these services. Private and Public banks both play a vital role for doing the same. In this paper, the market was broadly segmented in to two main sectors- urban and rural of Ahmedabad District. There is a huge difference in buying pattern of the urban and rural consumers. The products that they buy are differing in various aspects depending on their occupation, knowledge, trust, requirement, accessibility, and other factors. They are also conscious about which type of bank they are getting service of. The paper is trying to showcase the different factors that lead to varied behaviour of the consumers in buying of banking products in rural as well as urban market of Ahmadabad district. Different types of bank have been established for different purposes and how those purposes are linked with the buying perspectives of the consumers and their link with the country development is the major concern of the paper.

Keywords: *Buying Behaviour, Private and Public Sector Bank, Rural and Urban Consumer*

I. INTRODUCTION

In this epoch of intense competition where customer is the sovereign entity, success depends on satisfying the needs of consumers. For achieving customer satisfaction, understanding dynamic consumer behaviour is important. Consumers are often studied because certain discussions are pointedly affected by their behaviour or unexpected actions. Consumer behaviour can be understood as a decision making process and physical activity entities engage in when assessing, attaining, using or disposing of goods and services. It is the learning of human response to services and the marketing of product and services.

Consumer behaviour is needed to be analysed thoroughly in order to comprehend, predict and examine critical market deviations of a particular product and service.

Indian market is a prospective market since it offers various opportunities for the marketers. Before the adoption of the marketing concept, mass marketing or undifferentiated marketing concept existed where the same product or service was offered to all the consumers. However it was not very feasible to cater to specific demands of all the customers since there are variations in geographic and demographic elements considering wide-ranging taste, languages and cultures that prevails. Hence

segmentation is crucial since it divides the potential market into distinctive set of consumers with common needs and characteristics. Considering that, if we focus on the geographical factors the density of area parameter clearly bifurcates the Indian Market into two segments namely Rural Market and Urban Market.

Rural-urban disparities, particularly in post-colonial countries have long existed with respect to the natural differences, technology, living condition, socio-cultural conditions, economic empowerment, etc. The extent of disparities, however, differs from country to country. India is the largest democracy with consistent economic growth since independence. India is also third largest scientific and technological workforce. Rural and Urban segments are highly prevalent in India. There are various links between these rural and urban segments. They are interrelated economically, financially and socially. Development policies that facilitate these rural-urban linkages can promote economic progression and poverty bargain. A marketer must ruminate the disparities and variations of both the sectors and try to cater to the specific requirements of the each of these sectors.

India is one of the developing countries which attaches great importance to financial sector development in the

quest of poverty reduction goal. This sector plays a critical role in facilitating economic growth. It is the financial system which musters the savings in the form of money and monetary assets and invests them into prolific ventures. Banking is considered to be one of the most important financial services which is vital for economic growth and development. Perhaps the most momentous way banks can contribute for escalating economic opportunity is therefore to find ways to make banking services available to low income individuals, entrepreneurs and small business owners. Financial inclusion is of utmost importance in recent times. Its aim is to expand the exposure of the formal financial system in the country by delivering the banking services at an affordable cost to cosmic sections of the society.

Banking Sector generally embraces the private sector and public sector banks. When we study these sectors with respect to the urban and rural consumers- we can comprehend that public sector bank usage is more prevalent in rural sectors whereas private sector usage is seen more by the people residing in the urban sector, as the urban people are more conscious about the efficiency of services provided and the rural population are concerned about the safety and the trust on government as the major factor. Moreover the rural population is not aware about the services that they can imbibe from the banking sector as a whole.

This paper mainly tries to analyse the differences in preferences of customers while selecting a particular bank. It is important to understand the factors as well as the demographic pattern of the people which influences their bank selection.

II. LITERATURE REVIEW

The paper (Rafique,S, Manwani, S.,2013) shows how the Regional Rural Banks are instrumental in achieving the overall rural economic development of India. Rural sector faces problems like illiteracy, lack of access to basic facilities like sanitation, drinking water, etc. Efficient utilization of resources, adequate infrastructural facilities and better provision of basic necessities are considered to be essential for the upliftment of the rural lifestyle of the people. The study is literature based and it tries to explore the possible impact of Bank in rural India and especially challenges and opportunities are highlighted. The rationale behind this study shows how rural credit helps in resolving these challenges faced by the Indian Rural Economy. RRB's can take an active part in this scenario for restructuring the financial system by providing credit facilities and overcoming the difficulties by this sector, hence leading to the balanced economic growth.

The attempt (Dr. Rather, R., 2013) is to assess and compare the Indian Public and Private Sector Banks through customer experience and customer satisfaction survey. A survey of 400 customers in major cities-

Bombay, Ahmedabad, Baroda and Surat involved questions pertaining to the service personnel, service offering, facilitating services, accessibility, overall image and satisfaction w.r.t both the banking sectors. Levene's Test for Equality of Variances, Independent T test for mean, one way Analysis of Variance – F test have been carried out to compare the performance of public and private sector banks for all the sectors. The study highlights that Private and Public Sectors both are striving hard to win the customers. Public sector banks are reinventing their approaches to compete with the private sector banks. The research indicates that both the sectors will have enough opportunities and threats generated by initiatives of each other, thus leading to the overall wellbeing of the customers.

The objective of (Chaudhary, G. 2014) is to review the performance of the private and public sector banks individually. A comparative study of public and private banks with respect to their performances was made and the basis for comparison was productivity, network of banks, capital adequacy ratio, and growth of bank, efficiency of management, earnings and liquidity. The secondary data was collected from various journals, reports and annual reports were collected from various websites of reserve bank of India and State Bank of India and it was found that customer satisfaction and customer service are the utmost priorities for the people. Top most rank held by a private bank is a clear indicator of the better performance of the private banks due to their higher concern towards customer feedback, their efficient management and thus yielding to higher productivity and networks throughout India. Hence to stay in the market and give tough competition to the private sector, it is very essential that the public sector starts concentrating more on these aspects.

To examine (Chaudhary,K & Sharma, M. 2011) the performance trends in the private and public sector banks. It also highlights the NPA level trends and suggests various measures for NPA management. Various statistical tools have been used to analyze the profitability index and NPA trends of private and public sector banks. The study incorporated modern banking suggestions which involved: adherence to RBI norms, reduction in rate of interest of the loans, more ATM coverage, real time gross settlement, mandatory internet facilities new schemes for customer satisfaction, etc. The broad empirical findings with respect to NPA are suggestive in many ways. First, efficient management system should be developed. Second, effective training should be imparted for to the employees for proper documentation. Third, vigilant check must be done while selecting the borrower/project.

The paper (Chand, S. 2015) highlights that the Regional Rural Banks have a mixed record of successes and failures with respect to their business and attainment of goals. Thus it becomes very important to understand the major problems faced by these regional rural banks. These

include: 1. Haste and Lack of Co-ordination in Branch Expansion 2. Difficulties in Deposit Mobilization 3. Constraints in Deposit Mobilisation 4. Slow Progress in Lending Activity 5. Urban-Oriented Staff 6. Procedural Rigidities. In spite of all these problems, the regional rural banks are trying to fill regional and functional gaps in rural finance in our country. They are considered to be the development banks of the rural poor people and they are toiling hard to achieve their social objectives.

The article (Mittal, A. & Mittal, P. 2009) highlights the importance of consumer behaviour which is considered primary in taking marketing decisions and formulating promotional strategies. Proper understanding of consumer behaviour is essential to know the likes and dislikes of consumers from time to time so that the products and services can be offered accordingly. The study conducted focused on understanding the 6P's of marketing decisions and on the various appeals used to attract consumer's attention. The findings from the study highlighted that personal selling and sales promotion are widely used tools for making the product more likely in the eyes of the customers. Mass media advertising is considered to be the most preferred mode for marketing of banking services. The secondary research indicated that Internet marketing and E- advertising are gaining huge popularity in present times.

Culiberg and Rojsek (2010) in Identifying Service Quality Dimension as Antecedents to Customers' Satisfaction in Retail Banking explored service first-class of retail banking in Slovenia and its impact on client delight. The study located huge variation concerning the effect of dimensions on patron pride. The largest part of the variability of customer pride may be attributed to staff behavior.

The research findings also advise that service best referring to a purchaser's judgment about a bank's superiority have to be seemed as a basis for aggressive advantage as it constitutes one of the most critical driving force results in customers' pleasure. The study also exhibits that employees contact has deadly effect at the most appealing provider characteristic when concentrated on clients.

Patel and Patel (2017) talked about internet banking. It is one of the most emerging system in today's world. Digitalisation has penetrated the Indian market. A lot of benefits are attached to it. Paper less system comes with saving of environment, reduction of cost and majorly saving of time. It has tried to evaluate TAM process with an intension of how it influence the preference of Consumers. But along with easiness and speed come the issue of security and privacy. It was found that though with all the problems of internet people have started using

it in their day to day life. The research was conducted in Gujarat.

Bernitter, Ooijen and Müller (2017) meant about self-persuasion techniques to shop a product. It tells us about how self-persuasion affects consumer's choice thus can know target behaviour of the customer. Self-persuasion forces the customer in a situation in which they are influenced to resuscitate their own attitude and behaviour. The study was conducted in the lunch room of Dutch Company with 106 people. The facts was examined with techniques like SPSS macro processor, Johnson- Neymen technique and t-test. It concluded that self-persuasion has great effectiveness than direct persuasion techniques and thus aids the customer influence target behaviour.

The researcher (Keraan,T., 2010) tries to understand the prospects of banking at the bottom of the pyramid. The South African Market is focused and it is observed that financial opportunities at the bottom of the pyramid hold significant untapped value for banks. The study indicated that several emerging players are now extending payments and banking services to lower income markets in South Africa. Example of Capitec is used to understand the same. Banking at the bottom pyramid is not going to be operationalized successfully by using the same business processes of traditional banking offerings. New business processes are needed to realize client centricity and cost effectiveness. The primary challenge is to address the customer needs of affordability and accessibility along with providing return on capital requirements of a banking institution. The paper suggests that it requires the development and implementation of a new service proposition that takes into account the distribution of new products through new channels. The new service proposition must be designed in a manner that is complimentary to the dominant High-Street banking channels. Also the service proposition must be sponsored by the top of the management.

There is a gap between the customer expectation and service quality offered (Dr. Shanthakuma, S. & Kannan, P. 2010) in urban and rural areas. It leads to a shift in the customer preference from one service provider to other parties. Hence the paper highlights that there is a need to identify the gap between rural and urban customer perception and expectation. This study will prove the dissimilarities of expectations and perceptions among the rural and urban customers. The paper also tries to find out whether all the consumers are equal or different based on the Cultural, Social, Personal and Behavioral factors. Exploratory research design is used and more than 100 research articles have been studied. The perceptions and expectations are the important factors in measuring the service quality and SERVQUAL measuring scale is needed for rural or urban market. The study concludes that there are dissimilarities in rural and urban consumers

depending on their personality, education, behavior, lifestyle, occupation, etc.

The objective of the research (Bhatta, K. 2011) is to find out the behavior of the people regarding the financial/economic activities. A survey of the bank customers was conducted on a selected branch in Kathmandu valley of Nepal Banker's Association during April to June 2010 with a sample size of 30 respondents from each banks. Semi structured questionnaire was prepared for collecting the data. The result indicated that the majority of the consumers are young aged, low income and less literate and these customers mainly prefer a particular bank based on its service and efficiency. With the popularity of ATM cards, credit cards and debit cards customers wanting to use this facility has risen to a huge number. Respondents have also demanded additional facilities and upgraded technologies to be available at their banks.

The present research article (Gautam,V. 2013) attempts to exemplify the attitudes of Indian consumers towards the banking services. The study is based on field survey method and the responses of consumers were collected through structured questionnaire on five point Likert's scale. Multistage sampling was used and a sample of 347 respondents was collected to assess the level of awareness about the banking services and their attitude towards banking services. Results of the study revealed that basic demographic and socio-economic factors have significant impact on consumers' attitudes towards banking services in Indian market. The findings of research may provide some fruitful insights for the banking institutions in Indian market to frame marketing strategies based on demographic and socio-economic variables.

The objective of this study (Dr Alagarsamy, K 2013) is to identify the working and living conditions of the customers in public sector banks at Sivagangai city and also to verify the customer satisfaction towards the services given by banks. Primary and secondary data has been used to collect the information. The findings of this report indicate that majority of the people in this city are highly educated and belong to affluent families. The major source of dissatisfaction for the people was related to the inability of the banks in providing prompt services. Advanced technology adaptation, universal banking procedure, modern banking facility arrangements, adequate banking education to the bank staff, effective communication, etc. have been suggested to give the customers a good banking experience.

Jaiswal and Gupta (2015) has worked upon the changing scenario at bottom of the pyramid. Even this group of people are fond of buying products thus the theory ties to understand compensatory pricing to have compensatory demand. This group of people do spend a huge amount on social occasions under social pressure. Even international brands have started targeting this group of people. Women are the major buyer so one needs to influence the same.

They are very conscious about the beauty products. Here a sales person plays a very important role to reach to this group of people

This article (Almossawi, M. 2001) focuses on studying the bank selection criteria being employed by a crucial segment (i.e. college students) of potential young customers (aged 19-24) in Bahrain. The sample size is 1000 respondents and a special two tiered questionnaire is established focusing on demographic information of customers and influential factors for bank selection for these customers. Findings from this study reveal that young customers place more emphasis on factors like a bank's reputation, availability of parking space near the bank, friendliness of bank personnel and those related to ATMs, such as their availability in several convenient location and 24-hours availability of ATM service. Therefore, such factors should be considered seriously by the commercial banks in designing their marketing strategies. Also the study indicates that if we have to take a holistic view, then the factor analysis reveals the importance of two major factors: technology/ reputation factor and convenience factor. Lack of awareness is also a major impactful factor for these customers. So advanced technology, more usage of appropriate channels, ease of use of banking facilities are suggested for making the banking service more likely in the eyes of the customers.

The paper (Tejani,R. 2011) tries to find the reasons for low inclusion of bank in rural areas, even the satisfaction level of the rural people toward banking sector is analysed, the paper is also analysing the performance of various banks (co-operative and regional rural banks) in rural areas. The data was collected through structured questionnaire from few villages and statistical tools the data was analysed. It was found that the educated people in rural areas do possess the bank savings account and fix deposit but the other banking products they are not aware off. Lack of documents for the opening the account is also a big problem even banks lack in providing better service to the rural people.

III. RESEARCH METHODOLOGY

The study is based both secondary as well as primary data. Secondary data for banking sector is mainly composed from Reserve Bank of India (RBI) database and RBI Handbook of Statistics on Indian Economy, Deloitte financial report, Annual reports of banks, newspapers, and other secondary sources. Primary data for the research purpose are collected with the help of structured questionnaire. The research was conducted in both the urban as well as the rural part of the Ahmedabad city and its outskirts. The comparison was done taking private (HDFC Bank, ICICI Bank, Axis Bank) as well as public sector banks (SBI Bank, Bank of Baroda, Banks of India) to know their preference in both urban as well as rural sector. Equal number of samples has been selected from

urban as well as rural sector. Simple random sampling has been used for selection of the sample.

and MS Excel. The statistical technique employed for the purpose of data analysis was Chi-square test.

The data collected, both secondary, and primary, were analyzed with the help of statistical software IBS SPSS

IV. DATA ANALYSIS AND RESULTS

Table 1: Tabular analysis of Group v/s Gender

GROUP * GENDER Cross-tabulation					
			GENDER		Total
			MALE	FEMALE	
GROUP	URBAN	Count	19	11	30
		% within GROUP	63.3%	36.7%	100.0%
		% within GENDER	42.2%	73.3%	50.0%
	RURAL	Count	26	4	30
		% within GROUP	86.7%	13.3%	100.0%
		% within GENDER	57.8%	26.7%	50.0%
Total		Count	45	15	60
		% within GROUP	75.0%	25.0%	100.0%
		% within GENDER	100.0%	100.0%	100.0%

Table 2: Tabular analysis of Group v/s Age

GROUP * AGE Cross-tabulation								
			AGE					Total
			< 20	20 to 30	30 to 40	40 to 50	50 >	
GROUP	URBAN	Count	0	10	8	5	7	30
		% within GROUP	0.0%	33.3%	26.7%	16.7%	23.3%	100.0%
		% within AGE	0.0%	71.4%	47.1%	33.3%	58.3%	50.0%
	RURAL	Count	2	4	9	10	5	30
		% within GROUP	6.7%	13.3%	30.0%	33.3%	16.7%	100.0%
		% within AGE	100.0%	28.6%	52.9%	66.7%	41.7%	50.0%
Total		Count	2	14	17	15	12	60
		% within GROUP	3.3%	23.3%	28.3%	25.0%	20.0%	100.0%
		% within AGE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3: Tabular analysis of Group v/s Preferred Bank

GROUP * Preferred Bank Cross tabulation					
			Preferred Bank		Total
			P+P	PUBLIC	
GROUP	URBAN	Count	30	0	30
		% within GROUP	100.0%	0.0%	100.0%
		% within Preferred Bank	100.0%	0.0%	50.0%
	RURAL	Count	0	30	30
		% within GROUP	0.0%	100.0%	100.0%
		% within Preferred Bank	0.0%	100.0%	50.0%
Total		Count	30	30	60
		% within GROUP	50.0%	50.0%	100.0%
		% within Preferred Bank	100.0%	100.0%	100.0%

Interpretation:

H₀: there is no significant difference in the bank preferred by the respondent and the group to which they belong.

H₁: there is significant difference in the bank preferred by the respondent and the group to which they belong.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that group to which the respondents belong to influence their bank preferences.

Table 4: Tabular analysis of Group v/s Family annual income

GROUP * Family Annual Income(IN LAKHS P.A.) Cross-tabulation					
GROUP	URBAN	Count	Family Annual Income(IN LAKHS P.A.)		Total
			< 35000	> 105000	
GROUP	URBAN	Count	0	30	30
		% within GROUP	0.0%	100.0%	100.0%
		% within Family Annual Income (IN LAKHS P.A.)	0.0%	100.0%	50.0%
	RURAL	Count	30	0	30
		% within GROUP	100.0%	0.0%	100.0%
		% within Family Annual Income (IN LAKHS P.A.)	100.0%	0.0%	50.0%
Total	Count	30	30	60	
	% within GROUP	50.0%	50.0%	100.0%	
	% within Family Annual Income (IN LAKHS P.A.)	100.0%	100.0%	100.0%	

Interpretation:

Null Hypothesis: there is no significant difference in the Family Annual income of the respondent and the group to which they belong.

Alternative Hypothesis: there is significant difference in the Family Annual income of the respondent and the group to which they belong.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that Family Annual income of the respondents belong to influence their Family Annual income.

Table 5: Tabular analysis of Group v/s Occupation

GROUP * Occupation Cross-tabulation							
GROUP	URBAN	Count	Occupation			Total	
			Service	Business	Agriculture		Other
GROUP	URBAN	Count	14	14	0	2	30
		% within GROUP	46.7%	46.7%	0.0%	6.7%	100.0%
		% within Occupation	100.0%	100.0%	0.0%	9.1%	50.0%
	RURAL	Count	0	0	10	20	30
		% within GROUP	0.0%	0.0%	33.3%	66.7%	100.0%
		% within Occupation	0.0%	0.0%	100.0%	90.9%	50.0%
Total	Count	14	14	10	22	60	
	% within GROUP	23.3%	23.3%	16.7%	36.7%	100.0%	
	% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%	

Interpretation:

Null Hypothesis: there is no significant difference in the Occupation of the respondent and the group to which they belong.

Alternative Hypothesis: there is significant difference in the Occupation of the respondent and the group to which they belong.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that occupation to which the respondents belong is influenced by their group.

Table 6: Tabular analysis of Group v/s Education

GROUP * Education Cross-tabulation				
GROUP	URBAN	Count	Education	Total

		Under- Graduate	Graduate	Post - Graduate	Other		
GROUP	URBAN	Count	0	6	17	7	30
		% within GROUP	0.0%	20.0%	56.7%	23.3%	100.0%
		% within Education	0.0%	75.0%	100.0%	100.0%	50.0%
	RURAL	Count	28	2	0	0	30
		% within GROUP	93.3%	6.7%	0.0%	0.0%	100.0%
		% within Education	100.0%	25.0%	0.0%	0.0%	50.0%
Total		Count	28	8	17	7	60
		% within GROUP	46.7%	13.3%	28.3%	11.7%	100.0%
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%

Interpretation:

Null Hypothesis: there is no significant difference in the Education of the respondent and the group to which they belong.

Alternative Hypothesis: there is significant difference in the Education of the respondent and the group to which they belong.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that education of the respondents is influenced by the group to which they belong.

Table 7: Tabular analysis of Preferred Bank v/s Age:

Preferred Bank * AGE								
Cross-tabulation								
			AGE					Total
			< 20	20 to 30	30 to 40	40 to 50	50 >	
Preferred Bank	P+P	Count	0	10	8	5	7	30
		% within Preferred Bank	0.0%	33.3%	26.7%	16.7%	23.3%	100.0%
		% within AGE	0.0%	71.4%	47.1%	33.3%	58.3%	50.0%
	PUBLIC	Count	2	4	9	10	5	30
		% within Preferred Bank	6.7%	13.3%	30.0%	33.3%	16.7%	100.0%
		% within AGE	100.0%	28.6%	52.9%	66.7%	41.7%	50.0%
Total		Count	2	14	17	15	12	60
		% within Preferred Bank	3.3%	23.3%	28.3%	25.0%	20.0%	100.0%
		% within AGE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Interpretation:

Null Hypothesis: there is no significant difference in the Age of the respondent and the group to which they belong.

Alternative Hypothesis: there is significant difference in the Age of the respondent and the group to which they belong.

Using chi-square test for independence of attribute, as the p-value is 0.157, we accept the null hypothesis. Hence it can be concluded that age and group of the respondents has no influence on each other.

Table 9: Tabular analysis of Preferred Bank v/s Family Annual Income

Preferred Bank * Family Annual Income(IN LAKHS P.A.)					
Cross-tabulation					
			Family Annual Income(IN LAKHS P.A.)		Total
			< 35000	> 105000	
Preferred Bank	P+P	Count	0	30	30
		% within Preferred Bank	0.0%	100.0%	100.0%
		% within Family Annual Income(IN LAKHS P.A.)	0.0%	100.0%	50.0%
	PUBLIC	Count	30	0	30
		% within Preferred Bank	100.0%	0.0%	100.0%

		% within Family Annual Income(IN LAKHS P.A.)	100.0%	0.0%	50.0%
Total		Count	30	30	60
		% within Preferred Bank	50.0%	50.0%	100.0%
		% within Family Annual Income(IN LAKHS P.A.)	100.0%	100.0%	100.0%

Interpretation:

Null Hypothesis: there is no significant difference in the family income of the respondent and the bank they prefer.

Alternative Hypothesis: there is significant difference in the family income of the respondent and the bank they prefer.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that family income of the respondent and the bank they prefer has an influence on each other.

Table 10: Tabular analysis of Preferred Bank v/s Occupation

Preferred Bank * Occupation							
Cross-tabulation							
			Occupation				Total
			Service	Business	Agriculture	Other	
Preferred Bank	P+P	Count	14	14	0	2	30
		% within Preferred Bank	46.7%	46.7%	0.0%	6.7%	100.0%
		% within Occupation	100.0%	100.0%	0.0%	9.1%	50.0%
	PUBLIC	Count	0	0	10	20	30
		% within Preferred Bank	0.0%	0.0%	33.3%	66.7%	100.0%
		% within Occupation	0.0%	0.0%	100.0%	90.9%	50.0%
Total	Count	14	14	10	22	60	
	% within Preferred Bank	23.3%	23.3%	16.7%	36.7%	100.0%	
	% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%	

Interpretation:

Null Hypothesis: there is no significant difference in the occupation of the respondent and the bank they prefer.

Alternative Hypothesis: there is significant difference in the occupation of the respondent and the bank they prefer.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that the occupation of the respondent and the bank they prefer has an influence on each other.

Table 11: Tabular analysis of Preferred Bank v/s Education

Preferred Bank * Education							
Cross-tabulation							
			Education				Total
			Under- Graduate	Graduate	Post - Graduate	Other	
Preferred Bank	P+P	Count	0	6	17	7	30
		% within Preferred Bank	0.0%	20.0%	56.7%	23.3%	100.0%
		% within Education	0.0%	75.0%	100.0%	100.0%	50.0%
	PUBLIC	Count	28	2	0	0	30
		% within Preferred Bank	93.3%	6.7%	0.0%	0.0%	100.0%
		% within Education	100.0%	25.0%	0.0%	0.0%	50.0%
Total	Count	28	8	17	7	60	
	% within Preferred Bank	46.7%	13.3%	28.3%	11.7%	100.0%	
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	

Interpretation:

Null Hypothesis: there is no significant difference in the Education of the respondent and the bank they prefer.

Alternative Hypothesis: there is significant difference in the Education of the respondent and the bank they prefer.

Using chi-square test for independence of attribute, as the p-value is less than 0.0001, we reject the null hypothesis. Hence it can be concluded that the education of the respondent and the bank they prefer has an influence on each other.

Table 12: Tabular analysis of Preferred Bank v/s gender

Preferred Bank * GENDER					
Cross-tabulation					
		GENDER			Total
		MALE	FEMALE		
Preferred Bank	P+P	Count	19	11	30
		% within Preferred Bank	63.3%	36.7%	100.0%
		% within GENDER	42.2%	73.3%	50.0%
	PUBLIC	Count	26	4	30
		% within Preferred Bank	86.7%	13.3%	100.0%
		% within GENDER	57.8%	26.7%	50.0%
Total		Count	45	15	60
		% within Preferred Bank	75.0%	25.0%	100.0%
		% within GENDER	100.0%	100.0%	100.0%

Interpretation:

Null Hypothesis: there is no significant difference in the gender of the respondent and the bank they prefer.

Alternative Hypothesis: there is significant difference in the gender of the respondent and the bank they prefer.

Using chi-square test for independence of attribute, as the p-value is 0.037, we reject the null hypothesis at 5% level. Hence it can be concluded that the Gender of the respondent and the bank they prefer has an influence on each other.

V. FINDINGS & SUGGESTIONS

As per the analysis and the survey we interpret that very few number of Private Banks have limited number of branches in rural market, due to which people in rural areas are deprived of the services which is provided by the private banks in urban areas.

Firstly, as private banks are less in number in rural sector, people in this sector are not aware about their working style because of which they are unable to trust the private sector banks. Thus Public sector banks take over the Private sector banks in Rural Market. Recently, new rule have been designed by the Reserve Bank of India wherein a Private sector bank is allowed to open one branch in urban area if they are able to open 4 branches in the rural areas where there are no Banks. While interacting with the employees of the private sector banks, they believed that if the branches are reachable to the villagers they would definitely like to be their customers.

Secondly, an analysis shows that the rules of private banks have no significant difference for the customers of rural sector and urban sector. Whereas, another analysis shows that the annual income, education qualification, gender,

occupation makes a difference in the preference of the people while selecting a bank. Therefore, we strongly conclude that the rules and regulations for the rural markets should differ to attract the rural population to choose the private sector banks to bank with.

In India, both the markets are very different in the types of consumers they have and if a company is trying to sell same product to these different attribute groups then there are full chances that one of the group rejects the product. It is not only necessary but it is inevitable to deliver the banking services according to the preferences of the consumer to be successful.

Public Sector Banks are operating in the rural areas since decades, so they have been able to design their products differently for attracting the two markets whereas the Private sector banks are recent entrant in the rural market segment so they need to properly analyse this market and design their products for the rural market. Everyone in the world has accepted that the rural market is one of the potential markets to be developed and gained from. The banking sector has a lot to gain from this sector and this has a direct relation with the development of the economy of the nation.

So, if Government influences the Private Sector Bank to develop in rural areas as well, the bank will have to design new and efficient services focusing on this segment. This in turn will make the Private sector banks a popular choice amongst the rural areas which will be a win-win situation for both – the banks as their customer base increases and for the rural population as they are educated users of the new financial products specially designed for them.

Private Sector Bank compared to Public Sector Bank has young employees which are ever-enthusiastic to bring business to the bank. Corporate social responsibility is also one of the activities which private sector firms look at, so having branches in the rural areas will enable their CSR activities to penetrate well in the grassroots level. People in the rural areas appreciated the services like ATM, Mobile Banking, Net banking, priority banking etc. that the Private banks offer in the urban areas. As setting up an ATM carries a huge cost, these banks do not prefer to set it up in places with a narrow customer-base. As a solution to this problem there are facilities of Net Banking, Mobile Banking etc. which can be provided but there is a problem of non-availability of internet in these rural areas and lack of knowledge to use the internet for availing these services is a large problem to handle. Thus the services which make the Private Sector successful in Urban Market are questioned in Rural Market and this leads to distrust amongst the customers towards the bank.

Also, employees in rural areas mostly belong to urban areas so again it becomes difficult for them to bring trust of the rural people to the bank. Many time employees are not happy with their branch being positioned in a rural area, as to achieve their target becomes difficult. As a solution to this, one may plan to hire employees from the rural sector to work in rural branches. As he/she is one amongst them, it may be assumed that such employees will have better acceptability in the rural areas and will show higher dedication in developing business and promoting different products of such banks. It will also allow building up trust which is the major factor for acceptance of banking products.

Surprisingly, age of customers, being one of the parameters of our study, it was observed that there is no relation in the preference of the bank with the age of the prospective customers. So the banks may put forward their efforts to attract the youth as customers because their risk taking capacity is high and are willing to opt as well as learn about the new services provided by the private sector banks.

Well known banks have made their impact on the minds of the rural population for their brand which can be explored to attract them to buy their products.

VI. CONCLUSION

Rural Market is the heart of India and to explore the immense potential of this market, companies need to work on the marketing strategies and designing of their products. The analysis is trying to show that the consumers of urban vicinity has adopted both private as well as public banks based on their services provided but in rural areas private banks need to prove themselves. The rural market lacks in availing this service because of less number of branches of both Private Banks as well as Public Banks. Rural Market initially may not bring prosperity to the banking sector but if Banking sector works on spreading awareness and designing of their products according to the rural demand the scenario will be different after few years. One must understand that the prosperity of our nation is based on development of rural as well as urban markets and banking sector both private as well as urban sector banks together need to work on it. If together they work on bringing financial freedom to rural sector, the days are not far where rural sector will also prosper as urban sector.

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