

A STUDY OF CONSUMER BEHAVIOR TOWARDS SELECTION AND UTILIZATION OF SERVICES OF CO- OPERATIVE BANKS

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Abstract

A bank is a financial institution which provides by financial services to their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits and providing loans. Banks are a subset of the financial services industry. In this research study, researcher has tried to know the behavior of co-operative banking customers of Gujarat state with regards to selection of a particular bank as well as utilization of banking services. The main source of collection of data in this study is primary data. The researcher has collected the data by structured questionnaire from 547 respondents who have bank account with co-operative bank of Gujarat. The secondary data are collected from the articles, research papers, reference books, journals, websites and other publications.

Keywords: Consumer Behavior, Financial Services, Unified Payments Interface (UPI), State Cooperative Banks, Debit Cards and Credit Cards

INTRODUCTION

Consumers have different type of needs and wants, which are distinct from one another depending on their demographic factors. The consumer behavior also changes from one to another. The bankers are offering various services for satisfying needs and wants of their customers. For the achieving the prime goals of a business unit; broad knowledge of consumer and their behavior is required to kept in mind. So Consumer Behavior is very important from marketers' point of view. Consumer behavior may be a decision process and physical activity individuals engage in when evaluating, acquiring, using or disclosing of services. The process by which a person is required to make a choice from various alternative options is referred as decision making. **The American Marketing Association** has defined Consumer Behavior as "The dynamic interaction of affect and cognition, behavior, and the environment by which human being conduct the exchange aspect of their lives." In India, the banking reforms were initiated since 1991 with the opening of the doors of Indian economy through liberalization, globalization and privatization. As a result, number of private sector as well as foreign banks are operating in India and are providing innovation banking services. The reforms have shifted focus of banks from being development oriented to being commercially variable and customer oriented. Banking services and products like Anywhere Banking, Tele Banking, Internet Banking, E-banking, E-commerce, E-business etc, became the buzzword of the present arena and therefore the banks trying to attract technology-based services to their customers.

Co-Operative Banks: The co-operative banks are performing basic functions of banking and providing their services especially in rural areas. They differ from Commercial banks in many ways like; Commercial banks are public sector banks or joint-stock companies under the companies Act of 2013, or under a separate Act of the Parliament. Cooperative banks were established under the Co-operative Societies Acts of varied states. Co-operative banks have a three-tier setup, with State co-operative bank at the apex, Central/district co-operative banks at district level, and first co-operative societies at rural level. The Banking Regulation Act of 1949 are applicable to Co-operative banks, leading to only partial control by RBI. The Co-operative banks are functioning on the principal of co-operative and not entirely on commercial aspect. Cooperative banks were established by passing a Co-operative Credit Societies Act in 1904. They are managed and organized on the principal of co-operation and mutual help. The most objective of co-operative is to supply rural credit. The co-operative banks in India play an important role even today in rural co-operative financing. There are 36 State Cooperative Banks in India. And, also there are 54 Scheduled Urban Cooperative Banks in India. Growth in Automated Teller Machines (ATMs), Debit Cards and Credit Cards, Prepaid Payment Instruments, Unified Payments Interface (UPI), Financial Inclusion Initiative and New Bank Branches are the Recent Technological Development in Indian Co-Operative Banking Sector.

REVIEW OF LITERATURE

The review of literature in tune with the subject matter of a research study helps in determining the research gap and finalizing the title of any study. The following reviews have been undertaken for this paper. **John & Thoomkuzhy (2018)**: They conducted a study on, "Service Quality Dimensions and Customer Satisfaction of Pathanamthitta District Cooperative Bank." There were many factors influencing their satisfaction level. Since the people in the district were mainly settled in rural areas. **Prakash Kumar Sen, Naved Hasan and Chandrashekhar Prajapati (2019)**: They wrote a research paper on, "Consumers perception and awareness towards Mobile banking system related to working women towards mobile banking services with special reference to Satna city in Madhya Pradesh. The research attempted to study the working women awareness on mobile banking. The study found that 60% of working women used mobile banking for online purchasing and also used other kind of transaction and overall, the perception and level of awareness on mobile banking services of working women was somewhat satisfactory. **Jignesh Valand & Greeshma V. (2019)**: They wrote a research paper on "A Study on Consumer Awareness & Perception towards the Usage of Mobile Banking in Anand District." The major finding of the study based on the primary data collected from 100 banking customers was that, majority of customers were aware about mobile banking services. It was concluded that technology is that best medium to attract and retain the customer which gives plenty of advantage to banking industry. **Pavithra C. B. & Geetha K. (2021)** They conducted a study entitled, "Factors Affecting Customers' Perception towards Digital Banking Services". Percentage and Factor Analysis were used for the primary data collected from 150 Digital banking users. The result reveals that respondents of young age group prefer doing digital banking over traditional banking. The customers perform their digital banking services using their smart phones. Users feel that digital banking is convenient, ubiquitous, instant transfer of funds and they were satisfied with digital banking services. The research gap was observed through review of literature that the Co-Operative Banking Sector is facing challenges with stiff competition and advancement of technology. The efforts are made to explore the various reasons for the selection of a particular bank and significant dimensions of various services quality and its effect on customer behavior and satisfaction by this study.

OBJECTIVES OF THE STUDY

The following are the objectives of the present study:

- To study the demographic profile of the respondent co-operative banking Customers.
- To study the reasons for selection of co-operative banks.
- To study the utilization of co-operative banking Services.
- To make suggestions to improve co-operative banking services of Banks.

Universe of the Study: All co-operative banking customers of India are the universe of the study.

Population of the Study: All co-operative banking customers of Gujarat state are the population of the study.

Nature of the Study: The present study is empirical in nature.

Scope of the Study: The functional of the study at macro level is Marketing Management and at micro level is consumer behavior towards Selection and Utilization of Services of Co-Operative Banks whereas the geographical scope of the present study is Gujarat state.

Nature of Data: The study is mainly based on primary data. The primary data were collected through structured questionnaire. The secondary data related to study have been taken from the subject related books, journals, magazine, theses, newspapers and internet.

Sampling Design: Keeping in view the objectives and scope of the study, Convenient Sampling technique has been used. The sample size is 547 Bank Account Holders of Co-Operative Banks of Gujarat State.

Tools and Techniques Used for Data Analysis: The Primary Data collected through the questionnaire were classified, tabulated and analyzed with the help of Statistical tool percentage analysis

DATA ANALYSIS AND INTERPRETATION

This research is mainly based on the primary data collected from the sampled customers of various Co-Operative Banks of Gujarat State. The researcher collected the information through the questionnaire from 547 Bank Account Holders. Through the research work researcher has taken various demographic factors like gender, age, education qualification, occupation, monthly family income and behaviour related information of customers.

Table: 1 Demographic Factor of the Respondents

Sl. No	Demographic Factors	Particulars	No. of Respondents	Percentage (%)
1	Gender	Male	364	66.5
		Female	183	33.5
		Total	547	100
2	Age	18-28	188	34.4
		29- 39	149	27.1
		440-50	148	27.1
		51 & Above	62	11.4
		Total	547	100
3	Educational Qualification	Under Graduate	115	21.0
		Graduate	85	15.5
		Post Graduate	347	63.4
		Total	547	100.0
4	Occupation	Businessman	80	14.6
		Govt. Employee	199	36.4
		Private Employee	141	25.8
		Professional	127	23.2
		Total	547	100.0
5	Marital Status	Married	318	58.1
		Unmarried	229	41.9
		Total	547	100
6	Family Type	Nuclear	237	43.3
		Joint	310	56.7
		Total	547	100.0
7	Monthly Income	Below 20,000	139	25.4
		20,001 to 35,000	104	19.0
		35,001to 40,000	57	10.4
		40,001 & Above	247	45.2
		Total	547	100.0

(Source: Compiled from the Questionnaires)

The above table shows the classification of respondents from the view point of seven demographic factors like; gender, age, educational qualification, occupation, marital status, family type and monthly income of the selected 547 respondents. As per gender, majority were male (66.5%). From the view point of age in the age group of 18-28 years majority respondents were 188 representing 34.4 % followed by the age group of 29-39 years. As per educational qualification the highest respondents were 347 showing 63.4 % of the total respondents. From the view point of occupation of the respondent's majority were Government employees (36.4%) followed by the Private Employees showing 25.8%. Married respondents were highest of 58.1% where as respondents residing in joint family were the highest of 56.7%. As per the monthly income group majority respondents (45.2%) were having their monthly income of Rs. 40,001 & above while 10.4% respondents were monthly income of Rs. 35,000 to 40,000.

Reason For Selecting the Bank: In the present paper two aspects viz: various reasons for the selection of a particular bank and utilization of banking services by the co-operative banking customers of Gujarat State. Various nine reasons were put before the co-operative banking customers of Gujarat State as shown in table:2. The study on the opinion for various reasons for selecting the co-operative bank in Gujarat were quantified with the help of Likert's 5-point scale and were analyzed with the help of parametric t-test. The following results were obtained. The significant t-value has been taken to interpret the undecided opinion of the respondents.

Table:2 One-Sample Statistics - Reason for Selecting the Bank

No.	Variables	N	Mean	Std. Deviation	Std. Error Mean
1	Nearest to Home	547	3.84	1.17	.049
2	Nearest to Office	547	3.71	1.11	.047
3	Workplace Compulsion	547	3.54	1.18	.050
4	Familiarity	547	3.48	1.24	.053
5	Better Services	547	4.03	1.06	.045
6	Availability of various Schemes & Loans	547	3.83	1.14	.048
7	Cheap & Quick Service	547	3.85	1.10	.046
8	Customer Friendly Operations	547	3.50	1.23	.052

9	Good Dividend on Share	547	3.50	1.23	.052
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(Source: Compiled from the Questionnaires)

The mean value ranges from 3.50 to 4.03 which are greater than 3 and hence, proved to be statistically significant. The standard deviation ranges from 1.06 to 1.24. The standard error mean ranges from 0.4697 to 0.05305. This leads to t-test computation as shown below:

Table: 3 One – Sample Test - Reason for Selecting the Bank

No.	Variables	t	df	Sig. (2-tailed)	Mean Difference
1	Nearest to Home	16.73	546	.00	0.84
2	Nearest to Office	14.82	546	.00	0.71
3	Workplace Compulsion	10.67	546	.00	0.54
4	Familiarity	9.03	546	.00	0.48
5	Better Services	22.73	546	.00	1.03
6	Availability of various Schemes & Loans	16.97	546	.00	0.83
7	Cheap & Quick Service	18.14	546	.00	0.85
8	Customer Friendly Operations	9.41	546	.00	0.50
9	Good Dividend on Share	9.56	546	.00	0.50

(Source: Compiled from the Questionnaires)

$H_0 =$ There is no significant differences in various reasons for choosing bank by the customers.

$H_1 =$ There is significant differences in various reasons for choosing bank by the customers

The t-value ranges from 9.03 to 22.73 which are statistically significant at 5% level. Here null hypothesis is rejected. It makes it clear that there are significant differences in various reasons for choosing bank by the customers. Hence, it can be concluded that customers often select a bank based on practicality and personal preferences, favoring those nearest to home and office for convenient access. Workplace compulsion, often driven by employer, plays a role in decision-making. Familiarity with a bank's operations and staff fosters trust, while better services, availability of schemes, and quick, affordable transactions enhance the overall appeal. For investors, the prospect of good dividends on shares becomes an additional factor influencing their choice.

T-Test for Utilization of Services of Banks by Customers:

Various thirty co-operative banking services were put before the co-operative banking customers of Gujarat State as shown in table:4. The study on the opinion for the utilization of various banking services provided by the co-operative banks in Gujarat were quantified with the help of Likert's' 5-point scale and were analyzed with the help of parametric t-test. The following results were obtained. The significant t-value has been taken to interpret the undecided opinion of the respondents.

Table: 4 One-Sample Statistics - Utilization of Services of Banks by Customers

No.	Variables	N	Mean	Std. Deviation	Std. Error Mean
1	Credit Card	547	3.43	1.30	0.06
2	Debit Card	547	3.66	1.15	0.05
3	ATM Card	547	3.82	1.18	0.05
4	Cheque	547	3.70	1.14	0.05
5	Multi-City Cheque	547	3.49	1.23	0.05
6	Electronic Fund Transfer	547	3.58	1.26	0.05
7	Telemarketing	547	3.48	1.19	0.05
8	Phone Banking	547	3.82	1.09	0.05
9	Internet Banking	547	3.94	1.05	0.04
10	De Mat Account Facility	547	3.55	1.24	0.05
11	Loans	547	3.74	1.20	0.05
12	Mail Transfer	547	3.56	1.25	0.05
13	Cash Credit Facility	547	3.63	1.26	0.05
14	Traveler Cheque Facility	547	3.53	1.26	0.05
15	Locker Facility	547	3.80	1.12	0.04
16	Gift Cheque Facility	547	3.46	1.29	0.06
17	Cheque Deposit	547	3.83	1.11	0.05
18	Services Available at Home	547	3.65	1.21	0.05
19	E-Stamping Facility	547	3.47	1.29	0.06
20	Gas-Electricity Bill Collection	547	3.49	1.33	0.06
21	Corporation Tax Collection	547	3.59	1.29	0.06

22	Demand Draft	547	3.65	1.23	0.05
23	Term Deposit	547	3.66	1.19	0.05
24	Insurance Schemes	547	3.62	1.20	0.05
25	Stop Payment of Facility of Cheque	547	3.70	1.18	0.05
26	Electronic Clearing Services	547	3.79	1.15	0.05
27	Interactive Voice Response System Enquiry	547	3.73	1.17	0.05
28	Centralized Banking	547	3.73	1.19	0.05
29	Online Tax Accounting	547	3.48	1.28	0.06
30	Foreign Exchange System	547	3.36	1.36	0.06

(Source: Compiled from the Questionnaires)

The mean value ranges from 3.36 to 3.94 which are greater than 3 and proved to be statistically significant. The standard deviation ranges from 1.05 to 1.36, standard error mean range from 0.04 to 0.06. This leads to t-test computation as shown below:

Table: 5 One – Sample Test for Utilization of Services of Banks by Customers

No.	Variables	t	df	Sig. (2-tailed)	Mean Difference
1	Credit Card	7.66	546	0.00	0.43
2	Debit Card	13.46	546	0.00	0.66
3	ATM Card	16.31	546	0.00	0.82
4	Cheque	14.50	546	0.00	0.70
5	Multi-City Cheque	9.35	546	0.00	0.49
6	Electronic Fund Transfer	10.74	546	0.00	0.58
7	Telemarketing	9.42	546	0.00	0.48
8	Phone Banking	17.70	546	0.00	0.82
9	Internet Banking	20.84	546	0.00	0.94
10	De Mat Account Facility	10.43	546	0.00	0.55
11	Loans	14.42	546	0.00	0.74
12	Mail Transfer	10.54	546	0.00	0.56
13	Cash Credit Facility	11.73	546	0.00	0.63
14	Traveler Cheque Facility	9.81	546	0.00	0.53
15	Locker Facility	16.63	546	0.00	0.80
16	Gift Cheque Facility	8.30	546	0.00	0.46
17	Cheque Deposit	17.33	546	0.00	0.83
18	Services Available at Home	12.52	546	0.00	0.65
19	E-Stamping Facility	8.51	546	0.00	0.47
20	Gas-Electricity Bill Collection	8.54	546	0.00	0.48
21	Corporation Tax Collection	10.71	546	0.00	0.59
22	Demand Draft	12.42	546	0.00	0.65
23	Term Deposit	12.95	546	0.00	0.66
24	Insurance Schemes	12.12	546	0.00	0.62
25	Stop Payment of Facility of Cheque	13.83	546	0.00	0.70
26	Electronic Clearing Services	16.10	546	0.00	0.79
27	Interactive Voice Response System Enquiry	14.55	546	0.00	0.73
28	Centralized Banking	14.36	546	0.00	0.73
29	Online Tax Accounting	8.70	546	0.00	0.48
30	Foreign Exchange System	6.19	546	0.00	0.36

(Source: Compiled from the Questionnaires)0

H_0 = There is no significant differences in utilization of various services of banks by Customers.

H_1 = There is significant differences in utilization of various services of banks by Customers.

The t-value ranges from 6.19 to 20.84 which are statistically significant at 5% level. Here null hypothesis is rejected. It makes it clear that there are significant differences in utilization of various services of banks by Customers. Hence, it can be concluded that customers of co-operative banks in Gujarat extensively leverage a broad spectrum of banking services to address their diverse financial needs. For seamless transactions, Credit Cards, Debit Cards, and ATM Cards are employed, ensuring secure and convenient payment methods. Traditional instruments like Cheques and Multi-City Cheques, along with modern solutions like Electronic Fund Transfers, play pivotal roles in various financial dealings. Electronic platforms such as Internet Banking, Phone Banking, and Telemarketing offer customers easy access to their accounts and a range of services. Banking

institutions also provide specialized facilities, including De Mat Accounts, Loans, Mail Transfers, Cash Credit, and Traveler Cheque services, tailoring their offerings to meet specific financial requirements. The inclusion of services such as Locker Facilities, Gift Cheques, and Cheque Deposits further enhances customer convenience. Home services, E-Stamping, Gas-Electricity Bill Collection, and Corporation Tax Collection bring banking directly to the customer's doorstep. Additional offerings like Centralized Banking, Online Tax Accounting, and Foreign Exchange services contribute to a comprehensive banking experience. Services such as stop Payment of Cheque, Insurance Schemes, Demand Drafts, Term Deposits, and Electronic Clearing Services round out the extensive suite of options available to customers. The Interactive Voice Response System and Centralized Banking ensure efficient customer support and streamlined account management.

CONCLUSION

Based on the hypothesis testing it can be said that there are significant differences in various reasons for choosing bank by the customers for utilization of various banking services. Hence, it can be concluded that customers often select a bank based on practicality and personal preferences, favoring those nearest to home and office for convenient access. From the view point of utilization of various banking services, it can be concluded that customers of co-operative banks in Gujarat extensively leverage a broad spectrum of banking services to address their diverse financial needs. For seamless transactions, Credit Cards, Debit Cards, and ATM Cards are employed, ensuring secure and convenient payment methods.

SUGGESTIONS

Based on the above analysis of primary data and with fact findings, it can be suggested that the for the utility payment's purpose Credit Cards, Debit Cards, and ATM Cards Services are more used by the respondents, the banks should go for more tie-up and widening their connectivity with various governmental and non-governmental agencies.

LIMITATION OF THE STUDY

The main limitations of the study are as follows:

1. The study is limited to two aspects-Selection of Bank and Utilization of banking services.
2. The study is purely based on primary data, collected through questionnaires. Hence, the personal beliefs, attitude and behavior of the respondents affect the quality of data.
3. The limitations of the statistical tools used for the study have their own limitations, which allies to the study.

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