

BANKING HABITS AMONGST THE WOMEN AND YOUTH OF PONDICHERRY REGION – AN EMPIRICAL STUDY

**Dr. K. Shivakumar and **Dr C. Vethirajan*

INTRODUCTION

The evolution of marketing concept in the banking profession is traced in the West to Dery Weyer of Barclays Bank. He considered it as consisting of identifying the most profitable markets now and in future assessing the present and future needs of customers, setting business development goals, making plans to meet them and managing the various services and promoting them to achieve the plans all in the context of changing environment in the market. The views of Weyer expanded the marketing areas in banking industry.

The new concept of bank marketing assigned due weightage to customer satisfaction. The changed concept aimed at having a full view of customers' needs, fulfilling the identified needs in the best possible manner by required services, identification of potential customer and conducting the activities at the branches on the basis of market segmentation. The matching of services with marketing means formulation of

overall marketing strategies which suit the tastes, temperament, needs and requirements of customers.

Banking is a service industry marketing a wide range of services to persons called customers. Speedy, timely and courteous services to customers are the essence of banking business. The maturity of such service very much depends on the quality of customer service and the satisfaction that customers derive from such services. Banks must continuously assess their performance in this regard and must continuously strive to satisfy the new and emerging customer. The improvement in customer service is a necessary feature for the progressive growth of the banking industry.

Banking services in Pondicherry region

Pondicherry region has an area of 293 sq. kms and a population of 7.35 lakhs. It has 61 scheduled commercial banks with Rs. 1,55,578 lakhs as deposits and

* Dr. K. Shivakumar, Faculty, Department of Commerce, Kanchi Mamunivar Centre for Post-Graduate Studies, Pondicherry - 605 008. Email : shiv_kar@rediffmail.com

** Dr. C. Vethirajan, Lecturer in Commerce, Govt. Women's Polytechnic College, Pondicherry - 605 008 E-mail : c_vethirajan@yahoo.com

Rs. 83,089 lakhs as credit as on March 2002. These banks offer a number of services apart from regular services. Banks in Pondicherry region provide ATM, Safe Custody, Private Safe Deposit facilities, Loan facilities, Credit transfers, Credit cards, Travelers cheques, and Gift cheques etc. They also carry out the banking instructions of the customers. Example : payment of telephone bills, insurance premia etc.

Importance and need for the study

Banking is the lifeblood of trade and commerce. It plays an important role in the economic development of a nation. Today banks compete with one another by providing various facilities to their customers. As no study has been undertaken so far to find out the banking habits amongst the women and youth of Pondicherry region, this study has been carried out.

Objectives of the study

The study has been undertaken to know

- The banking habits
- The banking habits amongst the youth of Pondicherry region.
- To make a few suggestions based on the study.

Methodology and Sample Size

The study is based on both primary and secondary data. Two surveys were

carried out to collect the required primary data. The primary data were collected with the help of pre designed printed questionnaires. Totally 250 and 150 questionnaires were distributed respectively to women and youth residing in and around Pondicherry region. After repeated calls 185 questionnaires from women and 115 questionnaires from youth were got back and the same have been taken as the samples for the study.

The secondary data were sourced from relevant books and journals. Simple statistical tools were applied to analyse the collected data.

Major Findings

Major findings of both the surveys are presented in the following pages :

Motivators to open account

- Savings, Convenience, Security and Friends/Family Members in that order appeared to be the motivators according to the surveyed women for opening the bank account.
- Convenience, Savings and Security in that order appeared to be the reasons according to the surveyed youth for opening of the bank account.

Introduction of bank

- Majority of the surveyed women informed that it was their parents

and friends who introduced them to their bankers.

- Majority of the surveyed youth reported that it was their parents and friends who introduced them to their bankers.

Type of bank

- More than 70 percent of the surveyed women reported that they have their bank account in the public sector banks. However, Co-operative banks are preferred by about 18 percent of their counterparts.
- Majority of the surveyed youth informed that they have their bank account in the public sector banks.

Type of Account

- More than 90 percent of surveyed women indicated that they have savings account. Less than 8 percent of the respondents only appeared to have term and recurring deposit accounts.
- More than 90 percent of the surveyed youth reported that they have savings account. Less than 10 percent of the respondents only appear to have term and recurring deposit accounts.

Nature of the Account

- More than 80 percent of the surveyed women informed that

they have only individual bank account.

- More than 90 percent of the surveyed youth reported they have only individual bank account.

Number of years having bank account

- Majority of the surveyed women indicated that they were having bank account for more than 3 years.
- More than three-fourth of the surveyed youth informed that they were having bank account only for the last three years.

Loan/Facility Used

- Majority of the surveyed women reported that they have availed housing loan facility from their banks.
- The survey revealed that less than 40 percent of the surveyed women only appear to use cheque facility. However, Locker, Credit cards and ATM cards facilities are used only by less than 20 percent of the surveyed respondents.
- Majority of the surveyed youth informed that they have not availed any educational loan facility from their banks.
- It is interesting to know that cheque facility is not being used by majority

of the surveyed young persons. However, 25 percent of the youth appear to be using the cheque facility.

- Less than one-fifth of the surveyed young persons only appear to use ATM facility. Debit cards and Credit cards are used only by a very small percent of the surveyed youth.

Location of Bank

- Majority of the surveyed women reported that they have their bank account only in the banks located in the Pondicherry town. However, more than one-third of the women indicated that they go to the banks which are located nearer to their residence.
- Majority of the surveyed youth informed that they have their bank account only in the banks located in the Pondicherry town. However, nearly one-third of the youngsters informed that they go to the banks which are located nearer to their educational institution. Further, about one-fourth of the surveyed youngsters appeared to prefer the banks situated near their residence to do their banking transactions.

Frequency of visit

- Majority of the surveyed women informed that they visited their bank once in 10 days.

- Majority of the surveyed youth reported that they visited their bank weekly once.

Satisfaction level

- Majority of the surveyed women appeared to be satisfied with the services provided by their bank and their working hours.
- Majority of the surveyed youngsters informed that they are happy with the services provided by the bank. However, regarding the working hours of the banks while two-thirds of the surveyed youngsters informed it was convenient, about one-third of the surveyed youth reported that the bank working hours was not convenient to them.

Suggestions and Conclusion

The Study clearly shows that the surveyed respondents are generally satisfied with the services provided by the banks. However, the study has indicated certain gray areas, which need to be looked into and set right by the bankers.

- Irrespective of the groups to which they belong, more than 40 percent of the surveyed respondents appeared to be not satisfied with the banking hours.
- It is suggested that steps should be taken by the banks to ensure that

the bank working hours are made to suit the requirements of the customers. Probably they can work on Sunday and declare some other day as a holiday. This will not only help the women and young customers but also office goes and others who are otherwise busy during week days.

- The study shows that cheque facility is not being used by more than three-fifth of the surveyed respondents.
- It is suggested that bankers should persuade their customers to use the cheque facility more often by pointing out its advantages such as safety, easy traceability etc.
- New products/services such as ATM cards, Credit cards and Debit cards seemed to have not made much impact on the surveyed respondents.
- It is suggested that bankers should put in more marketing and promotional efforts to popularize these new products and services viz., ATM cards, Credit cards and Debit cards.
- The study shows that the housing loan is very popular (probably because of tax benefits) with surveyed women respondents.

However, the educational loan seemed not to have made much impact on the surveyed youth.

- It is suggested that bankers should find out the reasons why educational loans are not attracting their customers. If the reasons are administrative and procedural, efforts should be made to simplify the process. Also more promotional activities should be carried out to popularize the educational loan schemes.

In conclusion, it must be stated that in today's competitive environment only bankers who are able to provide excellent services to their customers can hope to get more customers and more business and at the same time retain the existing customers. The study has clearly indicated the areas where the bankers will have to improve their services, so that they can continue to have the patronage of their customers in the years to come.

Reference

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