

A STUDY ON MARKETING OF BANKING SERVICES OF CO-OPERATIVE INTUITIONS IN PALANI BLOCK OF DINDIGUL DISTRICT

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Abstract

The overall goal of all kinds of co-operative institution has been systemized to obtain the economical sustainability by providing the financial and occupational support from these institutions. The Co-operative banks and Credit societies like as a commercial banks are offering all kinds of traditional and modern banking services. In addition to it, Agro based banking services and Craftsmanship based services through ICDP& IHDP of Government of India are also specially provided in rural areas. The lack of Modernization and lack of internet services in remote villages are the barriers to its up gradation. The state intervention is essential one to up gradate the modern infrastructure facilities in order to render the all types of banking services in rural areas. The special package of banking services should be designed for agriculture and rural village industries in Tamil Nadu.

Introduction

The co-operative sector plays key role in rural development activities during the all planning periods of India. In this connection, the co-operative banking services in rural India are making the facelift of the agriculture and village and rural industries. Indian co-operative institutions are not only financing the credit for poor farmers, artisans, rural traders and rural entrepreneurs including self help groups (SHGs) and Farmers federations but also supplying the raw materials and other inputs, technological and marketing assistances, and consultancy services to the rural peoples of India. According to Tamil Nadu Apex Co-operative Banks' report, 54 percent of the peoples living in rural area are the members of the co-operative banks and societies in Tamil nadu. They are also availing the benefits of banking services from these institutions. The National Bank for Agriculture and Rural Development (NABARD) provides the financial and administrative guidelines to Co-operatives institutions as a nodal agency to the co-operative banking sector in India.

Marketing of banking services in Palani Block

The marketing of banking services are carried out through private, government and Co-operative folds in the Palani Block. The missions of these three folds are entirely different from one type to another type. So the services marketing strategies and structure of services organization is specialized based on specific customer orientation. The co-operative banking sector streamlines its services marketing in remote rural area. The Canara are playing the lead banks in this block. The scheduled banks are the

banks of government and local bodies. It also provides the banking services to the all government projects and development and welfare schemes.

Perspectives of Co-operative Institutions in Palani Block of Dindigul District

The Co-operative Institutions in Palani Block of Dindigul District consist of Co-operative banks such as central co-operative bank and Urban Co-operative banks , Credit Societies undertaking the banking functions such as Land Development credit society Limited (LDB), The primary Agricultural Producers Co-operative credit Society Limited (PACs), The employees co-operative thrift Society limited, Housing Development Credit Society Ltd and other production and sales societies which is also accepting the thrift deposits of its members and sanctioning the advance payment or loans to its members such as The Handloom Weavers co-operative production and Sales Society Ltd (WCSs), The milk producers co-operative society Ltd (MPSs) and Co-operative stores, The majority of banking services are rendering in rural areas of Palani Block by the co-operatives institutions. The Non – Banking societies such as WCSs are also playing the key in satisfying banking needs of handloom by means of accepting thrift deposits and sanctions the micro loans in tradition modes. The milk producer's societies are also arranging the loans for purchases of Cows, construction of Cow Sheds and etc. It also provides advances to procure the feeds to Cows. (Table No;1)

Table No 1 Distribution of the Co-operative Institutions in Palani Block of Dindigul District

| S.No | Co-operative Banking Institution | No's of institution | S.No | Co-operative Non- Banking Institution | No's of institution |
|------|--|---------------------|------|---|---------------------|
| 1 | The Dindigul District central co-operative Bank Ltd(DCC Bank)(Branches) | 05 | 1 | The Handloom Weavers co-operative production and Sales Society Ltd (WCSS) | 07 |
| 2 | The Palani Urban Co-operative Bank Limited (UCBs) | 01 | 2 | The milk producers co-operative society Ltd (MPSs) | 11 |
| 3 | The Palani co-operative Land Development credit society Limited (LDB) | 01 | 3 | The co-operatives stores | 03 |
| 4 | The primary Agricultural Producers Co-operative credit Society Limited (PACSS) | 14 | 4 | The spot Makers co-operative society | 01 |
| 5 | The employees co-operative thrift Society limited | 02 | 5 | Fisheries co-operative societies | 01 |
| 6 | Palani co-operative Housing Development Credit Society Ltd | 02 | | | |
| | Total | 25 | | | 23 |

Sources: Compiled from Secondary Data

The Co-operative banks and Credit societies like as a commercial banks are offering all kinds of traditional and modern banking services. The lack of Modernization and lack of internet services in remote villages are the barriers

to its up gradation. In addition to it, Agro based banking services through ICDP and Craftsmanship based services through IHDP of government of India are also specially provided in rural areas.(Table no;2)

Table no 2 The Marketing of Banking services of Co-Operative Intuitions in Palani Block of Dindigul District

| S.No | Nature of Co-operative Institution | Kinds of Services | Banking Services | |
|------|--------------------------------------|----------------------|--|---|
| | | | Urban Area Based Services | Rural Area Based Services |
| 1 | Co-operative Banking Institution | Traditional Services | <ul style="list-style-type: none"> • Saving Accounting • Term deposit • Jewel Loans • Micro Loans for traders and SHGs • Housing Loans • Current Accounts and Cash Credits | <ul style="list-style-type: none"> • Saving accounting • Term deposit • Jewel Loans • Micro Loans • Crop loans • Craftsmanship Loan |
| | | Modern | <ul style="list-style-type: none"> • Mobile Banking Services • Locker Facilities • ATMs and • Co-op Core Banking • Money transfers • Insurances services | <ul style="list-style-type: none"> • Agro Clinic • ICDP (Integrated Co-operative Developments Projects) Services • Locker Facilities • Agro -Consulting |
| | Co-operative Non-Banking Institution | Traditional Services | <ul style="list-style-type: none"> • Thrift Deposits • Loans and Advances | <ul style="list-style-type: none"> • Thrift Deposits • Loans and Advances |
| | | Modern Services | <ol style="list-style-type: none"> 1. Housing Loans and Subsidiaries 2. Medical Insurances services 3. Nodal agencies of Government | <ol style="list-style-type: none"> 1. Housing Loans and Subsidiaries 2. Medical Insurances services 3. IHDP 4. Nodal agencies of Government |

Sources: Compiled from Secondary Data

Objectives of the study

1. To analyze the nature and pattern of Co-operative Institutions in Palani Block of Dindigul District
2. To Know the Demographic factors of the selected Customers of Co-operative Institutions of Palani Block of Dindigul District
3. To analyze the Marketing strategies and Practices of Co-operative Banking Services rendering in Palani Block of Dindigul District
4. To find out the problems faced by the respondents while availing the co-operative banking services in Palani Block of Dindigul District

Methodology

It is descriptive study. The suitable statistical tools and techniques have been adopted for collecting and analyzing the primary data. The primary data were collected from various categories of Co-operative institutions banking services 'Customers, such as; Members co-operative institutions, individual account

holders, Traders, House wives, Employees, Proprietors of MSMEs, students, pensioners and small Contractors in Palani Block of Dindigul District.

The primary data were collected by using the interview schedule. The Simple random sample method has been used for selection of sample respondents. The 100 respondents including both 50 males and 50 females were selected from the Palani Town and selected villages of Palani Taluk by using lottery method. Collected data has been classified and categorized for Tabulation. The statistical tools such as Percentage analysis, average, mean Standard deviation and Chi-square are used for the analysis of the data.

Demographical Profiles of the sample Customers of co-operative banking services

The major features of the Demographical profile of majority of Customer of co-operative institutions consists of moderate level literacy, Poor Knowledge in banking services .(Table no;3)

Table No 3 Demographical Profiles of the sample Customers of co-operative banking services of Palani Block and Dindigul District

| S.No | Profile | No's of the sample Respondents | | | % |
|------|---|--------------------------------|-----------|------------|------------|
| | | Male | Female | Total | |
| I | Age | | | | |
| | Below -18 years | - | 02 | 02 | 02. |
| | 18 years to 30 years | 10 | 15 | 25 | 25 |
| | 31 years to 45 years | 24 | 18 | 42 | 42 |
| | 46 years to 60 years | 12 | 12 | 24 | 24 |
| | Above 60 years | 04 | 03 | 07 | 07 |
| | Total | 50 | 50 | 100 | 100 |
| II | Educational Qualification | | | | |
| | Uneducated | 05 | 07 | 12 | 12 |
| | Primary level | 12 | 13 | 25 | 25 |
| | Secondary level | 17 | 17 | 34 | 34 |
| | Higher Secondary | 15 | 5 | 20 | 20 |
| | Graduation and Above | 01 | -- | 01 | 01 |
| | Diploma/ others | - | 08 | 08 | 08 |
| | Total | 50 | 50 | 100 | 100 |
| III | Knowledge about the Co-operation and Banking | | | | |
| | Obtained | 08 | 09 | 17 | 17 |
| | Not Obtained | 42 | 41 | 83 | 83 |
| | Total | 50 | 50 | 100 | 100 |
| IV | Marital Status | | | | |
| | Married | 38 | 32 | 70 | 70 |
| | Unmarried | 12 | 13 | 25 | 25 |
| | Divorced /widow | - | 05 | 05 | 05 |
| | Total | 50 | 50 | 100 | 100 |
| V | Residential Area | | | | |
| | Semi-urban | 10 | 19 | 29 | 29 |
| | Rural | 40 | 31 | 71 | 71 |
| | Total | 50 | 50 | 100 | 100 |

| VI | Family Status | | | | |
|--------------|----------------|-----------|-----------|------------|------------|
| | Joint family | 05 | 17 | 22 | 22 |
| | Nuclear family | 42 | 29 | 71 | 71 |
| | Single | 03 | 04 | 07 | 07 |
| Total | | 63 | 72 | 135 | 100 |

Sources: Compiled from primary Data

Table no.4 Distribution of Co-operative Banking Services among the sample respondents of Palani Block of Dindigul District (Value in Percentages)

| S.No | Co-operative Banking Institution | Traditional Services | Modern services | Agro based banking services | Craftsmanship based service |
|--------------|--|----------------------|-----------------|-----------------------------|-----------------------------|
| 1 | The Dindigul District central co-operative Bank Ltd(DCC Bank)(Branches) | 16 | 12 | 02 | - |
| 2 | The Palani Urban Co-operative Bank Limited (UCBs) | 06 | 06 | - | 01 |
| 3 | The Palani co-operative Land Development credit society Limited (LDB) | 04 | 02 | 03 | - |
| 4 | The primary Agricultural Producers Co-operative credit Society Limited (PACSS) | 03 | - | 08 | - |
| 5 | The employees co-operative thrift Society limited | 04 | - | - | - |
| 6 | Palani co-operative Housing Development Credit Society Ltd | 02 | - | - | - |
| 7 | The Handloom Weavers co-operative production and Sales Society Ltd (WCSs) | - | - | - | 06 |
| 8 | The milk producers co-operative society ltd (MPSS) | - | - | 12 | - |
| 9 | The co-operatives stores | 04 | - | - | - |
| 10 | The spot Makers co-operative society | - | - | - | 03 |
| 11 | Fisheries co-operative societies | 01 | - | 05 | - |
| Total | | 40 | 20 | 30 | 10 |

The table no; 4 illustrates the availability of various banking services among the sample respondents' in study period.

Perception of Marketing of Cooperative Banking Services

Table 5 Perceptions of Sample Respondents on Marketing of Banking Services

| S.No | Problems and issues | Male N=50 | | Female N=50 | | “t” Value | Level of Significance |
|------|--|-----------|------------------|-------------|------------------|-----------|-----------------------|
| | | Mean | Std Deviation's' | Mean | Std Deviation's' | | |
| 1 | Waiting in Queue | 4.2299 | 1.938 | 4.6667 | 1.887 | 2.26* | 0.028 |
| 2 | Formalities for availing occupational based specialty services | 3.5349 | 1.516 | 2.3904 | 1.700 | 1.86 | 0.148 |
| 3 | Lack of awareness | 3.5810 | 1.968 | 2.3596 | 1.874 | 1.82 | 0.139 |
| 4 | Partiality and exploitation | 2.4770 | 1.940 | 2.4407 | 1.917 | 0.73 | 0.305 |
| 5 | Absences of Particular Services | 3.3931 | 1.532 | 3.9481 | 1.700 | 0.62 | 0.429 |
| 6 | Relationship with Banking officials | 3.9138 | 1.407 | 3.6186 | 0.998 | -0.61 | 0.534 |

Sources: Compiled from primary Data

Both the two types of customers to co-operative banking services has been perceived nearby similarly. The

Mean scores of the problem of waiting in Queue for the period of range from one hour to three hours per day by an

average has been perceived as an important issues faced by sample respondents. The Sample respondent has also been perceived negatively the Formalities for availing occupational based specialty services. Another challenge to the customers is lack of awareness about the services product. (Table no:5)

Conclusion

The overall goal of all types of co-operative institution is to obtain the economical sustainability by providing the financial and occupational support from these institutions. The state intervention is essential one to up gradate the modern infrastructure facilities in order to render the all types of banking services in rural areas. The special

package of banking services should be designed for agriculture and rural village industries in Tamil Nadu.

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