A Study on Customer's Satisfaction towards AU Small Finance Bank with Special Reference to Rohtak City

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ABSTRACT

The banking and finance sector in India is undergoing innovative changes in response to the Government of India's financial inclusion initiative. Several other initiatives have been launched by the Government that focuses on smart and simple banking methods. Small Finance Bank is one such innovative solution with the potential to transform India's banking landscape. Small finance banks are a particular subset of banks that offer basic banking services including accepting deposits and making loans in India. The primary goal of Small Finance Banks is to increase access to financial services in rural and semi-urban areas. The purpose of this research is to ascertain the level of customer satisfaction with AU Small Finance Banks. This research relies on primary data gathered through the use of a structured questionnaire. Statistical approaches were used to analyse the data, which was done with SPSS 20 (Statistical Program for Social Sciences) software. The survey reveals that the majority of customers are satisfied with the services provided by AU Small Finance Bank & the majority of customers have a positive attitude towards AU Small Finance Bank.

KEY WORDS

Small Finance Bank, Financial Inclusion, Satisfaction, Differential Banking.

INTRODUCTION

Small Finance Banks are banks that provide financial inclusion to underserved groups such as micro, small, and medium-sized businesses, as well as other unorganised sectors that are not served by other banks and financial institutions. In 2015, the RBI launched a financial inclusion policy in our country by

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establishing a new type of bank. On September 17, 2015, the RBI granted ten companies a provisional licence to operate as small finance banks in India. Capital Finance Bank was the country's first bank, beginning as a small finance bank. On April 24, 2016, they began operations with 47 branches. Initially, ten institutions were granted permission to conduct business in the group of small finance banks.

List of Small Finance Banks in India

1. AU Small Finance Bank.
2. Equitas Small Finance Bank.
3. ESAF Small Finance Bank.
4. Fincare Small Finance Bank.
5. Jana Lakshmi Small Finance Bank.
6. Capital Small Finance Bank.
7. Ujjivan Small Finance Bank.
8. Utkarsh Small Finance Bank.
9. Suryoday Small Finance Bank.
10. North East Small Finance Bank.

Guidelines for license to Small Finance Banks

➢ The RBI issued final guidelines for licencing Small Finance Banks based on performance throughout the year.

➢ The capital requirement for new entrants has been raised to ₹ 200 crore from ₹ 100 crore previously.

➢ The required minimum paid-up voting equity capital / net worth is ₹ 200 crores.

➢ It will be granted scheduled bank status as soon as they begin operations.

➢ From the commencement of their processes, SFBs will have general approval to open banking outlets.

➢ Payments banks that are also eligible under these guidelines can apply for transformation into SFB after 5 years of process.

AU Small Finance Bank

AU Small Finance Bank Limited is Jaipur based Indian small finance bank. It was started in 1996 as AU Financiers (India) Ltd as a vehicle finance firm & transformed to a Small Finance Bank on April 19, 2017. AU Small Finance Bank provides low and middle income individuals, as well as micro and small firms, with restricted or no per mission to mainstream banking and finance channel. The bank provides loans, deposits, as well as payment goods and services.

Literature Review

The relevant literature relating to the topic is reviewed as under:

Chaturvedi (2022) examined the significance of financial inclusion for a high-priority sector in India that is currently unbanked or under banked. The study is based on secondary sources. As a result, it is worth repeating that Small Finance Banks play an important role in strengthening rural people's economic and social position.

Nandhini & Rathnamani (2021) learned about Small Finance Banks' contributions to the Indian economy as well as their performance in contrast to other types of banks. The research design is descriptive

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in nature. It is advised that the concerned authorities consider merging such SFBs with nationalised banks with headquarters in the respective areas of the registered offices or in the State where the presence of SFB branches is predominant.

Gupta (2021) studied to comprehend the notion of microfinance activities provided by small finance institutions, as well as the vision of microfinance in India. The collecting of Wikipedia information, study of economic journals, study of banking legislation, reports of the RBI, top of mind views of senior executives of new small finance banks, & other informative write ups were used in this project's research method. According to the study, the new small financing banks are projected to reshape the country's banking sector, with a bigger number of firms competing in the rural financial services landscape.

Sukumaran (2020) attempted to investigate a new experiment in India's financial inclusion environment - Differentiated Bank. The paper's technique is a combination of a literature study and a map of the development of several trials. The paper's findings give valuable information to policymakers, practitioners, and civil society about the ground reality and implications of implementing inclusive finance policies.

Dhanya & Banudevi (2019) Small Finance Bank's primary goal is to give financial inclusion to those who are underserved by other banks. The study made use of both primary and secondary data. According to the findings of the survey, respondents have a high level of awareness & a positive attitude regarding SFB.

Abijith & Raghavendra (2018) attempted to quantify the obstacles faced by Small Finance Banks & to examine the level of knowledge of Small Finance Banks among Micro, Small, and Medium Enterprises. The current investigation was conducted using both primary and secondary data. Data was gathered from 60 MSME. According to the findings of the survey, the majority of respondents were unaware of the phrase financial inclusion. Despite the fact that it was assumed that MSME institutions were well-versed in the Small Finance Bank's functions.

Jain & Mukherjee (2018) determined the relationship between conversion and profitability elements in an AU small finance bank. The study is descriptive in nature, and secondary data is used to perform all of the analyses. It is recommended that adequate return on assets and return on equity ratios be maintained in order to maintain Net Profit Growth.

Viswan (2017) attempted to investigate the transformation of Micro Finance Institutions into SFBs, with a focus on ESAF Small Finance Bank & its degree of awareness in rural parts of Kerala's Thrissur district. The study made use of both primary and secondary data. The sample size was 50 people. According to the findings of the survey, respondents have a high level of awareness and a favorable opinion toward ESAF. There are numerous prospects for NBFC-MFIs to convert in Small Finance Banks.

Research Gap

Most of the studies conducted by the various researchers about the Small Finance Banks but were found of conceptual nature. But no study was found on customer satisfaction towards AU Small Finance Bank. These banks are a recent initiation taken by RBI as a part of Financial Inclusion. Hence, this current study is made to look into the financial services offered by AU Small Finance Bank, also to evaluate the customer's satisfaction towards AU Small Finance Bank.

Statement of the Problem

In the current scenario customer satisfaction is the major problem for the banking industry. It is very difficult to identify the customer needs and wants. Due to which serving the customer becomes difficult. It is very difficult for marketers in retaining current customer and attracting future customers. To have a large market share attaining and retaining customers is important.

Objective of the Study

To evaluate the customers satisfaction on AU small finance bank in Rohtak city.

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Research Methodology

Research methodology is systematic collection and analysis of data so as to find the necessary conclusions.

Research Design

Research Design can be thought of as the structure of research. It is the conceptual structure within which research is conducted. The proposed research would be exploratory cum descriptive in nature. Both primary and secondary data were used for the study. A Questionnaire is used to collect required data from the respondents in Rohtak city.

Sample Unit

The data of the present study would be collected from the customers of AU small finance bank & the area selected for research is Rohtak city, Haryana.

Sample Size

The sample size was 100 respondents from AU small finance bank.

Hypothesis

H_0:   There is no significant difference between the demographic variables and customers satisfaction towards AU small finance bank.

H_1:   There is significant difference between the demographic variables and customers satisfaction towards AU small finance bank.

Data Analysis & Interpretation

Collection of data is most important part of this step but after collecting data it is very necessary to analyze and interpret it properly for final results and findings. The collected data are analysed with the help of SPPS 20 software. For this research study, nonparametric test is used. These tests are used where distribution is not normal in study; it has been observed that study's population was not normally distributed. The statistical tools used in the study are Mann-Whitney Test and Kruskal-Wallis Test.

Hypothesis Testing

A hypothesis has been constructed to determine the relationship between the dependent and independent variables in this research study. Because the study's data was not normally distributed, so nonparametric test were used to determine the relationship between these variables and analyse the results carefully.

1. To find out the customer satisfaction on the basis of gender of the respondents towards AU Small Finance Bank.

Table 1: Gender wise Customer Satisfaction Level

	Gender of the Respondent	N	**Mean Rank**	**Sum of Ranks**
Customer Satisfaction	Male	071	49.30	3500.50
	Female	029	53.43	1549.50
	Total	100		

(Source: Primary Data)

In table 1, it can be shows that the mean rank and sum of ranks of males and female respondents. The male (71) respondents are more than female (29) respondents in number. The mean rank of females (53.43) is more than the males (49.30) respondents.

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Table 2: Test Statistics

Test	Satisfaction
Mann-Whitney U	944.500
Wilcoxon W	3500.500
Z	-.656
Asymp. Sig. (2-tailed)	.512

(Source: Primary Data)

In table 2, it can be shows that the difference between customer satisfaction level of males and females respondents is significant or not. So, the result shows that P value = 0.512 which is more than 0.05 which means the satisfaction level of the males is not significantly differ from the females respondents. Therefore, we accept the null hypothesis and reject the alternate hypothesis.

2. To find out the customer satisfaction on the basis of marital status of the respondents towards AU Small Finance Bank.

Table 3: Marital Status wise Customer Satisfaction Level

	Marital Status of the Respondent	N	Mean Rank	Sum of Ranks
Customer Satisfaction	Married	69	46.09	3180.00
	Unmarried	31	60.32	1870.00
	Total	100		

(Source: Primary Data)

In table 3, it can be shows that the mean rank and sum of ranks of married and unmarried respondents. The married (69) respondents are more than unmarried (31) respondents in number. The mean rank of unmarried (60.32) is more than the married (46.09) respondents.

Table 4: Test Statistics

Test	Satisfaction
Mann-Whitney U	765.000
Wilcoxon W	3180.000
Z	-2.304
Asymp. Sig. (2-tailed)	.021

(Source: Primary Data)

In table 4, it can be shows that the difference between customer satisfaction level of married and unmarried respondents is significant or not. So, the result shows that P value = 0.021 which is less than 0.05 which means that the satisfaction level of the married respondents are significantly differ from the unmarried respondents, that's why the null hypothesis is rejected and the alternate hypothesis is accepted.

3. To find out the customer satisfaction on the basis of age of the respondents towards AU Small Finance Bank.

Table 5: Age wise Customer Satisfaction Level

	Age of the Respondent	N	Mean Rank
Customer Satisfaction	Upto 20 years	6	63.17
	21-30 years	53	50.04
	31-40 years	32	42.42
	Above 40 years	9	73.50
	Total	100	

(Source: Primary Data)

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In table 5, it can be shows that the mean rank of different age groups of respondents. The respondents of 21-30 years (53) is more than other age group respondents. The mean rank of above 40 years respondents (73.50) is more than the other age group respondents.

Table 6: Test Statistics

Test	Satisfaction
Chi-Square	9.581
df	3
Asymp. Sig.	.022

(Source: Primary Data)

In table 6, it can be shows that the difference between customer satisfaction level of different age group of the respondents is significant or not. So, the result shows that P value = 0.022 which is less than 0.05 which means that the satisfaction level of the different age group of the respondents are significantly different. Therefore, null hypothesis is rejected & alternate hypothesis is accepted.

4. To find out the customer satisfaction on the basis of occupation of the respondents towards AU Small Finance Bank.

Table 7: Occupation wise Customer Satisfaction Level

	Occupation of the Respondent	N	Mean Rank
Customer Satisfaction	Agriculture	20	42.13
	Business/Profession	31	47.79
	Self employed	19	49.42
	Government/Private employed	30	59.57
	Total	100	

(Source: Primary Data)

In table 7, it can be shows that the mean rank of different occupational groups of respondents. The number of Business/Profession (31) respondents is more than other occupational group respondents. The mean rank of Government/private employed (59.57) is better than the other occupational group respondents.

Table 8: Test Statistics

Test	Satisfaction
Chi-Square	5.044
df	3
Asymp. Sig.	.169

(Source: Primary Data)

In table 8, it can be shows that the difference between customer satisfaction level of different occupation of the respondents is significant or not. So, the result shows that P value = 0.169 which is more than 0.05 which means that the satisfaction level of the different occupation of the respondents is not significantly different. Therefore, the H_0 is accepted & the H_1 is rejected.

5. To find out the customer satisfaction on the basis of Reason for selecting AU Small Finance Bank.

Table 9: Reason wise Customer Satisfaction Level

	Reason for selecting this bank	N	Mean Rank
Customer Satisfaction	Services of bank	50	43.62
	Incentive schemes	23	57.00
	Nearness to office/residence	27	57.70
	Total	100	

(Source: Primary Data)

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In table 9, it can be shows that the mean rank of different reason for selecting this bank. The number of services of bank (50) is more than other reason of selecting bank but the mean rank of Nearness to office/ residence (57.70) is more than other reason for selecting this bank.

Table 10: Test Statistics

Test	Satisfaction
Chi-Square	5.804
df	2
Asymp. Sig.	.055

(Source: Primary Data)

In table 10, it can be shows that the difference between customer satisfaction level of different reason for selection this bank is significant or not. So, the result shows that P value = 0.055 which is more than 0.05 which means that the satisfaction level of the different reason for selection this bank is not significantly different. Therefore, the H_0 is accepted and the H_1 is rejected.

Findings of the Study

Satisfaction of customers regarding AU Small Finance Bank:

➢ From the analysis, it is found that there is no significant disparity has been found between the satisfaction level of Male respondents and Female respondents. But the mean score of Females i.e. 53.43 is more than that of Male i.e. 49.30. So, it can be said that Females are more satisfied than Males.

➢ It is found that there is a significant difference in the satisfaction level among the respondents based on different marital status even when the mean rank of unmarried i.e. 60.32. is more than that of married respondents i.e. 46.09.

➢ The mean score of the respondents belonging to the age group of above 40 years is 73.50 which are more than that of the age group of upto 20 years i.e. 63.17, 21 to 30 years i.e. 50.04 and 31 to 40 years which came out to be 42.42. So, from mean score, it can be said that respondents of above 40 years of age are more satisfied than that of the respondents of the age between upto 20 years, 21 to 30 years and respondents of 31 to 40 years of age. However, statistically, it was found that there is significant disparity in the satisfaction level among the respondents belonging to different age groups.

➢ The mean rank of the respondents belonging to occupation of Government / private employed i.e. 59.57 is more than self employed i.e. 49.42, business / profession i.e. 47.79, and agriculture i.e. 42.13. However, statistically, it was found that there is no significant disparity in the satisfaction level among the respondents belonging to different occupations.

➢ It is found that there is no significant disparity in the satisfaction level among the respondents based on selecting AU bank even when the mean rank of nearness to office/ residence i.e. 57.70 is more than that of incentive schemes i.e. 57.00 & services of bank i.e. 43.62.

CONCLUSION

The primary goal of these Banks is to increase access to financial services in rural & semi-urban areas. These banks can perform almost everything which can do by a regular commercial bank, but on a much minor scale. The primary goal of Small Finance Bank is to deliver basic banking services such as collecting deposits and lending loans to underserved consumers such as tiny business units, small & marginal farmers, micro & small businesses, and even unorganised sectors.

The study looked at customer satisfaction about AU small finance bank in Rohtak. After going through the entire research process, it was discovered that the majority of the customers are satisfied with the services of AU small finance bank, & this conclusion was from the analysis, tables, different tools, tests, and techniques used in this research study to achieve the research objectives.

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In this study, researcher investigated customer satisfaction with the various services provided by AU small finance bank and discovered that there is no significant disparity in customer satisfaction based on gender, occupation, and reason for choosing AU bank, but there is a significant difference based on marital status and age of the respondent.

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