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CONSUMER AWARENESS AND SATISFACTION TOWARDS AGRO BANKING IN J&K BANK

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Abstract

Objectives: The paper aims at empirical investigations of the customer satisfaction of consumer towards agro banking.

Methods/statistical analysis: questionnaire method was used to collect the data and 100 samples were selected on the basis of convenience sampling

Findings: Study concluded that the bank has to concentrate on the fruit growers who face very hardship in their business. These people are the backbone of the Kashmir's economy this business accounts for Kashmir's economy up to 800 crore per year. So this is very important and life supportive business in J&K, therefore the bank should provide all the possible help to these people.

Applications/Improvements: study suggested many areas for improvements; banks should take into account the entire natural and economic factor while calculating the payback period. People have mixed reaction about the length of payback period. But majority of them have the opinion of the extension of the payback period so that growers should not feel stressed for paying money back. Study also revealed the lack of awareness among the fruit growers in Jammu & Kashmir so banks should focus more on promotion of schemes among the farmers.

Keywords: agro banking, consumer satisfaction, Jammu and Kashmir bank

1. Introduction:

As we all know that from the past thousand years the agriculture has been the primary source of income to the most of the families in the world. Still in this modern world the people depend on it on a large scale in India is one of the countries whose most of the population depends on agriculture land and its products. From the present population of India almost 70% of lives in villages and depends mainly on agriculture that's why India is known as agricultural country. From past many years the population is increasing tremendously that have forces the agricultural people to gets more from their land. They started to use pesticides, fertilizers etc for extra growth. This has made people to spend more money on agriculture. But due to the reason that

most of the people in India are below poverty line and are unable to spend excess money on their land so that they just go for getting more money from other sources.

Agriculture was the lifeline of Indian economy until the industrialization happened in India. Still it is a sole earning for the 60% of the population especially in the rural India.

Many developments are happening over the time for increasing the overall productivity, significant shift has been seen in the growth after the green revolution in India.

Till 1930, major lending sources in the states were local people that too at very high related banks were operating at very low scales. The J& K bank has played a significant role in responding to the needs of the farmers in Jammu and Kashmir. Bank has shown its presence from a small beginning to more than 500 branches now.

2. Review of literature: Malhotra and Arora (2009) conducted one comparative study on study customer satisfaction towards banks and found out those prompt services, less paper work, technology and quality price play an important role in determining satisfaction.

They also concluded that there is a huge difference between satisfaction levels of private sector and public sector customers. Private Banks customers found to be more satisfied. Author gave suggestions like proper training, periodic market surveys as effective tools for quality improvement. Mishra and Jain (2007) conducted similar study and analyzed satisfaction level among the employees. Author asserted that satisfied customer is the key for competitive advantage and relationship management; satisfied customer can be further converted into loyal customer. Agarwal (2012) also examined the customer satisfaction in Indian banking sector and found out that due to high level of competition in banking sector and high expectations of customers regarding the quality factor. Banks need to be proactive in formulating strategy for customer satisfaction and providing quality services. This study also in line with other studies related to customer satisfaction.

Kanojia and Yadav (2012) have concluded in his satisfaction related study in commercial banks in India. Data was taken from Meerut (UP). Study asserted that banking sector has changed a lot post globalization. Kumar and Gangal (2011) conducted one study on new age banks to find out the satisfaction level among the customers and they concluded that these banks stand tall in this aspect and quality and satisfaction is main focus. These banks are able to retain their customer up to great extent.

3. Objective of the study:

The study has following objectives

- To determine customer expectations from the bank

- To know the competitive advantage of J&K banks over the other banks.
- To explore opportunities in agriculture credit in Jammu & Kashmir

4. Research methodology:

Structured questionnaire was prepared to collect the data. Convenience sampling method was used to collect the data from the customers of J & K bank. Primary data was also collected through interview method which covered the answering of questioners from people.

5. Data analysis

The data collected was analyzed by means of various methods given below.

1. Tabulation
2. Percentages and Averages
3. Graphs and Pi charts
4. Likert scale

6. Limitation of the study:

While doing the survey many things have been faced which acted as a limitation rather had these interventions not been there, the project would have been a much bigger success than it has actually been. Here are some of the main limitations:

1. There was a time constraints while doing a project.
2. The survey done could not cover whole of the population. Thus, comparatively less survey was done.
3. As the sample taken was small in size, it may not be necessarily true.
4. There is every possibility that the respondents who answer the questionnaire might be biased.
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5. Indeterminacy of the respondents.
6. It was quite difficult to convince people to take time to complete questionnaire.
7. Most of the respondents did not fill up the questionnaire properly, which created some problems in the data analysis.
8. The sample size of the used study may be small to take the statistical inferences.

7. Data analysis:

Q1. Do you have any account with J&K Bank?

- a) Yes
- b) No

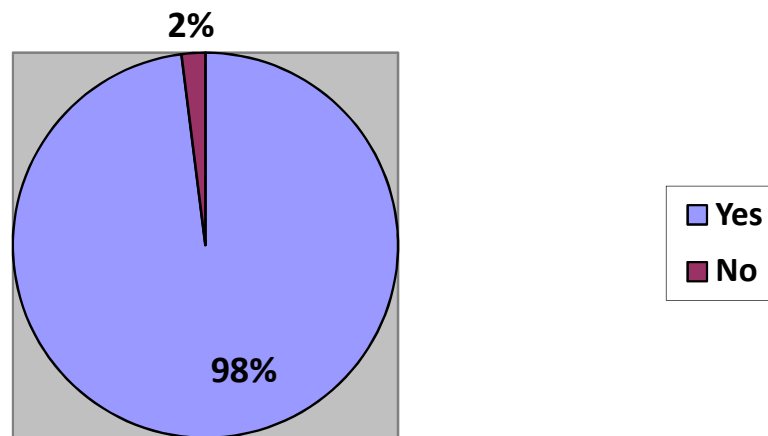


Figure 1: Dealing with J&K Bank

From the above pie chart it is evident that almost all the people in South Kashmir Kulgam area are dealing with J&K Bank (98%) and this fact proves the leadership of J&K Bank in the state of J&K. Since the banking sector is in the nascent stage in the state and most of the banks including public and private sector banks entered the state lately and thus J&K Bank is reaping the fruits at present time.

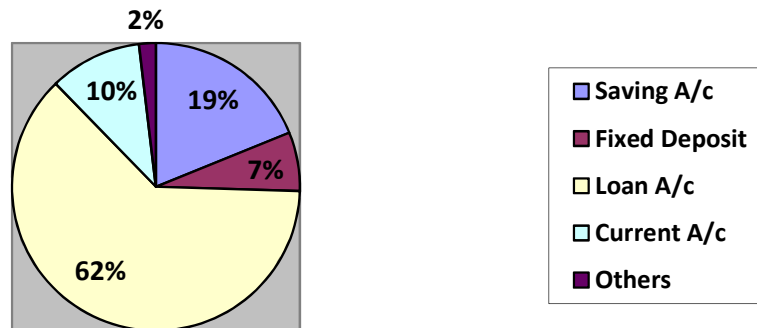
So J&K Bank should try to maintain its leadership by offering valuable products and services to its customers.

Q2. If yes which service are you using?

- a) Saving Bank Account
- b) Fixed Deposit Account
- c) Loan Account

d) Current Account

Figure 1: Services used by customers



From the above pie chart it is evident that most of the people in South Kashmir Kulgam area are using Bank's saving account services (19%), followed by current account services(10%) while the percentage of people using loan services(62%) and fixed deposit services are 7% and 2% respectively, which is a miniscule of the total pie.

This trend is so because the economy of the state is more of an agrarian type and in terms of industrialization the state has taken a back seat due to political instability.

Q3.. How much agricultural land do you have?

- a) 0 - 20 acres
- b) 20 - 50 acres
- c) 50 - 100 acres
- d) Above 100 acres

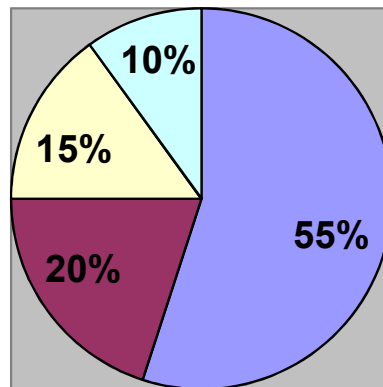


Figure 2: Area of Land under agriculture.

From the above pie chart it is evident that most of the people have land ranging between 0 - 20 acres in Kulgam south Kashmir. Thus the bank has to concentrate on this section of society as their number is large (55%). The percentage of people having land between 20 - 50 acres is about 20%, which also is not a small number. But from this section most of the people are already associated with the bank like those people having land between 50 – 100 acres. From the section of above 100 acres it depends on the party whether they want to associate with bank or not as they are usually sound parties. This survey shows that the most of the people have limited agricultural land.

Q4. Where from you get the funds for production and marketing of apple?

- a) Self finance
- b) Banks
- c) Fruit merchants
- d) others

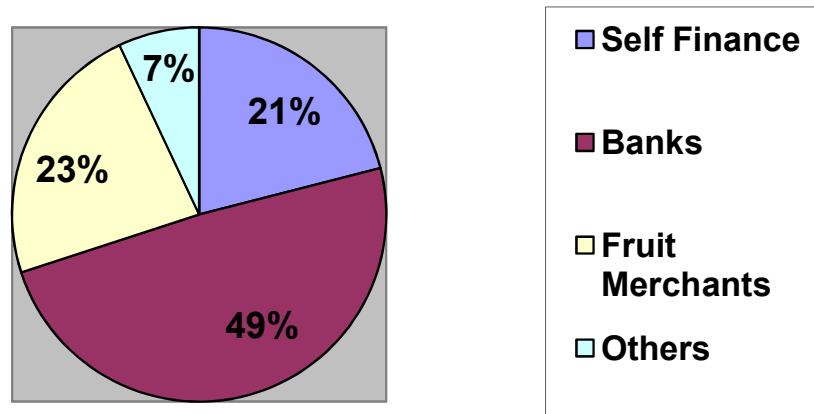


Figure 3: Source of Finance

Interpretation:

From the above pie chart it is evident that most of the people in south Kashmir Kulgam area are using Banks for producing and marketing of their Apples (49%). But nearly half of the people associated with apple production and marketing do not take advantage of different schemes offered by the banks and mostly because customers are not aware about these services.

Thus it is advisable for the banks to promote their products and services using IMC, Integrated Marketing Communications.

Q5Why do not you avail finance from other banks ?

- a) Poor services offered
- b) Staff not cooperative
- c) Inefficient Management
- d) Others: Specify

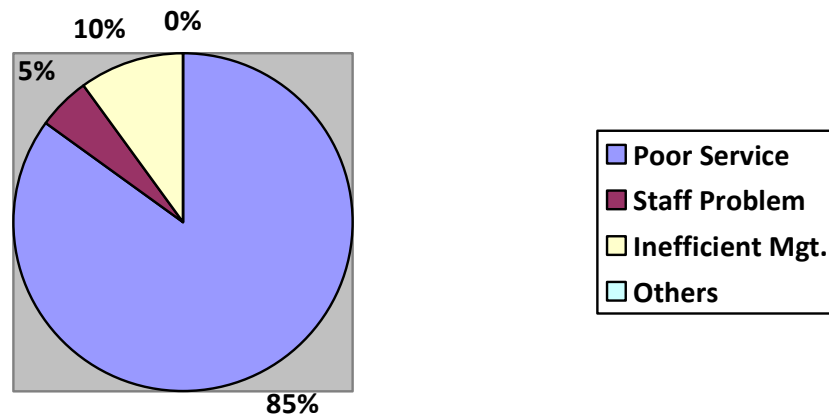


Figure 2: Reason for not using J&K Bank

From the above pie chart it is evident that most of the people in south Kashmir Kulgam area are not availing finance from other banks for the production and marketing of apple because of poor service provided by these banks from time to time. Moreover the easy and hassle free services provided by j & k banks for availing finance is a solid reason that attract the customers to strengthen their relation with the bank while dealing with the other banks the peoples in general blame that the staff at the banks is not co-operative and the banks takes more and more time in the settlement of finance.

Q6. Are you aware about the apple finance scheme of J&K Bank?

- a) Yes
- b) No

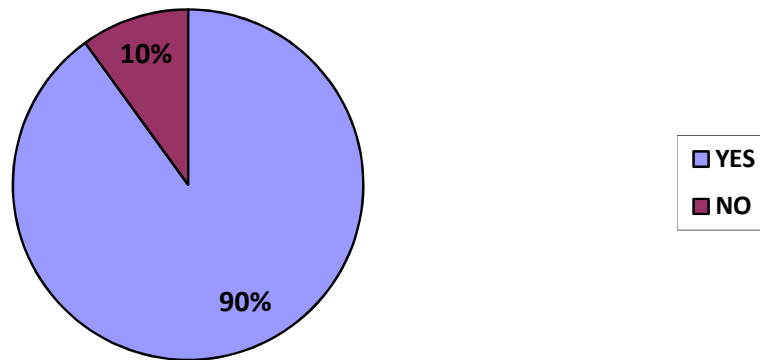


Figure 3: Awareness Level

From the above pie chart it is evident that the people at large are aware about the apple finance scheme of the J & K Bank. The bank is market leader in providing agro schemes to the people. Every day the bank tries to bridge this gap of making people aware of AFS through print and electronic media. Despite these services the bank is still working to improve its schemes.

Q7. If you avail finance from J&K Bank, is it under apple finance scheme or is it under any other scheme. If so specify the name?

- a) AFS (Apple Finance Scheme)
- b) Business Loan
- c) Agriculture Loan
- d) Consumption Loan
- e) Others: Specify

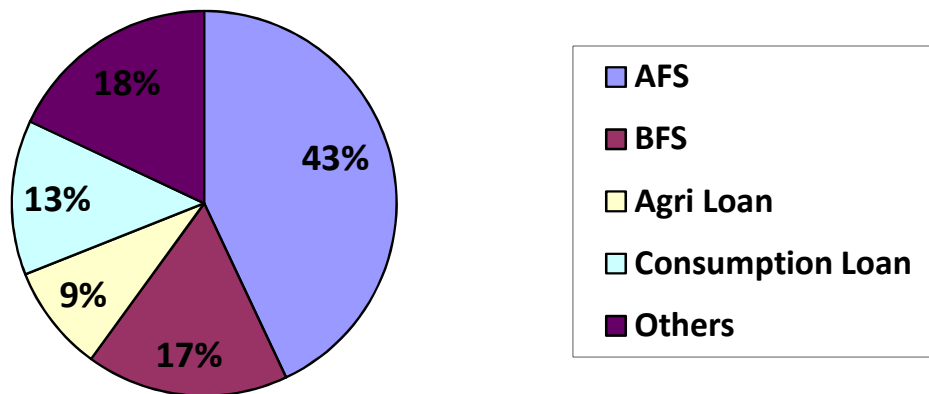


Figure 4: Different Loan Schemes

From the above pie chart it is evident that most of the people in South Kashmir Kulgam area are using Apple finance scheme (AFS), followed by business finance schemes and consumption loans. This chart gives J&K Bank a clue that people are unable to differentiate between consumption loan and business finance so the need of the bank is to customize their service so that customer choose the right scheme.

Q8. Is your branch in an appropriate location and at your reach?

- a) Yes
- b) No

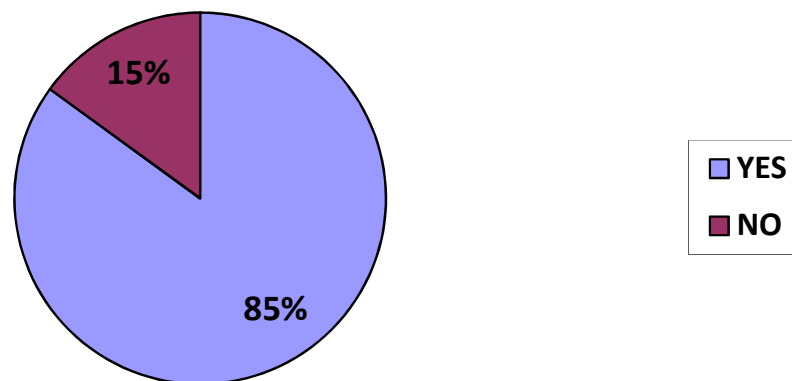


Figure 5: Availability & Accessibility of Bank

From the above pie chart it is evident that most of the people in south Kashmir Kulgam area believe that the location of the bank branch is appropriate and at their reach and this is one factor responsible for the success of J&K Bank. As we know that location, location and location are the three important aspects for the success of any service sector.

The appropriate location of the J&K Bank branches is fulfilling the criteria of 2A's i.e., Availability and Accessibility which is the prime motive of any LOCATION.

Q9. Is your branch in good condition?

- a) Yes
- b) No

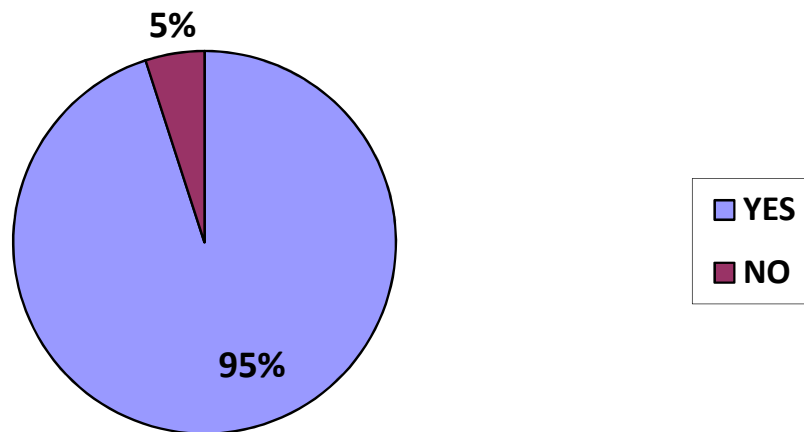


Figure 6: Service scape

From the above pie chart it is evident that most of the people in South Kashmir Kulgam area believe that the J&K Bank branches are in good condition and very few people feel negative about it. This is quite an achievement for the bank and they should try to maintain this image in the minds of the people as today people have choices unlike the past.

In order to maintain their image they should focus on the different aspects of the Services cape like décor, furniture, noise level etc at their branches.

Q10. Is the Interest Rate suitable regarding your profitability of business?

- a) Yes
- b) No

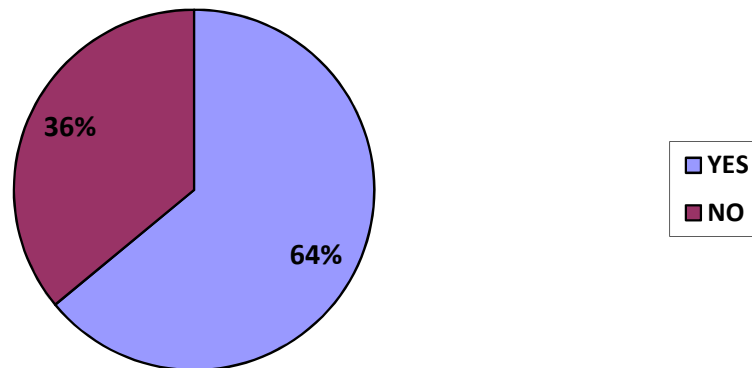


Figure 7: Interest Rates

From the above graph it is clear that most of the people (64%) think that interest rate is suitable regarding their profitability of business. But there is a percentage of people about (36%) who gave the negative responses regarding interest rates which means a lot. This is due to the reason that most of the people falling in this percentage are illiterate and don't know the value of interest in other banks and in their own bank. Other reason is that the business is not flourishing every year sometime there is loss in business too and at time this interest becomes a burden for a person so this can be reason of dissatisfaction. 64% of the population is satisfied because they know the real terms of bank and value of interest to the bank. These include the literate person and the big players.

The people want to take loan but due to the interest rate they don't go for it. The bank has to make the people to understand the terms of interest in the bank and also bank should make them understand that they need loan for their business to flourish i.e. they have to create a need for the same.

Q11. Are you satisfied with the process of disbursement?

- a) Yes
- b) No

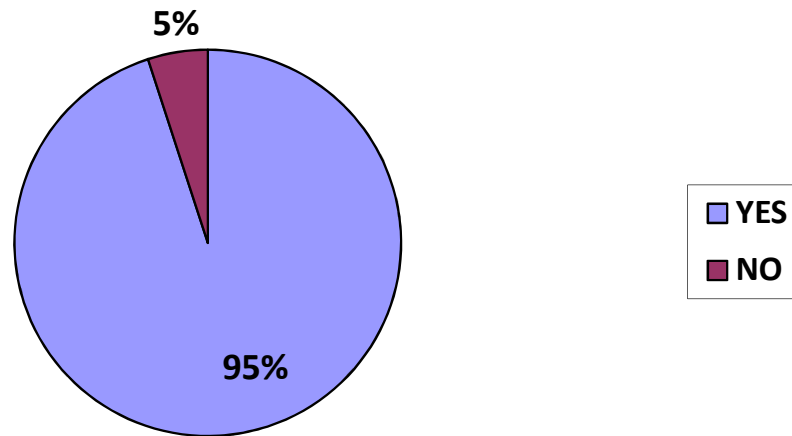


Figure 8: Process of Disbursement

From the above pie chart it is clear that 95% people are satisfied with the process of disbursement but only a hand full of people felt discomfort.

The term and conditions of disbursement process are quite easy than other banks which is highly remarkable. The bank should maintain this type of criteria in future.

Q12. Are the employees of J&K Bank cooperative & helpful?

- a) Yes
- b) No

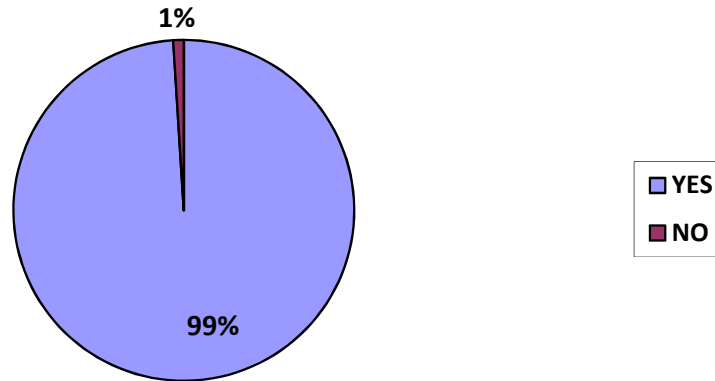


Figure 9: Service Personnel

From the above pie chart it is clear that most of the people observed that the employees of the bank are fully co-operative and helpful. This behavior and conduct in terms of interaction with the costumers is excellent. People hold the observed all over the valley that the employees at the j & k bank units are hard working, dedicated and impartial. They give suggestions to the people and some time they come up with solutions to their banking problems which does not appears at the other banks of the valley.

Q13. Are you satisfied with the services of J&K Bank?

- a) Yes
- b) No

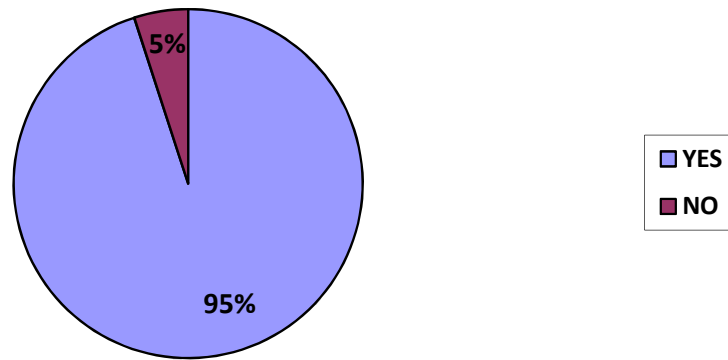


Figure 10: Satisfaction Level

From the above pie chart it is clear that 95% of people are satisfied with the overall performance of the bank. They say that this is their own bank due to its name and handling the problems of people. The people here meet to the every banking services. The bank has been serve full in soothing the every need of the people. The bank is providing services to there costumers like ATM, credit and debit card facility which is an example in itself. The reaming 5% people have no such knowledge of banking system and they are illiterate ignorant about the banking facilities.

Q14. How do you rank J&K Bank services?

- a) Excellent
- b) Good
- c) Average
- d) Poor
- e) Very poor

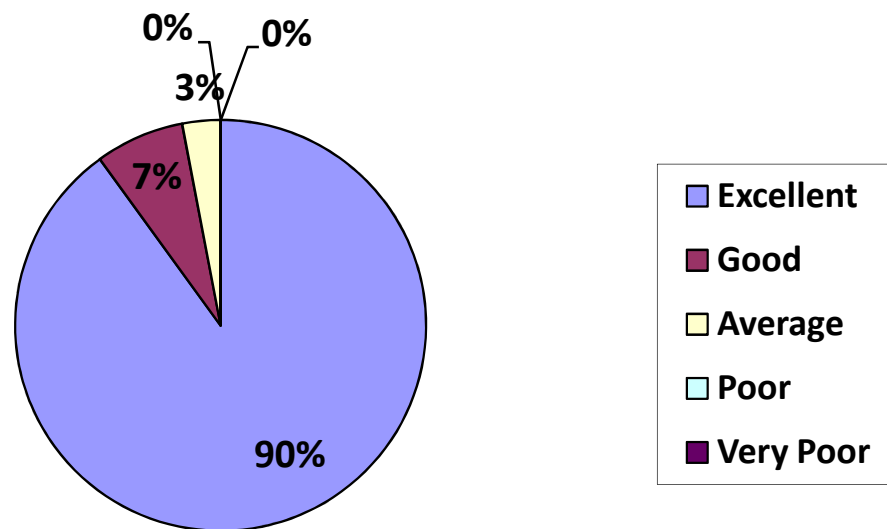


Figure 11: Ranking J&K Bank

Interpretation:

From the above pie chart one can easily determine the ranking of the bank in terms of its services. 90% of people rank the performance of the bank as excellent. 7% of customers rank it as good and the remaining 3% are as average. There is no such view of poor and very poor. So we can say that almost all major positions of the people are satisfied with the overall performance of the bank which is not seen anywhere else.

Q15. You choose to avail services of J&K Bank over others because of

- a) More Flexibility
- b) Simplistic procedures
- c) More number of branches
- d) Others: Specify

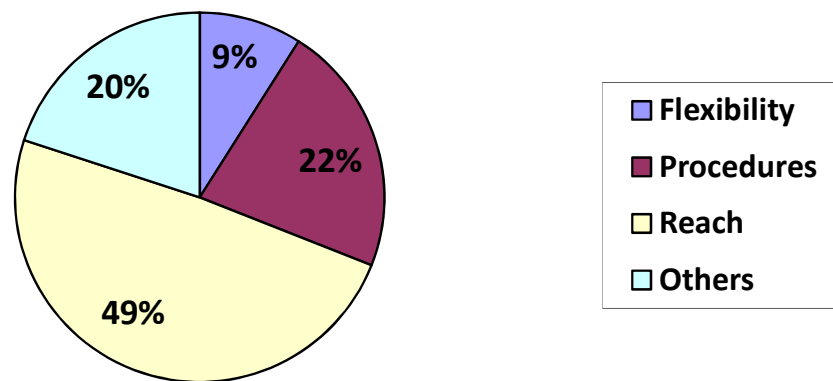


Figure 12: Reason for selecting J&K Bank

Interpretation:

From the above pie chart it is evident that most of the people in south Kashmir Kulgam area chose J&K Bank because of the reach of the J&K Bank as the number of bank branches is quite handsome and these branches are easily accessible. The other main reason for choosing J&K Bank over others is its procedures like disbursement of funds, mode of operations because the Bank has well defined and standardized procedures. Flexibility of the bank is the other factor that has compelled the customers to deal with the J&K Bank; there are several other factors because of which people have selected the concerned bank like its Name, image, and specialized service given to customers etc.

Though we have found ample reasons for choosing J&K Bank but the bank can add many more to its kitty like more customized products and services.

Q16. Which media would you like the Bank to choose to inform the customers about different schemes and services?

- a) T.V
- b) Radio
- c) Print
- d) IMC

e) Others: Specify

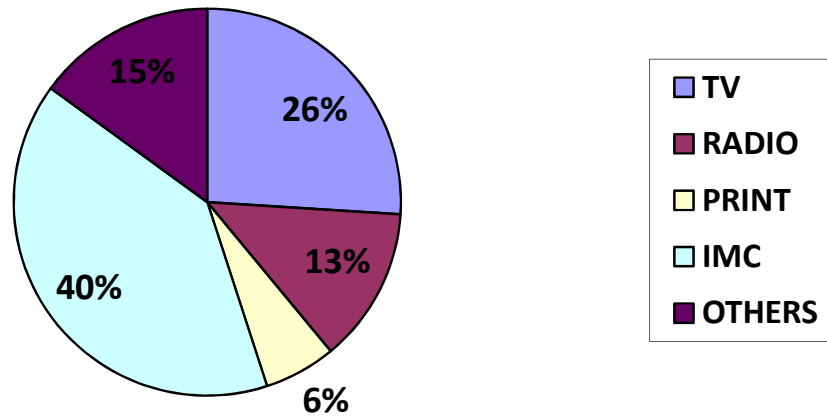


Figure 13: Promotion tool

Interpretation:

From the above pie chart it is evident that most of the people in South Kashmir Kulgam area using J&K Bank want to have IMC as their informer of the J&K Bank unveiled products and services, and so far as the 2nd highest number of the people percentage choose TV as their media to provide the information about J&K bank products and services. Third highest percentage of people desire to have radio as their ultimate informer of the J&K bank products and services while people have mixed approach towards the print media as their J&K bank informer. From the above interpretation we can conclude that most of J&K Bank customers want to have IMC and TV as their media options. In addition during survey some people say that the bank should conduct seminars so that people would be informed in confrontation.

Q17. In today's scenario which bank would you like to recommend to people?

- a) J&K Bank
- b) HDFC Bank
- c) SBI Bank
- d) Others: Specify

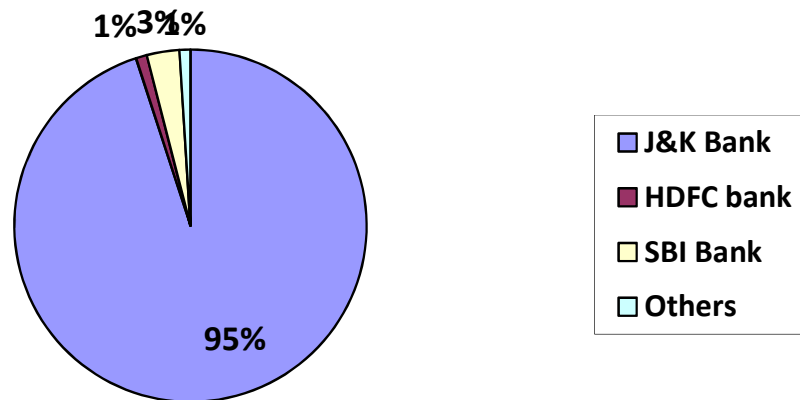


Figure 14: Future Scenario

Interpretation:

From the above pie chart it is clear I would like to recommend the people to j & k bank. The people prefer to recommend to the j & k bank only of its facilities. The bank provides all the facilities to the people. The people who prefer j & k bank than other banks is due to the provision of more facilities like internet banking, proper assistance, low interest rate etc. and the other 5% people who do not go to the j & k bank is due to long distance to the bank.

8: Findings:

The results are as discussed below:

- The people here are moderate fruit growers who have a limited land but want to expand its business further. This is only possible with the financial assistance which they will get through banks. Some percentage of people who have more area of land than others don't go for financial assistance but provide assistance to those who have smaller area of land on higher rate (private financing)
- From the survey I find that most of the people are using bank finance and different services for production and marketing of their fruit i.e. Apple and out of these people maximum are associated with J&K Bank. The remaining people go for other sources of financing like self

finance, fruit merchants, private financing agencies etc. it is because the people are not aware about the finance schemes provided by the banks.

- From data collected, most of the people have their accounts in J&K Bank i.e. 98% though some people have their accounts in other banks like HDFC, SBI etc but they prefer the J&K the most, it is of because as JK bank is one of the old banks in the state of Jammu and Kashmir as compared to others and it is the market leader in the state. Other reason can be the lack of choice.
- Most of the fruit growers from the Sopore area are using the saving account service (52%) of the J&K bank followed by current account (19%) and very few are using other services. It is because the persons using saving account services has an average area of land about 20-50 kanals i.e. nearly about 7 acre and the people using current account service has an average area of land about more than 100 kanals i.e. nearly about 13 acre. This trend is so because the economy of the country is not so good as compared to other states of the India and in terms of industrialization the state has taken a back seat due to political instability.
- .
- Most of the people are aware about the apple advance or apple finance scheme of the J&K bank out of which maximum numbers of people are using this scheme of J&K bank. The apple finance scheme is the most beneficial product for fruit growers. The people not using this service is due to the lack of promotion, so in order to address this issue the bank should use a blend of promotional tools so that the remaining percentage of people should be informed.
- As we have discussed in the previous sentence that most of the people are aware about the (AFS) Apple Finance Scheme of J&K bank and most of them are using that service but still some percentage of people using bank finance go for consumption loans and business loans. It is because people are unaware about the (AFS) or they are unable to differentiate between consumption loans and business finance. Therefore bank should customize their service so that customer chose the right scheme.
- Most number of people believes that the location of the bank branch is appropriate and their reach, this is one of the factors responsible for the success of J&K bank in the State.
- Very few people (14%) feel that the condition of the J&K bank branches is not good the remaining percentage believe that the condition of the bank branches is not only good but the best. Therefore they should maintain this image by focusing on the different aspects of the Services cape.

- Most of the people are of the view that the interest rates are suitable, but some percentage of people are not satisfied with the interest rates charged by the bank. They think there should be a more provision for subsidy in interest rates by Government. Some people demanded lower interest rates on agro based loans as the productivity has been of great concern from last couple of years. Lesser productivity and unexposure among the general masses has made a small percentage of growers to think like this. It may be noted that the farmer class is mostly illiterate thus it is tough for them to understand the language mostly used for marketing of agro loan products by banks.
- From the survey it is clear that even facing problems more than (70%) of the people are satisfied with the services and products of the J&K bank.
- We find that more than 40% of the people rank the overall performance of the bank as good. 11% people feel that the performance of the bank is excellent and 39% people put the performance of the bank as average. Therefore most of the people are satisfied with the bank.
- From the survey conducted we find most of the people choose J&K bank because of the reach of the J&K bank as the number of branches is quite handsome and are easily accessible. One other main reason for choosing J&K bank over others is its easy procedures like disbursement of funds, flexibility of the bank etc. there are several other factors like image, lack of choices and many more.
- Most of the people want IMC as the promotional tool of the J&K bank, the second highest number of people percentage chooses TV as their media to provide the information about J&K bank products and services followed by radio and print media. In addition during survey some people say that bank should conduct seminars and debates so that people would be informed.
- From the survey conducted I have come across several valuable suggestions that can be implemented by the bank for its improvement like:
 - ✓ As we know that J&K is the market leader in the state so as times customers feel that the number of counters is less as compared to the business of the bank.
 - ✓ Customized Products:

Though J&K Bank has a wide variety of products and services for its customers but still some of its customers feel as if their needs are not addressed by the existing products and services of the bank.

✓ Provision of new schemes:

Many customers think that the schemes regarding apple finance and other agricultural related activities are not enough so provision of new schemes should be there with the bank.

✓ Use of IT:

As we are living in the age of information and technology and thus the customers suggest that the bank should focus more on its IT services like online banking, phone banking, ATM etc.

9. Conclusion:

The J&K bank is known for its products and facilities mostly for agricultural people and my survey was to find the customer satisfaction of the fruit growers and to know are they aware about the different schemes./services, interest rates etc. the bank. From my survey, we came to the conclusion that the bank has to concentrate on the fruit growers who face very hardship in their business. These people are the backbone of the Kashmir's economy this business accounts for Kashmir's economy up to 800 crore per year. So this is very important and life supportive business in J&K, therefore the bank should provide all the possible help to these people. SOPORE is known as the APPLE TOWN of the Kashmir as most of the people are dealing with this business and Kashmir gets most of the income from this area. More than 60% people here have a turnover of 0-5 lacs that means these people are not economically strong in their business and need help from external sources to help their business.

The J&K bank should take into account the entire natural and economic factor while calculating the payback period. J&K bank should take these things in accordance with other factors while calculating payback period. People have mixed reaction about the length of payback period. But majority of them have the opinion of the extension of the payback period so that growers should not feel stressed for paying money back. From my survey I have seen that most number of fruit growers is not aware about the different schemes/services, interest rates etc and if some people have any information they are unable to make comparisons. This is because the bank lacks in the promotional field. Therefore bank should make improvement in this field so that ever customer would be benefitted. Most of the people says bank should use Integrated Marketing Approach to inform their customers and some says they should use TV and local channels to inform the customers. Very few people say that radio and print

media should be used. Every branch of J&K bank is in good location and at people's reach, this is quite an achievement and they should maintain this image, very few people complained about this problem. Also people say that the condition of the branches is very good. Every branch is build with good infrastructure and are clean, well decorated without any noise pollution. But still they should keep an eye on this, so that this problem will not occur in future.

The J&K bank and its products are unique that's why it has the maximum number of customers in the state. The bank should provide more and more facilities to its customers so that they all should get benefits and feel proud that they are the customers of J&K bank. The bank should provide proper training and guidance to their employees so that they can behave properly and give proper assistance to their customers.

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