



A Study on Customer Utilisation of Banking Customer Service Points for Rural Areas

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INTRODUCTION

Banking Customer Service Points (CSPs)

The Banking Customer Service Points can be defined as a place of service for formal banking services. It is based on BC model applied by the RBI. It can be set up tiny areas where branches of banks are not available. The operator of CSPs bridges the gap between bank and financially excluded person. Their relationship with the banks as principal and agent. They get commission by rendering the formal banking services to the people. The Banking CSPs is the place identified in villages for the purpose of gathering the customers by CSP Operators.

A Banking CSPs consist of devices like fingerprint scanner, printer, Bluetooth and a GPS which communicates with a mobile device which has the computer application for storing online transactions as well as fingerprints of all the customers. CSP operators who work in rural areas have to bear the more risk and more equipment maintenance costs themselves and earns a little margin.

This can be shown as:



Financial Inclusion

Financial inclusion was raised by former Reserve Bank of India (RBI) governor YV Reddy in 2005. It is delivery of banking services at an affordable cost (no frills' accounts,) to the vast sections of disadvantaged and low income group. Financial inclusion is one of most important task of the country to develop rural & remote rural people and to develop rural and Indian economy. Generally remote rural people have not so much interest of saving in comparison to urban people. So banking customer service points can get to success in financial inclusion in rural India. It is considered to be an important determinant for social inclusion of poor villagers and (weaker) vulnerable people of rural India.

REVIEW OF LITERATURE

Dr. G.Vincent and Dr. S.Sivakumar (2023) “ CSPs plays vital role in Collaboration with banks in Financial inclusion to the villagers as well as urban people as a new paradigm of economic growth that in driving away the poverty from the country. Financial inclusion is important priority of the country in terms of economic growth and advancement of society especially rural population.

Mohan and Rakesh (2021), stated that, financial inclusion system is system of having a saving bank account facility to unreached poor population to perform significant financial events such as saving money safely outside of the house, transferring money, accessing credit, and insurance premium payments.

Ghosh (2020), stated that, the evolution of the Microfinance revolution in India as a powerful tool for poverty lessening and women empowerment. Where institutional finance failed Microfinance delivered, but the access is too small.

Burgess and Pande (2019), said that, the poverty was reduced from 61 percent to 31 percent during 1977 to 2000 because of the rural bank expansion program mandated by the Indian government from 1977-1990, Further, they state that the rural bank expansion was associated with non-agricultural growth which results improvements in physical access were critical in reaching out to rural areas.

S Mahendra Dev (2019), Stated that Financial inclusion is an important to improve the living standard of rural population. Financial inclusion is termed as lack of access to the credit from formal banking institutions. Farmer and non-farmer group 24 should look at financial inclusion through formal financial institutions. It should look both as a business opportunity and socio responsibility.

STATEMENT OF PROBLEM

Financial inclusion is an important process to achieve the goal if inclusive growth. Government of India and RBI has made sustained efforts to increase the percent of formal financial services in the unbanked rural and remote rural areas of the country. RBI implemented so many schemes to include the exclude the rural and remote rural poor persons. But Banking CSPs are one of the finest modes to include the excluded persons. In this context financial illiteracy, banking operating hours, standard of Living of the rural people and get rid of money lenders are the problems arises.

OBJECTIVE OF THE STUDY

- The basic Objective of my research is:
- To examine the role of banking Correspondent Service Providers (CSPs) in promoting financial inclusion in rural India.
- To analyze the influence of banking CSPs on the saving behaviors of rural populations in the Dhanbad district.
- To assess the impact of banking CSPs on the standard of living of rural communities in Dhanbad district.

HYPOTHESIS

For the objective to focus the role of banking CSPs for financial inclusion in rural India hypothesis developed

H0- There is no significant impact of banking CSPs towards Financial inclusion in rural India

H1- There is significant impact of banking CSPs towards Financial inclusion in rural India.

For the analyse the impact of saving behaviour of rural people through banking CSPs hypothesis developed were

H0 - There is no significant impact of banking CSPs towards the change in Saving Behaviour of rural people of Bangalore District.

H1 - There is significant impact of banking CSPs towards the change in Saving Behaviour of rural people of Bangalore District.

For the study of impact on the standard of living to the rural people through banking CSPs hypothesis developed were

H0- There is no significant contribution of Banking CSP in raising of standard of living to the rural people of Bangalore District.

H1- There is significant contribution of Banking CSP in raising of standard of living to the rural people of Bangalore District.

SCOPE OF THE STUDY

The study will result in analyzing the role of Banking CSPs for financial inclusion in rural India indicators such as; accessibility, saving, credit, sufficiency, quality, awareness, suitability, standard of living and time.

The study also covers the assessment of problems faced by Banking CSPs in the process of financial inclusion push up.

RESEARCH METHODOLOGY

This study employs a variety of data collection methods to ensure comprehensive analysis and to address the research objectives effectively. The research methodology adopted for this study is outlined as follows:

To collect data for this research, a convenience sampling technique was employed. This method was chosen due to its practicality and ease of implementation, allowing data to be gathered based on accessibility and the researcher's convenience. The convenience sampling approach enabled the study to focus on respondents who were readily available and willing to participate, thereby facilitating the timely completion of the research.

The data collected through this method were analyzed to gain insights into the role of banking CSPs in rural financial inclusion, the saving behaviors of rural populations in Dhanbad district, and the impact on the standard of living in these communities.

RESEARCH DESIGN

The present study is mainly an empirical work based on both primary and secondary data basis having qualitative and quantitative nature. For analytical reason frequencies and chi square test were used.

DATA COLLECTION METHODS

A) Primary Data Collection Methods:

Data Collection Through Interview – CSP Operators Data Collection

B) Secondary Data Collection Methods secondary sources of data include extensive literature review, related books, journals, companies reports and documents, published articles and data from other reliable sources were collected to achieve the research objective

Methods Of Data Analysis The data collected using questionnaire were analyzed with the help of statistical tools. Basic software that was used are SPSS 22 and Ms Excel to analyze the quantitative data. Before analysis, the data collected in the form of responses through questionnaires from the customers were coded and entered in SPSS 22 software.

SAMPLE SIZE

The data collected from 150 respondents reveals several key insights about the awareness, usage, and perceptions of SBI Customer Service Points (CSPs) in rural areas.

Demographic Profile:

The sample is diverse, with respondents ranging in age from 18 to 50+ years. A majority of respondents are farmers, migrant workers, and salaried individuals, representing key demographics in rural areas.

Gender distribution includes male, female, and transgender individuals, reflecting inclusivity

ANALYSIS AND INTERPRETATION

Table 1.1 Analysis of frequency distribution of demographic information.

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	66	44.0	44.0	44.0
Male	69	46.0	46.0	90.0
Trans gender	15	10.0	10.0	100.0
Total	150	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	84	56.0	56.0	56.0
26-30	30	20.0	20.0	76.0
31-45	29	19.3	19.3	95.3
46-50	7	4.7	4.7	100.0
Total	150	100.0	100.0	

Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Farmers	50	33.3	33.3	33.3
Migrated workman	48	32.0	32.0	65.3
Valid Salaried person	36	24.0	24.0	89.3
Supervisors	16	10.7	10.7	100.0
Total	150	100.0	100.0	

Bank a/c facilities was not possible without customer service points for Framer and migrated workers *
Are you satisfied with the interest rates given by the banking customer service points

Count

		Are you satisfied with the interest rates given by the banking customer service points		Total
		No	Yes	
Bank a/c facilities was not possible without banking customer service points for Framer and migrated workers	neutral	12	27	39
	No	20	19	39
	yes	12	60	72
Total		44	106	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.675 ^a	2	.001
Likelihood Ratio	14.467	2	.001
N of Valid Cases	150		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 11.44.

By chi square test that customers are satisfied with the banking customer services and some are not satisfied with the services provided by the services.

FINDINGS

Most of the respondents strongly agreed that bank account was not possible without Banking CSPs .

Banking CSPs plays effective role in creating awareness on available formal financial services from banks by organizing financial literacy camps in collaboration with the banks.

Banking CSPs informs the rural and remote rural people about the government schemes and services through opening bank accounts.

The study finds that, Banking CSPs accepts all kind of bank deposit accounts to the people except the current account.

Banking CSPs are the service points for delivery of formal financial services where bank branches are not situated. Banking CSPs play effective role in the process of financial inclusion even the rural and remote rural people are identified with low level of awareness on banking services (absence of financial literacy) and absence of basic education.

LIMITATION OF THE STUDY

1. The sample selected is three banks CSPs and not all banks CSPs available in Bangalore district. Therefore the final result may be vary.
2. The analysis was done on the basis of perception of rural and remote rural people and Banking CSPs, the final results may be prejudice and maynot be comprehensive.

CONCLUSION

India is a country of depending on agriculture and the cultivation work is performed in villages. More than 70 percent of Indian people lives in India. . In such situation the development of the villages is very important and development is not possible without financial inclusion of rural and remote rural people

Rural and remote rural backward farmers, who will be the future growth engine of both the rural economy and the Indian economy, must be included in the financial system.

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