

**STUDY ON
INDIVIDUALS' PREFERENCE FOR
COOPERATIVE COMPANIES
IN NEPAL**

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Faculty of Management
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**In partial fulfillment of the requirements for the degree of
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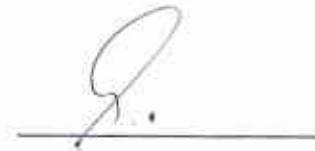
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**INDIVIDUAL' PREFERENCE FOR CO-OPERATIVE COMPANIES IN
NEPAL.**


has been prepared as approved by this Department in the prescribed format of the
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This thesis is forwarded for examination.


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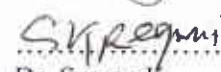

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Declaration

I hereby declare that this thesis entitled “Study On Individuals’ Preference For Co-Operative Companies In Nepal” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements of Master Degree in Business Studies (M.B.S.) under the supervision of Dr. Shanker Thapa of St. Xavier's College.

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Abbreviation

ADB:	Agricultural Development Bank of Nepal
NAFSCUN:	National Federation of Savings and Credit Groups
NEFSCUN:	National Federation of Savings & Credit Unions
FNCCI:	Federation of Nepalese Chambers of Commerce and Industry
VDC:	Village Development Committee
MCS:	Multi-purpose Cooperatives Societies
SCCS:	Savings and Credit Cooperatives
GDP:	Gross Development Product
ICA:	International Cooperative alliance
CRS:	Cooperative Retailing System
NGOs:	Non-governmental organizations
DOC:	Department of Cooperatives
BFI:	Banks and financial institutions
NRB:	Nepal Rastra Bank

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Chapter 1: Introduction

1.1 Background:

The cooperative is comprised of two stems: 'Co' stands for together and 'operative' stands for working. Hence, the meaning of cooperative is working together. In simple term cooperative is practice living together, thinking together and working together for mutual benefit of the members.

Some people think that the concept of cooperative is related to communist ideology, while others think that it is a capitalist ideology. Rather Cooperative is a framework for group business of the members involved according their felt needs. Cooperative does not have any relationship with the skills and knowledge of the members for production. In other words, it is a method of doing business using the skills and knowledge of members, and investing capital to develop their business as an industry and selling their production of goods and services. In the context of Nepal, Cooperatives are community organizations delineated to support the group business of farmers, workers, artisans, landless, low- income groups, and unemployed or social workers to protect the interests of their members and communities

1.2 Evolution of Cooperatives in Nepal

Nepal has a long-standing history of informal community-based cooperatives. The first formal credit cooperative in Nepal was started in 1954 by the Government of Nepal as a pilot project. The first Cooperative Act was promulgated by the monarchy in 1960, followed by the Agricultural Cooperative Act (Sajha Sahakari). In 1962 amendments were made to the Cooperative Act to improve the cooperatives' operations. The capital of savings and credit cooperative societies was converted into a Cooperative Bank in 1963, and in 1968 it was converted into the Agricultural Development Bank of Nepal (ADBN). After 5 years the ADBN returned management back to the monarchy and in 1975 the Cooperative Act was amended again. Beginning in the 1980's a new generation

of community-based savings and credit groups began to emerge in Nepal. In 1985, the Cooperative Act was amended for the third time to give the Government more control. By this time the Savings and Credit movement had spread throughout the country and the need for an apex coordinating body was evident. In August 16, 1988, the National Federation of Savings and Credit Groups (NAFSCUN) were formed. This name was subsequently changed to the National Federation of Savings & Credit Unions (NEFSCUN).

1.3 Traditional cooperatives in Nepal

There is long tradition of time memorial in helping each other in Nepalese society irrespective of ethnicity. The Rural people of Nepal have properly understood the motto of living together which can be found in the stanzas of Vedas. The tradition of informal cooperation includes Guthi, Parma or Parima, and Dhikuti, as well as mankakhala.

a) Guthi

Guthi is a kind of institution with immovable property which is used to serve the deity of Hindu and Buddhist temples. There are different types of Guthi, namely Rajguthi, Amalguthi, oliguthi and Devguthi or temple/ monastery guthis. These Guthis are created with the contribution of grains by the community members in equal basis during the time of harvesting. The collected grain was sold and money amount is still used to purchase farmland. The income of the farmland was used to maintain the expenditure of the temple, or monastery or person with religious responsibility.

b) Parma/Parima

Parma is another traditional informal cooperative for exchange of labor. Firstly, during the time of farming there is shortage of workforce in the farmland. Secondly, most of the farmland in Nepal depends on the rainwater during monsoon which should be captured on time. Thirdly, the exchange of labor helps the farmland owner to plant seed/ saplings in short period of time that decreases

the time to go there every day. The motto of Parma is that if everyone in the community perform the job of farming on time s/he can get good harvest and that will bring happiness and joy in that family. The normal wage is paid to the farm worker and remaining amount is kept to enjoy feast during Poush 15 .

c) Dhikuri

Dhikuri is an institution operated by the thakali community of Nepal through time immemorial to provide credit to their members for the financial upliftment. The original community being Thak khola of Mustang, it is very hard to grow sufficient food stuffs for their livelihood they are attached to various types of professions, namely running hotels, mule transportation, contractor business, medicinal herbs selling and weaving woolen clothes. Thus they get success in business sector. The Dhikuri fund is used to provide credit to start business in need of their members.

1.4 Objectives of Cooperatives:

As the definition of cooperatives indicates the cooperatives are community-based business organizations of people developed voluntarily for the fulfillment of their economic and socio- cultural needs and aspirations.

a) Economic Objectives of Cooperatives:

The following activities are performed by cooperatives to achieve their economic objectives:

- Collection and marketing of members products.
- Provision of financial assistance to the members for production and other requirements.
- Creation of self-employment and employment for the members and their community.
- Enhancement of productivity of capital and labor of their members
- Development of business leadership in the pricing of their products.

- Professionalization of members business.
- Income generation of members to make them self- reliant financially
- Selling qualitative consumer items to their members at profitable prices.
- Provision of surplus benefits of business transactions to the members as dividends and patronage funds.
- Supply of qualitative agro-input (seeds, chemical fertilizers, etc) for the production function to their members.
- Development of entrepreneurship of members.
- Transfer of modern technology for production function to their members
- Provision of insurance to protect members business.
- Provision of business counseling services to their members, etc.

b) Socio- cultural objectives of cooperatives

The following activities are performed by cooperatives to achieve their Socio-Cultural Objective:

- Reduction of disparity of ethnicity and caste among members.
- Eradication of gender discrimination between males and females.
- Provision of care for senior citizens.
- Promotion of talents in community members in various fields.
- Promotion of the physical and mental health of citizens in the community.
- Development of social leaders in the community.
- Provision of training and education to their members.
- Provision of health security through medical insurance of members and their families.
- Creation of working environment culture and respect for work.
- Protection of the environment.
- Encouragement of healthy food habits.
- Encouragement of respect and solidarity among members.
- Assistant to the government for social mobilization and social justice.

1.5 Characteristics of cooperatives

Cooperatives have following characteristics:

- Autonomous business organization.
- Community organization.
- Popular organization.
- Involvement in micro-credit and micro-finance activities.
- Replacement of indigenous lenders to preserve their members from exploitation of intermediaries' high rate of interest.
- Members' business organizations are formed voluntarily.
- They are responsible for the economic and socio- cultural development.
- They are used to control black marketing of consumable items.
- Viable organizations for empowering weaker section of society.
- Appropriate organizations to establish equality among caste, ethnicity and gender
- They are responsible for fair trade.
- They are responsible for undertaking transparent economic activities.
- They provide assistance to civic society in maintaining civic rights.
- They work to create employment and self-employment in the community.
- They help decrease imports of agricultural products from India.
- They contribute in strengthening nation building.
- Compensate banking sector in providing micro-credit to their members.
- Succeeded to attract attention of political leaders and cadres to this sectors
- They provide the government of Nepal with a tool for national economic development.

1.6 Cooperatives Act 2048(1992)

1.6.1 Formation of association or society:

1. An association or society as follows may be formed with a view to rendering services and facilities for the economic and social development of its members in consonance with the cooperative principle.

- a) A preliminary association consisting of at least twenty five persons as its members.
 - b) A sectoral society consisting of at least five associations as referred to in Clause (a) as its members.
 - c) A District cooperatives society consisting of at least five associations or sectoral societies out of those as referred to in Clause (a) or in Clause (b) or both as its members.
 - d) A central cooperatives society consisting of at least twenty five sectoral associations as referred to in Clause (a) or at least five sectoral societies as referred to in Clause (b) as its members.
 - e) A national cooperatives society consisting of at least fifteen societies as referred to in Clauses (b), (c) and (d) as its members.
2. Notwithstanding anything contained in Sub-section (1), not more than one District cooperatives society or sectoral society of the same nature and not more than one central cooperatives society of the same nature may be formed in the same District.
 3. The jurisdiction/domain of an association or society shall be as specified in the Bye-law of that association or society.

1.6.2 Registration policies and procedures

It is very easy to register Co-operative. The Department of cooperatives has displayed model bylaw in its website for all type of cooperatives. The registrar must provide information about the status of proposed cooperative within 7 days and provide certificate of registration within 35 days. The documents needed to register cooperatives are as follows:

- First group meeting minute
- Second group meeting minute
- Authority delegation letter (original) to nominated person to register

- Receipt of share and entry register
- Membership entry register
- Details of appliers
- Application of the nominee (original) with post stamp of Rs 5
- Action plan (source of fund, fund mobilization, income, expenditure and profit)
- Photographs of all the members
- Citizenship card
- If the applicants are not proved resided in the working areas of cooperative then
 - ❖ Marriage certificate
 - ❖ Migration certificate
 - ❖ Land ownership certificate
 - ❖ Certificate issued by FNCCI for traders
 - ❖ Municipality/ VDC on permanent residency for the landless and others
 - ❖ Recommendation letters the employers office
- Bylaws
- House rent agreement paper
- Environmental impact assessment or environmental impact examination
- Bank deposit voucher of the collected share amount
- Business policies
- Saving and credit policies
- Saving and credit bylaws
- Administrative bylaws
- Financial bylaws
- Declaration of membership in only one coops of a nature and there is no any bad record regarding the financial transaction with financial institutions in the past.

1.6.3 Cooperative Bylaw

Bylaws of the society/ union/ Federation are prepared according to Co-operative Act and rules. But implicit information is explained explicitly in Bylaws as per the need of the cooperatives. Registrar or functional registrar should sign at the top of every page and at

the other pages of bylaw for legal identity. The Amendment of Bylaw should be passed within the majority of two third of General Assembly members which should be approved by the registrar or functional registrar.

1.7 Types of Cooperative Company in Nepal

There are major four categories of cooperatives that provide service to the general members. They are as follows:

a) Multi-purpose Cooperatives Societies (MCS):

The multi- purpose Cooperatives are involved in multiple-subject functioning such as collection of saving deposits, loan distribution to the members, running small consumer store, collecting members' production and selling them to the market (Vegetables, milk, rice processing, buying raw rice from the farmers and selling to Nepal food corporation) .There are all together 3465 Multipurpose Cooperative Societies according to the data provided by the department of Cooperative.

b) Savings and Credit Cooperatives (SCCs):

Saving and Credit cooperatives are mushrooming in the urban areas since 1992.The saving and credit cooperatives can be divided into two categories according to their functioning. The first one is those cooperatives, which are established according to the needs of community people and groups. These cooperatives strictly adhered only to their members for saving and credit transactions. The second one is cooperative of urban elite. This type of cooperative is not for mutual benefit and member needs but the source of earning for few influential persons who can approach leaders of ruling party and hire employees in big number. There are all together 8888 saving and credit Cooperative according to the data provided by the department of cooperative.

c) Single purpose / subject cooperative :

Single purpose or single function cooperatives are those cooperatives those involved in single subject. The cooperatives working as single subject are in the area of saving and credit, milk producer/ dairy, vegetable growers', coffee producers', tea producers' fish-pond farming, honey-bees keepers', silk-worm keepers', potatoes producers' seed growers', herb growers', mushroom producers', handmade paper, etc. But most of the single subject cooperatives including saving and credit cooperatives are operating the business of collecting member deposits and provide loan to members.

d) Producers' Cooperatives

The producers' cooperatives collect member deposits from the payment amount they get selling the produces to the market through cooperative societies.

1.8 Statement of problem

From the past few years we have been seeing the shift in the preference of the people from banking and financial institution to Cooperative companies due to which we can see a tight liquidity situation in the Nepali financial sector. Even though this shift in the people's preference has helped to improve the economic situation of the country through increase in the contribution every year to GDP, on the other hand regulated banks and financial institution are facing liquidity related problem. So, we need to analyze why there is shift in the preference of individuals over regulated financial institution under NRB.

The deposits in Cooperatives have been increasing significantly over the years with more than 100 billion amount in mobilization. But the question of violating existing laws and regulation for collecting deposits posing a serious risk to public money has risen. Many Cooperatives operating in different parts of Nepal are found not following the regulation according to cooperative Act 1992. Many cooperatives are found to be taking huge amount of deposit without proper disclosure of the source of the income causing a liquidity crunch in regulated financial institution. A particular cooperative can only have

members of 5 wards and can do transaction with them only but some of the cooperatives have been found taking deposits and giving loans to the people who are not residence of that wards and this has cause a serious money laundering problem in Nepal.

These are the questions we need to be familiar with. This will also help the banking and financial institutions to know why people behave this way and help them to bring improvement in their services. It will also help to identify the factors due to which the preference of the individuals have been changed over the time.

1.9 Purpose of the study:

The main purposes of the study are as follows:

- a) To examines the people's preference of Co-operative Companies over regulated financial institution.
- b) To examines the relationship of age and occupation with various motivating factors with regards to their preference of Co-operative versus Financial Institutions.
- c) To study depositing/borrowing behaviour of people – with regard to their preference of financial institutions versus co-operatives.
- d) To deterimne whether the Cooperatives are working according to the regulations.
- e) To determine whether the unregulated environment of cooperatives has any increased risk perception among user groups/members and has that affected their choice of depositing/borrowing financial institution.

1.10 Significance of the study:

The research deals with the individuals' preference for Cooperative Companies. The study is significant in the following ways:

- a) It shows why people prefer to deposit and borrow from Co-operative companies rather than Regulated financial institutions.

- b) It shows the relationship between age and occupation with various motivating factors with regards to preference of cooperative over regulated financial institutions.
- c) It also provides insights for commercial banks to know about the important factor that the customer looks for while taking loans from any institution.
- d) It is also beneficial to the commercial banks as the study will provide recommendation for their improvement.
- e) It is also beneficial to the customer of the cooperative to see whether there is any risk to their savings.
- f) It is also beneficial for the management of cooperatives as well as commercial banks to see whether the unregulated environment of cooperatives has any increased risk perception among user groups/members and has that affected their choice of depositing/borrowing financial institution.

1.11 Research Questions

Research question helps to indicate the purpose and motive of the research. The research questions are as follows:

- a) Whether individuals prefer to take loans from Cooperatives over Regulated financial institution?
- b) Factors that influence the preference of the individuals for choosing any Financial Institution?
- c) Link between age and occupation with various motivating factors that influence the preference of the individuals while choosing any financial institution?
- d) Whether cooperatives are following the regulation set by the department of Cooperative?
- e) Whether unregulated environment of the cooperatives cause risk to an individual?
- f) Whether Cooperatives are sustainable in nature?
- g) Positive points of cooperative apart from other regulated financial institution?

1.12 Operational Definitions and Assumption:

1.12.1 Operational Definition:

a) Co-operative company:

International Cooperative alliance (ICA) has defined cooperatives as follows:

“A Cooperative is an autonomous association of persons united voluntarily for the fulfillment of their common economic, social and cultural needs and aspiration through a jointly owned and democratically controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equity, equality and solidarity.”

A co-operative company is one established for the purpose of allowing its owners to carry on business on a mutual basis. It is a company incorporated under the Companies Act 1993 that applies for registration under the Co-operative Companies Act 1992 in order to operate as a co-operative. A co-operative company must principally carry out a co-operative activity as defined in its constitution. Such activity may include providing shareholders of the co-operative company with goods or services, including processing and marketing services and those things ancillary to the activity.

b) Loan:

A loan is a type of debt. In a loan, the borrower initially receives or borrows an amount of money called the principle from the lender and is obligated to pay back or repay an equal amount of money to the lender at a later time. Typically money is paid back in regular installments or partial repayments in an annuity; each installment is the same amount. The loan is generally provided at a cost, referred to as interest on the debt which provides an incentive for the lender to engage in the loan.

c) Commercial Bank:

A commercial bank is a financial intermediary which collects credit from lenders in the form of deposits and lends in the form of loans. A commercial bank holds deposits for individuals and businesses in the form of checking and savings accounts and certificates of deposit of varying maturities while a commercial bank issues loans in the form of personal and business loans as well as mortgages.

d) Financial Institution:

Financial institution is an organization that invests chiefly in financial assets such as loans and securities rather than in tangible assets such as land, building, and so on. Financial institutions include banks, trust companies, consumer finance companies, savings and loans, credit unions, pension funds, insurance companies, and mutual funds.

e) Regulated financial institution:

Regulated financial institution is all of the financial institution of category A, B, C and D under the NRB regulation such as commercial banks, development banks, finance companies and so on.

1.12.2 Assumptions:

- For the significance of the test, the significance level is assumed to be 5 percentages for chi- square test making the confidence level 95 percentage.
- The proportion of the sample is assumed to be 50 percentages for the calculation of the sample size.
- The sample error is assumed to be 0.10 for the calculation of the sample size.
- The respondent may be biased while answering the questions

Chapter 2: Literature Survey and Theoretical framework

2.1 Literature review:

Chris D. Gingrich (2003) Savings and credit cooperatives (SCCs) provide a variety of microfinance services to households in three of Nepal's distinct regions—the Hills, Terai, and Kathmandu Valley. Nearly all Nepali SCCs are self-funded using member savings and equity. Most Nepali SCCs are also profitable, including those located in poor, remote areas of the Hills region. Key reasons for the SCCs' strong financial performance include reliance on member savings and control of administration costs. High-profit SCCs also show superior interest earnings on loans compared to low-profit SCCs. Nepali SCCs do not need concessionary funds, because they are already profitable and able to mobilize member savings. While savings-led microfinance in Nepali SCCs is a slow process, there is significant long-term outreach potential in local communities. The government and donors should pursue institution building strategies to strengthen Nepali SCCs and should not provide concessionary funding.

Brett Fairbairn (2008) “Cohesion, Consumerism and Cooperatives” In 1929 consumer Co-ops were seen as the powerful marketing companies and the wholesales were created primarily to serve local chapters of the united farmer's organization. Farmers were only people who were allowed to incorporate co-ops. Retailed Co-ops that became today's CRS evolved from farmers' co-ops into community co-ops. Today's consumer co-ops are co-ops of people and place not co-ops of farmers or agriculture alone. The principle of locality is what drives CRS co-ops today and lead them to success. People believe that co-ops will fail eventually and the successful ones are just exceptional. But the success factors for them are strong centrals (that provide support for locals in purchasing, in management system and in training), strong locals and cohesion (between co-ops and local member; between co-ops and their communities). The members should also have trust and patience. One of the main strength of cooperatives today and in future is their claim to be people oriented business. Co-ops needs to

concentrate on themselves and be different rather than concentrating on competitor. The biggest challenge of globalization is consumerism.

Bill Turner (2009) “Co-operative membership” There are various kind of cooperative but the bottom line of all the cooperative is their contribution to enhance its members’ social and/or economic welfare and it must do so in competition with other providers of goods and services. Adapting to change may be difficult task for cooperatives if they have enjoyed operating in stable environment for some time. Another challenge faced but cooperative is membership renewal and their leadership. And the cooperative’s success will rest with well educated and trained members. The reasons for this are many and varied, but in simplest terms, these co-operatives have remained connected to their members’ needs and their communities. They have developed and maintained a strong identity and have used it to their commercial advantage.

William D. Coleman (2009) “Globalization and cooperative” two of the core concepts at issue in any current study of co-operatives: globalization and identity. It talks about whether globalization is undermining the kinds of identities that have traditionally supported cooperative formation and maintenance. The establishment of Cooperatives and the will to sustain them in the face of many obstacles are very much local acts of imagination and autonomy. The writer says that further research is needed on how these new forms based on co-operation and how these acts of imagination might be possible under globalizing conditions.

Joseph Stiglitz, Columbia University, USA (2004) “The Role of Cooperatives in Globalization” the cooperative movement has long played an important role in the development of agriculture and agro-business. This is even true in America, long viewed as the bastion of the market economy. From cranberries to raisins to butter to orange juice, from marketing to credit, cooperatives have been at the centre of many of the most successful developments and have succeeded in bring together sound management and fiscal discipline with broader social perspectives. That helps explain why they have the potential to play such a key role in the development process. In many developing

countries, NGOs (non-governmental organizations) which are effectively cooperatives are playing an increasingly important role. For instance in Bangladesh, these organizations touch the lives of millions, providing small loans for the development of new enterprises. As new needs were recognized, they began to address those too. The chicken farms that they helped establish needed better quality chicken feed and more reliable sources of baby chicks, and so they helped provide those ingredients. In other cases, they have helped with marketing.

Johnston Birchall and Lou Hammond Ketilson (2009) “Resilience of the Cooperative business model 2009” the financial and ensuing economic crisis that has had negative impacts on the majority of enterprises; however, cooperative enterprises around the world are showing resilience to the crisis. Financial cooperatives remain financially sound; consumer cooperatives are reporting increased turnover; worker cooperatives are seeing growth as people choose the cooperative form of enterprise to respond to new economic realities. The report provides historical evidence and current empirical evidence that proves that the cooperative model of enterprise survives crisis, but more importantly that it is a sustainable form of enterprise able to withstand crisis, maintaining the livelihoods of the communities in which they operate. The cooperative model provides comparative advantages, but no magic formula for success. However, it is interesting to see just how strongly cooperative banks, savings and credit cooperatives and credit unions are performing during the current banking crisis, and how little help they have needed from governments, in contrast to their investor-owned competitors who have had to be bailed out with staggeringly large amounts of public funding.

Lou Hammond Ketilson (2006) “Revisiting the Role of cooperative values and principles” Cooperative practitioners and academics recognize that the movement and the institution will endure in an increasingly competitive and individualistic world only if we are able to identify and sustain elements central to their distinctiveness. Even though co-operatives perform functions similar to those of traditional business firms, they have unique differences in their relationship to the owners. The co-operative organization does not buy, process and sell to make a profit as a separate entity; instead, it procures services

for the benefit of its members—who hope to increase their savings if it is a consumer co-operative, or to increase their profits of their own separate business if it is a farmer or business co-operative. If a co-op neglects its associational needs, the consuming public can no longer distinguish it from any other business. The problem becomes cyclical. In order to differentiate the co-operative, pressures mount to conform to conventional business models and strategies, moving the organization away from its co-operative roots. As it continues to neglect member needs, and perhaps fails to perform at a higher level using traditional business methods, the membership may move away from the co-op entirely, not only because it no longer acts like a co-operative but also because it fails to out-perform conventional business.

Brett Fairbairn (2003) “Three Strategic Concepts for the Guidance of Co-operatives” Linkage, Transparency, and Cognition are the three strategic concepts for the guidance of Cooperative. Members support co-ops because co-ops are dedicated to making members better off. This dedication is reinforced by other aspects of the co-operative relationship, including shared values and member identification with the cooperative’s purposes. Linkage is not only about a service orientation, distribution of surplus, or incentives. A further aspect is that co-ops’ business operations and members’ business or household decisions can become closely coordinated with one another, leading to a situation where each provides exactly the kind of service, product, or patronage that the other can best use. Co-op must not only promote member well-being: it must also be seen to do so—seen clearly, repeatedly, and over time to be making members better off. A co-operative is made transparent not only by good communications, but by structures and operations that members can see are designed around their own needs. What transparency requires is that members understand not only their co-operative, but also the industry or sector of which it is a part, so that they can see clearly what their co-operative does for them. This is the root of member loyalty. Cognitive model for a co-op involves the mechanisms by which the co-op refines and tests its understandings of itself, its mission, and its sector: mechanisms for collecting and analyzing information and ideas (research); mechanisms for maintaining a sufficient

degree of consensus (broad, periodic discussion and revision); and mechanisms for trying out new ideas and new approaches on a small scale (innovation).

**Martina k. Schmidt (2007), Micha Bergsiek(2007) , Marina Kolesnikova(2007)
“Customer Preferences of Financial Services across the US, Germany and Russia”**

This study investigated the differences in customer preferences across the US, Germany and Russia within the financial services industry. Its purpose was to help financial services firms functioning in the international economy to design marketing strategies and day-to-day operations based on cross-cultural differences and similarities in socio-economic, political and cultural factors. They found that important differences and similarities in preferences across the respondents of the three countries exist. For example, trust in the institution, stability, financial conditions, and performance rank among the most important attributes in all three countries. However, technology related attributes, such as online-banking are unimportant in Russia. Some interest exists in all three countries for innovative services that financial institutions may benefit from offering.

Best Practices “Increasing role of Cooperatives in development” In a country like Ethiopia, where the livelihood of the majority of the population depends on agricultural output at subsistence level and also where credit facility is almost non-existent for ordinary people, financial institutions like saving and credit cooperatives are of paramount importance for providing facilities for saving and extending credit. Saving and credit cooperatives are, therefore, the shortest possible means of accumulating saving and extending loan to the low income groups where established commercial banks are limited in number and far behind the reach of the society. The major objective of organizing the cooperatives then was to produce industrial crops such as tea and spices. The cooperatives were organized in areas where these industrial crops are grown. Presently, the Ethiopian government gives due emphasis for the development of the sector and has enacted Cooperatives Proclamation. The required human resource has been assigned starting from the woreda to federal level. There is even a plan to assign cooperative extension workers at kebele level which is the basic political structure of the government.

Today the environment is conducive for the development of self reliant and autonomous cooperatives which can also create job opportunities. Despite the fact that the operation of saving and credit cooperatives was limited, to work places, since 1990, there was a shift in outlook that led to promoting and organizing saving and credit cooperatives focusing on the needs and desires of the society by enlarging the common bond of association to profession and community. It was in fact started with the demand of NGOs to line up the support of low income groups to income generating activities and to sustain the benefits by organizing in this manner.

Himalayan Times (2013-01-27) “Report monthly financial detail” p.12. All the savings and credit cooperatives and the multipurpose cooperatives mobilizing deposits exceeding Rs 50 million have to submit their financial reports to the Department of Cooperatives (DoC) and the central bank. This provision might help in keeping tabs on the finances of cooperatives until a stronger regulatory body is created for the supervision of saving and credit cooperatives. According to the Department of Cooperatives (DoC), all the savings and credit cooperatives and the multipurpose cooperatives that collect deposits and float loans have to submit their financial reports to the division cooperative offices on the monthly basis. This will inform how much money is being handled by the cooperatives. This also helps to know the amount of deposits and the credits with the cooperatives. As the cooperatives are being considered as ticking time bombs that might badly shake the whole Nepali financial sector one day if anything goes wrong with any one of the cooperative that is dabbling in huge amount of deposits. So far, the accounts of deposit and loan of these cooperatives have not been taken by any authority. For some time now, the deposit base of banks and financial institutions (BFIs) is believed to be shifting to cooperatives dealing with savings and credit, causing a tight liquidity situation in the Nepali financial sector. The cooperatives being somewhat informal sector and free from regulation can float any amount of loans to whichever sector without any intervention from Nepal Rastra Bank (NRB). Moreover, there is no control on determining deposit and lending interest rates. The cooperatives can revise the rates on its own accord without being answerable to any authority. After, NRB decreed BFIs to

reduce its exposure to real estate and housing sector –cooperatives are said to be lending big time to the realty sector.

Kathmandu Post (2013-9-27) “Co-ops cock snook at rules” p.13 Many Cooperatives are not following the rules of cooperative according to the joint study conducted by Department of Cooperative, Finance ministry and Nepal Rastra Bank. More than 40 cooperative have been found to be involved in small errors to grave fault. The study was done with the suspicion that people might have deposited huge amount in cooperative which created liquidity crunch in bank. In bank one need to disclose source of income in land transactions and deposits of more than Rs 1 million in banks and financial institution. But in Cooperatives it is not so. Similarly, cooperatives have been found to take service charge of 1% to 3% but according to the standard they are not allowed to take any charge. Likewise, they have also been collecting deposits from 20% to 60% against share capital but according to standard they can take only 10%.so they have suggested to take action against these cooperatives.

Kathmandu Post (2014-3-1) “Money Matters” p.14 the formal financial sector is inaccessible to the majority of people in Nepal even though it is one of the fastest growing sectors due to the country’s liberalized economic policies. During the 1980s, there were only two commercial banks in Nepal. There are now 79 finance companies, 87 development banks, 30 commercial banks, 21 microfinance banks and five rural development banks. In addition, there are about 14,000 cooperatives involved in finance and saving. Although many new banks and financial institutions have been set up in recent years, they still do not cater to the needs of the disadvantaged in rural areas. The rural credit survey in 1992 found that only 20 percent of the loans taken out by rural households were from the formal finance sector. Fourteen years on, a 2006 World Bank study showed that this was still only 30 percent. Despite efforts by the government and private sector organizations, a majority of rural households and women do not have access to formal financial institutions. Loans from commercial banks are only taken out by the richest households. Inability to access financial services is a major barrier to improving the socio-economic condition of women and the disadvantaged in Nepal. In this situation, community-based groups and local savings and credit groups can bridge

the gap between the formal and informal sectors. Many women have expressed enthusiasm for economic activities such as savings and credit groups, cooperatives and micro-financing which allow them to educate their children and provide food and financial security.

Himalayan Times – Perspective (2013-3-20) “Who is monitoring the cooperatives?”

p.1 the government of Nepal as a pilot project started the first formal credit cooperative in Nepal in 1954. The cooperative movement has dramatically evolved after enactment of the cooperative Act 1992. Today cooperatives have experienced phenomenal numerical growth but performance is highly risky because of no proper regulation and guidelines. In Nepal 13 types of cooperatives operate which include saving and credit, multipurpose, dairy, agro, electricity, vegetables and fruits, consumers, science and technology, coffee, health, tea, herbal and beekeeping. According to the department of cooperatives, annually, cooperatives operate and mobilize over Rs 100 billion, which accounts for Rs 61.54 billion investments, Rs 58 billion savings and Rs 9.36 billion share capitals. This sector have provided direct employment opportunities to more than 50 thousand while it indirectly contributes to more than 100,000 job opportunities in different fields. About 20 percent of the cooperative working in Nepal is not functioning well as members make it a part of their own business as unfortunately Nepalese want to rise from rags to riches overnight. Most cooperatives lack professional management and plagued by the lack of adequate knowledge, principles and practices of cooperative. Only few cooperatives follow directives, but it is not the sole responsibility of the department to check on the cooperatives whether they are following the directives or not, it should be shared by government authorities as well. Yet Cooperatives have flourished and today pose a serious threat when it comes to competition even with the formal banking sectors. Only 30 percent of the population has access to regulated financial institution and the 70 percent gap is filled by cooperatives. The largest cooperatives are city based cooperatives in Indrachowk, Asan, Putalisadak and Kalimati. People living here also give less importance to banking transactions whereas they are more involved in Cooperatives. People are more attracted to cooperatives because the returns are higher and they provide high level services by going to the client’s house to give the interest payment.

Cooperatives have been able to identify what people want and provide attractive offers and services. Good cooperatives should be rewarded and bad one should be punished. If something goes wrong it is the lower strata of the population which will get affected.

Nepal business times “Cooperatives see increase in deposits” the cooperatives around the nation have mobilized more than NRs.100 billion of the customers. According to the umbrella organizations of Nepal Savings and Credit Limited, National Cooperative Bank Limited, and others, the deposits of the customers in about 15 thousand cooperatives around the nation comes to be around NRs. 100 billion. With more than 25 lakh investors including agricultural, saving and credit, hydel, consumers, science and technology, and others, the cooperatives have already mobilized more than 100 billion amounts according to Minraj karnel, Chairman of the association. Advisor of the Ministry of Finance, Keshav Acharya, had been claiming that the cooperatives have minimum of NRs. 80 billion of deposits. But the statistics here show much more than what have been revealed. According to the government, such a high increase in deposit in the cooperatives is one of the major causes for liquidity crunch at present situation. Out of the total deposit collected so far, half of the deposit has been supposedly mobilized by capital’s major savings and credits companies. The cooperatives have been observing increase in the deposits collected since the past three years as more people are attracted towards the cooperatives these days.

Kathmandu Post (Money) 2013-3-26 “Cooperatives hold 17 pc of the deposits” p.14 Cooperatives hold around 17 percent of the total deposits in the banking system. According to the Department of Cooperatives (DoC), the cooperatives, most of them multipurpose and savings and credit cooperatives, have collected deposits worth an estimated Rs 130 billion as of mid-March this year. They have issued loans worth more than Rs 100 billion to their members. There are 8,888 savings and credit cooperatives and 3,465 multipurpose cooperatives registered with the DoC out of the total of more than 20,000. As per the financial report submitted to the DoC by cooperatives based in the Kathmandu Valley, cooperatives in Kathmandu district collected Rs 100 billion during the period while cooperatives in Lalitpur and Bhaktapur collected Rs 22 billion and 4

billion respectively. “Cooperatives holding deposit of around 15 percent is normal compared to the maximum amount such institutions hold in countries like Sri Lanka and Israel,” said DoC registrar Sudarshan Dhakal. Given the commercial banks witnessing stagnation in deposits collection despite their best efforts to attract deposits, Nepal Rastra Bank has been assuming that deposits might have diverted to cooperatives that usually give a higher rate of interest. “The DoC has not informed us about the deposit figure of cooperatives officially,” said central bank spokesperson Bhaskarmani Gyawali. “However, the reported deposit figure of Rs 130 billion by cooperatives is immense given that commercial banks have deposits of above Rs 600 billion.” As of the end of the last fiscal year, development banks and finance companies have combined deposits of Rs 154 billion. Development banks have deposits of Rs 77.49 billion and finance companies have Rs 76.85 billion, according to NRB. Amid concerns over the amount of deposits being collected by cooperatives as they are less transparent, the DoC had directed cooperatives with transactions of above Rs 10 million to submit their financial reports to the DoC on a monthly basis for the last few months. Cooperatives having financial transactions from Rs 10 million to Rs 50 million will have to submit their financial reports to the Division Cooperative Office while cooperatives with transactions of more than Rs 50 million have to report to the DoC directly as per its directive. After a DoC investigation revealed that a majority of big cooperatives were involved in unscrupulous activities against the norms of cooperatives, the DoC made the provision of regular reporting to it. Dhakal said that more than 70 percent of the cooperatives submitted their reports as of mid-March.

Himalayan times (2013-3-27) “Cash-rich Coops say NRB is not their boss” p.13

Some big cooperatives have allegedly refused to submit their financial reports to the central bank saying that Nepal Rastra Bank (NRB) is not the regulator for cooperatives. About 650 cooperatives have submitted their financial report to NRB by Magh, said Pradip Raj Pandey, chief of Micro Finance Promotion and Supervision Department at the central bank. In January, Department of Cooperatives (DoC), which falls under the ministry of Agriculture and Cooperative, had directed all cooperatives to submit their financial statements to the division cooperative offices on monthly basis.

There are 8,888 savings and credit cooperatives and 3,465 multipurpose cooperatives licensed by DoC. These cooperatives perform deposit collection and lending. Cooperatives mobilising deposits over Rs 50 million have to submit their financial reports to the central bank. “The central bank has authority to take action only against cooperatives licensed by NRB, he said, adding that the central bank cannot take action against other cooperatives even if their financial dealings show discrepancies. NRB just wants to keep a tab on the finances of cooperatives until a stronger regulatory body is created for the supervision of saving and credit cooperatives, said Bhaskar Mani Gyanwali, spokesperson for the central bank. “The second tier institution that NRB is going to establish for the regulation of micro-finance institutions Micro-finance Authority might regulate the cooperatives as well,” Gyanwali added. For some time now, the deposit base of banks and financial institutions (BFIs) — including commercial banks, development banks and finance companies — is believed to be shifting to cooperatives dealing with savings and credit that are virtually regulation free and offering almost the double interest rates.

2.2 Theoretical Framework

2.2.1 Cooperative Model

2.2.1.1 Historical background

The history of cooperative societies in Nepal dates back to 1956, when the government first started 13 cooperatives societies in Chitwan district. In 1963, the government established the Cooperative Bank, which later was merged into the Agricultural Development Bank, Nepal in 1968. Rural based cooperatives were established mainly to distribute loans for agricultural inputs to farmers and trading of agricultural inputs and consumer goods to the local people both in cash and credit. These cooperatives were initially managed by the members and supervised by the Department of Cooperatives. Later, in 1973 the government decided to hand over the management of these cooperatives to the Agricultural Development Bank initially for a period of five years, which was subsequently extended by another five years. Later, the management of the cooperatives was again handed over to the members themselves in 1992.

In 1991, the government of Nepal enacted the Cooperative Act 1992. Under this Act, a group of 25 persons from a community can form a cooperative by registering it with the Department of Cooperatives, Ministry of Agriculture and Cooperatives. The Savings and Credit Cooperatives (SCCs) do not come under the regulatory framework of the Nepal Rastra Bank (NRB). However, some cooperatives that had been licensed from NRB in earlier days for limited banking services had provided services to non-members as well. But now there is no regulating body regulating the Cooperatives around Nepal due to which it has caused series of problems and risk to the depositors of cooperative and to the management of other banking and financial institution.

2.2.1.2 Modus operandi

The SCCs can target all community members in a given locality irrespective of their social and economic status. Twenty-five people can get together to run a cooperative in their respective locality/village. Currently, most of the members of these organizations belong to well to do families who can make savings and the average membership is around 100 per cooperative. These cooperatives take savings deposits from their members and whoever wants to put savings in the cooperative is extended membership. They also provide loans to their members for a number of purposes. Loans provided to the members have a minimum term of three months to three years covering specific areas such as agriculture, housing, micro enterprises, or some social purposes. The SCCs are supposed to be self-regulated, which often are mismanaged due to the lack of control of members over the board of directors and members are not aware of the principles of a cooperative due to lack of membership education. These organizations have not been well regulated and supervised from higher authorities; as a result, many of them do not have standard accounting and sound management practices. They also lack good governance. In spite of all these, SCCs are considered more suitable financing model for the hills and mountains as they provide both savings and financial services to the members who are the local people in a homely atmosphere without much of bureaucratic process. Due to low cost operation, their interest rates also are lower than other financial institutions.

2.2.2 Dependent and independent variables:

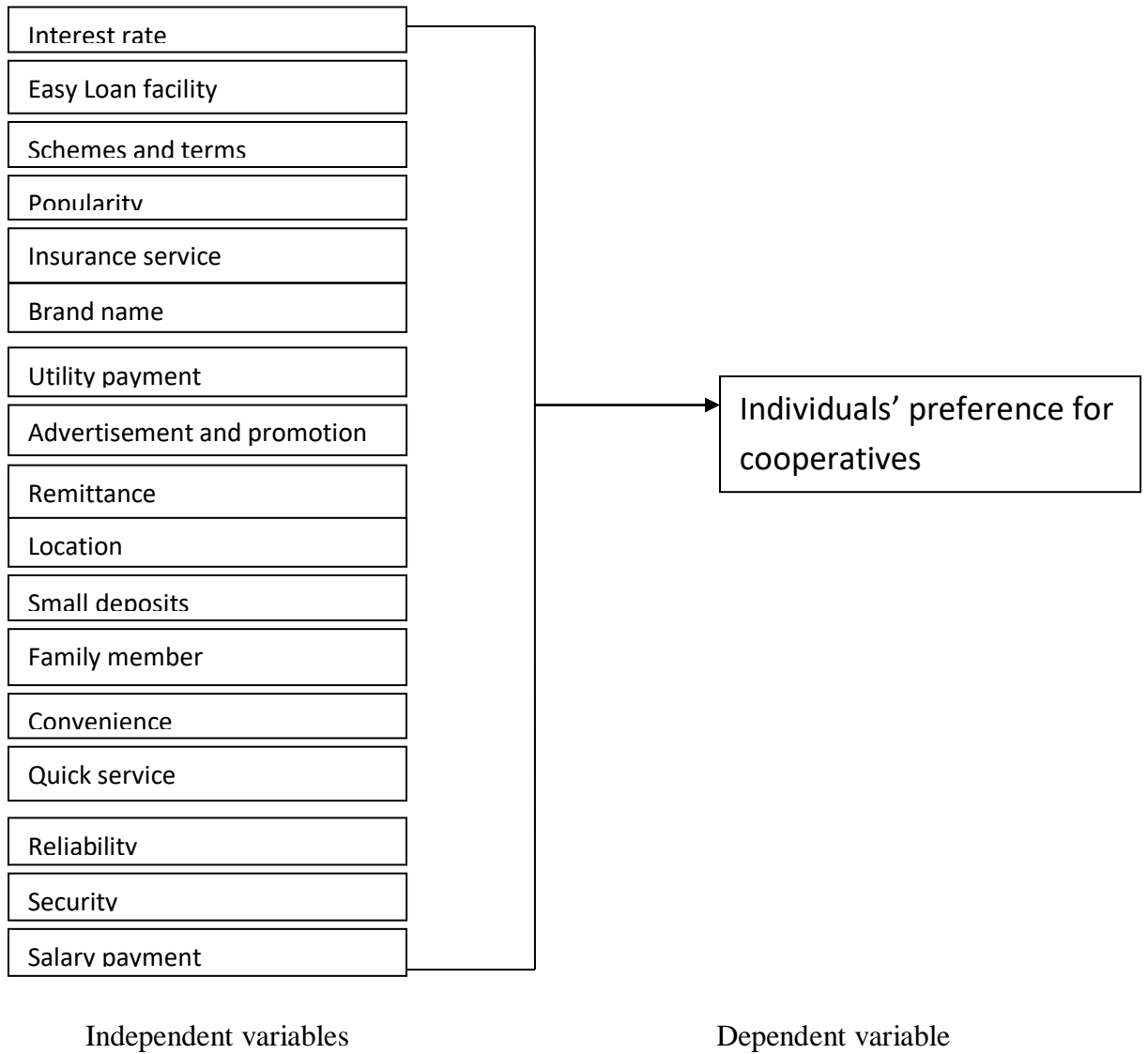


Figure 1: Dependent and independent variables

Chapter 3: Methodology

3.1 Research Plan and Design

A research design is a plan of the proposed research work. A research model or design represents a compromise dictated by mainly practical conditions. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

The study is based on empirical and analytical research design. It seeks to assess the opinions, behaviors or characteristics of a given population.

Initially, research was started through the secondary data search regarding the topic “Study on the People’s preference of Co-operative over Regulated Financial Institution”. Data concerning the cooperative model of Nepal, news regarding cooperatives, best practices around the world, and other relevant data regarding cooperatives were collected. Then some questionnaires were developed and a pilot test of the questionnaire was conducted with 30 respondents who had accounts in different cooperatives. From the pilot test different factors which affected the preference of the people were found, apart from the one already mentioned in the questionnaire. The pilot testing was done several times to be sure that no major factors affecting the decision of the respondent was left out. The questionnaire was revised and refined many times before the final outcome. To see that no question was left out or to check the validity and reliability of the data, questionnaires were filled up personally or supervised by the researcher while answering the questions. The view of different experts (bankers, cooperative board and NRB) and management of cooperatives were also considered.

3.2 Description of the sample

The total population for the research is the whole population of Kathmandu Metropolitan city. For the research, only Saving and Credit Cooperative that falls under the Cooperative Act 1992, will be considered.

The sampling of the data can be done in two ways probability sampling and non probability sampling. For the research non probability sampling has been chosen, as it is difficult to estimate the exact population who are using the cooperative service in Kathmandu. Under the probability sampling also I had chosen convenient sampling to collect data from the population.

For the research the sample size has been determined according to the formula as below

Sample size determination for the proportion

$$N = \frac{Z_{\alpha/2}^2 p(1-p)}{e^2}$$

Here,

$$Z_{\alpha/2} = Z_{0.05/2} = Z_{0.025} = 1.96$$

N= sample size

α =level of significance

α_2 = Two tail

p = proportion

e = sampling error

Let,

$\alpha = 0.05$ making the confidence level = 95%

Similarly, the proportion of the sample be 50% i.e. 0.5

Likewise, the sample error be 0.10

Now,

$$\begin{aligned} N &= \frac{Z_{\alpha/2}^2 p(1-p)}{e^2} \\ &= \frac{1.96^2 (0.5)(0.5)}{0.1^2} = 96.04 \end{aligned}$$

Since, from the formula the sample size is found to be 96.04. Therefore, the questionnaire sample for the research will be at least 96 respondents. 100 respondents who had account in different Cooperative have been asked to fill up the questionnaire for the research.

The respondents have been categorized according to age, marital status, gender and occupation. 50 percent male and 50 percent female respondent were taken among the 100 respondents and the respondents were categorized on the basis of occupation such as self employed, salaried employees, housewife and student. Similarly, the respondents were also categorized on the basis of married and single people. Finally, the respondents were also categorized on the basis of age group. This has been done to see whether these demographic attributes also affect the preference of the cooperative over other regulated financial institution rather than factors such as interest rate, location, convenience and so on.

For the research, interviews with 10 experts from NRB, corporate board and bankers were also taken. Similarly, interviews with 15 cooperative managers of different saving and credit cooperatives were also taken.

3.3 Instrumentation

Instrumentation can be basically explained as the tools used in data collection and analysis. Thus the major tool used in data collection was questionnaire and interview. The questionnaire was divided into two parts personal detail and research questions. The personal detail helped me to obtain information such as age, gender, marital status and occupation of the respondent. On the other hand, the research question helped me to collect data regarding the research topic.

In this research single responded question, multiple responded question, structured questions, and open-ended question were taken. Likert scale was also used in the questionnaire for the research. For the research primary data as well as secondary data were also used.

Similarly, interview with the management of cooperatives and experts from NRB, cooperative board and banks were also conducted personally as well as through telephone.

3.4 Data Collection procedure and time frame

The Study is based on primary data as well as secondary data. The questionnaire was filled under the researcher's supervision. Interview with the experts and management of the cooperatives were also conducted. The questionnaires were filled up in the presence of the researcher to ensure the reliability and validity of the data. The data had been collected within 2 months time period from various Cooperatives' customer as well as experts and management personnel of the cooperatives.

3.4.1 Primary data collection:

The primary data are taken from questionnaires filled up by 100 respondents having accounts at different saving and credit cooperative. The questionnaires were distributed directly to the customers and the interview was also conducted with the experts and management of the Cooperatives in this period. The questionnaires were distributed to the shopkeepers, housewives, students, salaried employees in different institutions as well as self employed businessman. Similarly different Cooperative companies, banks, Nepal Rastra Bank as well as Cooperative divisions were also visited to interview the experts and obtain their feedback regarding the research.

3.4.2 Secondary data collection:

The major secondary data sources are as follows:

- Nepal federation of savings and credit cooperative

- National cooperative development board.
- Department of cooperative development
- National cooperative federation of Nepal
- An Anatomy of Cooperative movement in Nepal- Chandra B. Thakuri
- Periodical magazines, news papers and websites
- Various financial publications and journals
- Course books and materials
- Different Cooperatives websites
- Asian Development Bank
- Others

Therefore, for collecting primary data questionnaires have been developed and provided to different respondents and experts. Their opinions and feedback have been taken and used as vital information for the research. On the other hand, secondary information has been collected for the literature review through different newspapers, websites and journals.

1.12.3 Time frame:

With regards to the time frame for the collection of both primary and secondary data, it took 2 months all together as various places had to be visited to fill up the questionnaires and to undertake interviews with the experts of various banks, cooperatives and cooperative boards.

3.5 Validity and Reliability

“Validity is the extent to which difference in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors”. (Malhotra N.K., “Marketing Research- an Applied Orientation”, 4th ed., 2005, p.269)

“Reliability is the extent to which a scale produces consistent results if repeated measures are made on the characteristic”. (Malhotra N.K., “Marketing Research- an Applied Orientation”, 4th ed., 2005, p.267).

In order to check validity, secondary data were collected then after questionnaires were prepared and pilot tested among 10 respondents was done. From the pilot test the questionnaire was redesigned and another pilot test was made among 20 respondents then finally, when no new data were found, a final questionnaire was prepared and approved by the guide and copy of it distributed among 100 respondents. Similarly, reliability was tested by self administering while the respondents filled the questionnaire and monitoring the respondent during the process. Likewise cross questions and an open-ended questions were also included to maintain the quality of data.

3.6 Analysis Plan

For the analysis and processing of data SPSS and Excel were used. The response collected from the respondent was coded and entered into the SPSS worksheet. All the different questions like multiple response and Likert scale were coded as per the prior established rules.

After the coding, the appropriate analysis was executed on the data collected. Various tools like chi-square analysis, Cross Tabulation and descriptive statistics were used to draw inferences from the collected responses.

After that, the data were copied on the Excel worksheet where the tables obtained from SPSS were refined and then used to interpret the results. Also, necessary Tables and charts was drawn using Microsoft Excel in order to obtain the results.

Then the Tables and charts were presented in this report along with explanations so that conclusions could be drawn as required for the purpose of the research.

Chapter 4 Results and Discussions

4.1 Presentation and Descriptive analysis of the result from respondents:

This section helps to deal with the presentation and descriptive analysis of the 100 respondent as per the questionnaire mentioned in Appendix 1.

4.1.1 Age of the respondent

AGE		
	Frequency	Percent
less than 25	17	17
25 to 34	36	36
35 to 44	23	23
45 to 54	18	18
55 to 64	4	4
65 to 74	2	2
Total	100	100

Table 1: Age of the respondent

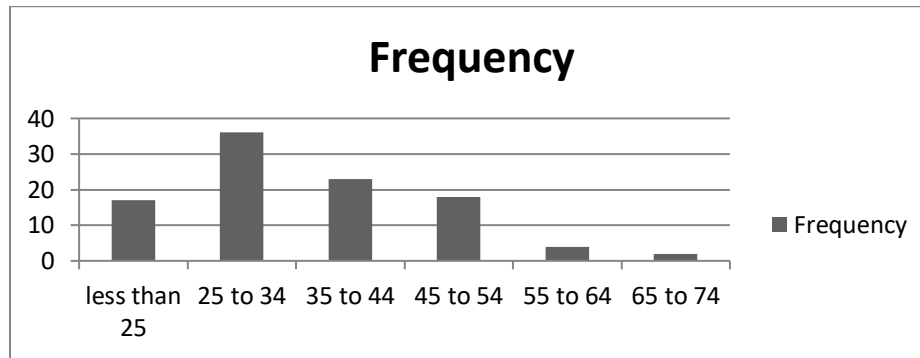


Figure 2: Age Frequency

Interpretation:

Among the 100 respondent 36 percentage of the respondent were from age 25 to 34 years. And 23 percentage of the respondent were from age 35 to 44 years. So, we can see that most of the people from age 25 to 54 are using the Cooperative companies for their personal use as well as for business use also.

4.1.2 Occupation

OCCUPATION		
	Frequency	Percent
self employed	30	30
salaried employees	49	49
student	18	18
housewife	3	3
Total	100	100

Table 2: Occupation

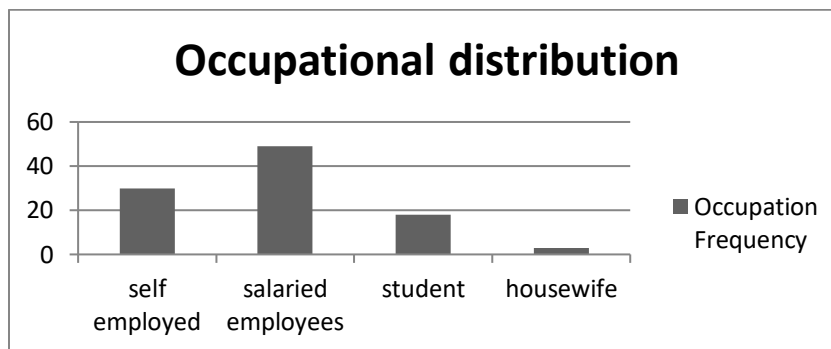


Figure 3: Occupation frequency

Interpretation:

Among the 100 respondent 49 percent of the people were salaried employees where as 30 percentage of the people were self employees.

4.1.3 Cross tabulation between Age and member of Cooperative

		are you a member of a cooperative
		yes
Age	less than 25	17
	25 to 34	36
	35 to 44	23
	45 to 54	18
	55 to 64	4
	65 to 74	2
Total		100

Table 3: Cross tab- Age and member of Cooperative

Interpretation:

Among the 100 respondent the entire respondent had account in Cooperative. Among the 100 respondent 36 percentage of the respondent were from age 25 to 34 years. And 23 percentage of the respondent were from age 35 to 44 years. So, we can see that most of the people from age 25 to 54 are using the Cooperative companies for their personal use as well as for business use.

4.1.4 Cross tabulation between Occupation and member of Cooperative

		are you a member of a cooperative	
		yes	Total
Occupation	self employed	30	30
	salaried employees	49	49
	student	18	18
	housewife	3	3
Total		100	100

Table 4: cross tab-Occupation and member of Cooperative

Interpretation:

Among the 100 respondent 49 percentages of the salaried employees is member of the Cooperative and 30 percentage of the self employed are the member of the Cooperative.

4.1.5 Cross Tabulation between Age and Interest rate as a motivating factor

		interest rate - important or not		
		not important	important	Total
age	less than 25	0 (0.0)	17 (100.0)	17 (100.0)
	25 to 34	6 (16.7)	30 (83.3)	36 (100.0)
	35 to 44	0 (0.0)	23 (100.0)	23 (100.0)
	45 to 54	5 (27.8)	13 (72.2)	18 (100.0)
	55 to 64	0 (0.0)	4 (100.0)	4 (100.0)
	65 to 74	0 (0.0)	2 (100.0)	2 (100.0)
Total		11 11.00%	89 89.00%	100 100.00%

Table 5: cross tab- age and interest rate as motivating factor

Interpretation:

Among the 36 respondent aged 25 to 34 years 83.3 percentages of the respondent think that interest rate is an important factor which motivates them while choosing any banking and financial institution while only 16.7 percentages of them do not feel interest rate is an important factor.

4.1.6 Cross Tabulation between Age and Easy loan facilities as a motivating factor

		easy loan facilities		
		not important	important	Total
age	less than 25	10 (58.8)	7 (41.2)	17 (100.0)
	25 to 34	18 (50.0)	18 (50.0)	36 (100.0)
	35 to 44	6 (26.1)	17 (73.9)	23 (100.0)
	45 to 54	9 (50.0)	9 (50.0)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	1 (50.0)	1 (50.0)	2 (100.0)
	Total		47 (47.0)	53 (53.0)

Table 6: cross tab-age and easy loan facility as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 34 years 50 percentages of the respondent think that easy loan facility is an important factor which motivates them while choosing any banking and financial institution while only 50 percentages of them do not feel easy loan facility is an important factor.

4.1.7 Cross Tabulation between Age and Schemes and terms as a motivating factor

		schemes and terms		
age		not important	important	Total
	less than 25	11 (64.7)	6 (35.3)	17 (100.0)
25 to 34	23 (63.9)	13 (36.1)	36 (100.0)	
35 to 44	17 (73.9)	6 (26.1)	23 (100.0)	
45 to 54	12 (66.7)	6 (33.3)	18 (100.0)	
55 to 64	1 (25.0)	3 (75.0)	4 (100.0)	
65 to 74	1 (50.0)	1 (50.0)	2 (100.0)	
Total	65 (65.0)	35 (35.0)	100 (100.0)	

Table 7: cross tab- age and schemes an terms as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years old 36.1 percentages think that schemes and terms is an important factor which motivates them while choosing any banking and financial institution while 63.9 percentages of them do not feel interest rate is an important factor.

4.1.8 Cross Tabulation between Age and popularity as a motivating factor

		popularity		
		not important	important	Total
age	less than 25	12 (70.6)	5 (29.4)	17 (100.0)
	25 to 34	31 (86.1)	5 (13.9)	36 (100.0)
	35 to 44	17 (73.9)	6 (26.1)	23 (100.0)
	45 to 54	10 (55.6)	8 (44.4)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	0 (0.0)	2 (100.0)	2 (100.0)
Total		73 (73.0)	27 (27.0)	100 (100.0)

Table 8: cross tab- age and popularity as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 13.9 percentages think that popularity is an important factor which motivates them while choosing any banking and financial institution while 86.1 percentages feel popularity is not an important factor.

4.1.9 Cross Tabulation between Age and Insurance Service as a motivating factor

		insurance service		
		not important	important	Total
age	less than 25	12 (70.6)	5 (29.4)	17 (100.0)
	25 to 34	30 (83.3)	6 (16.7)	36 (100.0)
	35 to 44	15 (65.2)	8 (34.8)	23 (100.0)
	45 to 54	14 (77.8)	4 (22.2)	18 (100.0)
	55 to 64	4 (100.0)	0 (0.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
Total		77 (77.0)	23 (23.0)	100 (100.0)

Table 9: cross tab- age and insurance service as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 16.7 percentages think that Insurance service is an important factor which motivates them while choosing any banking and financial institution while 83.3 percentages feel insurance service is not an important factor.

4.1.10 Cross Tabulation between Age and Utility payment as a motivating factor

		utility payment		
age		not important	important	Total
	less than 25	16 (94.1)	1 (5.9)	17 (100.0)
25 to 34	30 (83.3)	6 (16.7)	36 (100.0)	
35 to 44	17 (73.9)	6 (26.1)	23 (100.0)	
45 to 54	13 (72.2)	5 (27.8)	18 (100.0)	
55 to 64	2 (50.0)	2 (50.0)	4 (100.0)	
65 to 74	2 (100.0)	0 (0.0)	2 (100.0)	
Total		80 (80.0)	20 (20.0)	100 (100.0)

Table 10: cross tab- age and utility as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 16.7 percentages think that utility payment is an important factor which motivates them while choosing any banking and financial institution while 83.3 percentages feel utility payment is not an important factor.

4.1.11 Cross Tabulation between Age and Location as a motivating factor

		location		
		not important	important	Total
age	less than 25	5 (29.4)	12 (70.6)	17 (100.0)
	25 to 34	15 (41.7)	21 (58.3)	36 (100.0)
	35 to 44	10 (43.5)	13 (56.5)	23 (100.0)
	45 to 54	5 (27.8)	13 (72.2)	18 (100.0)
	55 to 64	2 (50.0)	2 (50.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
Total		39 (39.0)	61 (61.0)	100 (100.0)

Table 11: cross tab- age and location as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 58.3 percentages think that location is an important factor which motivates them while choosing any banking and financial institution while 41.7 percentages feel utility location is not an important factor.

4.1.12 Cross Tabulation between Age and Remittance as a motivating factor

		remittance		
		not important	important	Total
age	less than 25	13 (76.5)	4 (23.5)	17 (100.0)
	25 to 34	34 (94.4)	2 (5.6)	36 (100.0)
	35 to 44	23 (100.0)	0 (0.0)	23 (100.0)
	45 to 54	13 (72.2)	5 (27.8)	18 (100.0)
	55 to 64	4 (100.0)	0 (0.0)	4 (100.0)
	65 to 74	1 (50.0)	1 (50.0)	2 (100.0)
Total		88 (88.0)	12 (12.0)	100 (100.0)

Table 12: cross tab- age and remittance as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 5.6 percentages think that remittance is an important factor which motivates them while choosing any banking and financial institution while 84.4 percentages feel utility remittance is not an important factor.

4.1.13 Cross Tabulation between Age and Brand name as a motivating factor

		brand name		
		not important	important	Total
age	less than 25	16 (94.1)	1 (5.9)	17 (100.0)
	25 to 34	28 (77.8)	8 (22.2)	36 (100.0)
	35 to 44	19 (82.6)	4 (17.4)	23 (100.0)
	45 to 54	10 (55.6)	8 (44.4)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
Total		78 (78.0)	22 (22.0)	100 (100.0)

Table 13: age and brand name as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 22.2 percentages think that brand name is an important factor which motivates them while choosing any banking and financial institution while 77.8 percentages feel brand name is not an important factor.

4.1.14 Cross Tabulation between Age and Convenience as a motivating factor

		Convenience		
		not important	important	Total
age	less than 25	10 (58.8)	7 (41.2)	17 (100.0)
	25 to 34	17 (47.2)	19 (52.8)	36 (100.0)
	35 to 44	14 (60.9)	9 (39.1)	23 (100.0)

	45 to 54	3 (16.7)	15 (83.3)	18 (100.0)
	55 to 64	2 (50.0)	2 (50.0)	4 (100.0)
	65 to 74	0 (0.0)	2 (100.0)	2 (100.0)
Total		46 (46.0)	54 (54.0)	100 (100.0)

Table 14: cross tab- age and convenience as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 52.8 percentages think that convenience is an important factor which motivates them while choosing any banking and financial institution while 47.2 percentages feel convenience is not an important factor.

4.1.15 Cross Tabulation between Age and Small deposit as a motivating factor

		small deposit		
		not important	important	Total
age	less than 25	12 (70.6)	5 (29.4)	17 (100.0)
	25 to 34	25 (69.4)	11 (30.6)	36 (100.0)
	35 to 44	8 (34.8)	15 (65.2)	23 (100.0)
	45 to 54	10 (55.6)	8 (44.4)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	1 (50.0)	1 (50.0)	2 (100.0)
	Total		59 (59.0)	41 (41.0)

Table 15: cross tab: age and small deposit as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 30.6 percentages think that small deposit is an important factor which motivates them while choosing any banking and financial institution while 69.4 percentages feel small deposit is not an important factor

4.1.16 Cross Tabulation between Age and Family member as a motivating factor

		family member		
age		not important	important	Total
	less than 25	15 (88.2)	2 (11.8)	17 (100.0)
	25 to 34	28 (77.8)	8 (22.2)	36 (100.0)
	35 to 44	15 (65.2)	8 (34.8)	23 (100.0)
	45 to 54	11 (61.1)	7 (38.9)	18 (100.0)
	55 to 64	4 (100.0)	0 (0.0)	4 (100.0)
	65 to 74	0 (0.0)	2 (100.0)	2 (100.0)
Total		73 (73.0)	27 (27.0)	100 (100.0)

Table 16: cross tab= age and family member as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 22.2 percentages think that family member is an important factor which motivates them while choosing any banking and financial institution while 77.8 percentages feel family member is not an important factor.

4.1.17 Cross Tabulation between Age and Security as a motivating factor

		Security		
age		not important	important	Total
	less than 25	4 (23.5)	13 (76.5)	17 (100.0)
	25 to 34	17 (47.2)	19 (52.8)	36 (100.0)
	35 to 44	11 (47.8)	12 (52.2)	23 (100.0)
	45 to 54	9 (50.0)	9 (50.0)	18 (100.0)
	55 to 64	4 (100.0)	0 (0.0)	4 (100.0)
	65 to 74	1 (50.0)	1 (50.0)	2 (100.0)
Total		46 (46.0)	54 (54.0)	100 (100.0)

Table 17: cross tab- age and security as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 52.8 percentages think that security is an important factor which motivates them while choosing any banking and financial institution while 47.2 percentages feel security is not an important factor

4.1.18 Cross Tabulation between Age and Reliability as a motivating factor

		reliability		
		not important	important	Total
age	less than 25	7 (41.2)	10 (58.8)	17 (100.0)
	25 to 34	22 (61.1)	14 (38.9)	36 (100.0)
	35 to 44	15 (65.2)	8 (34.8)	23 (100.0)
	45 to 54	9 (50.0)	9 (50.0)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
Total		58 (58.0)	42 (42.0)	100 (100.0)

Table 18: cross tab- age and reliability

Interpretation:

Among the 36 respondent aged 25 to 35 years 38.9 percentages think that reliability is an important factor which motivates them while choosing any banking and financial institution while 61.1 percentages feel reliability is not an important factor

4.1.19 Cross Tabulation between Age and Quick service as a motivating factor

		quick service		
		not important	important	Total
age	less than 25	6 (35.3)	11 (64.7)	17 (100.0)
	25 to 34	18 (50.0)	18 (50.0)	36 (100.0)
	35 to 44	9 (39.1)	14 (60.9)	23 (100.0)
	45 to 54	5 (27.8)	13 (72.2)	18 (100.0)

	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	0 (0.0)	2 (100.0)	2 (100.0)
Total		41 (41.0)	59 (59.0)	100 (100.0)

Table 19: cross tab-age and quick service as motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 50 percentages think that quick service is an important factor which motivates them while choosing any banking and financial institution while 50 percentages feel quick service is not an important factor.

4.1.20 Cross Tabulation between Age and advertisement and Promotion a motivating factor

		advertisement and promotion		
age		not important	important	Total
		less than 25	17 (100.0)	0 (0.0)
	25 to 34	33 (91.7)	3 (8.3)	36 (100.0)
	35 to 44	20 (87.0)	3 (13.0)	23 (100.0)
	45 to 54	17 (94.4)	1 (5.6)	18 (100.0)
	55 to 64	4 (100.0)	0 (0.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
Total		93 (93.0)	7 (7.0)	100 (100.0)

Table 20: cross tab- age and advertisement and promotion

Interpretation:

Among the 36 respondent aged 25 to 35 years 8.3 percentages think that advertisement and promotion is an important factor which motivates them while choosing any banking and financial institution while 91.7 percentages feel advertisement and promotion is not an important factor.

4.1.21 Cross Tabulation between Age and salary Payment as a motivating factor

		salary payment		
age		not important	important	Total
	less than 25	17 (100.0)	0 (0.0)	17 (100.0)
25 to 34	29 (80.6)	7 (19.4)	36 (100.0)	
35 to 44	21 (91.3)	2 (8.7)	23 (100.0)	
45 to 54	17 (94.4)	1 (5.6)	18 (100.0)	
55 to 64	3 (75.0)	1 (25.0)	4 (100.0)	
65 to 74	2 (100.0)	0 (0.0)	2 (100.0)	
Total		89 (89.0)	11 (11.0)	100 (100.0)

Table 21: cross tab- age and salary payment as a motivating factor

Interpretation:

Among the 36 respondent aged 25 to 35 years 19.4 percentages think that salary payment is an important factor which motivates them while choosing any banking and financial institution while 80.6 percentages feel salary payment is not an important factor.

4.1.22 Cross tabulation between Occupation and Interest rate as a motivating factor

		interest rate - important or not		
occupation		not important	important	Total
	self employed	8 (26.7)	22 (73.3)	30 (100.0)
salaried employees	3 (6.1)	46 (93.9)	49 (100.0)	
student	0 (0.0)	18 (100.0)	18 (100.0)	
housewife	0 (0.0)	3 (100.0)	3 (100.0)	
Total		11 (11.0)	89 (89.0)	100 (100.0)

Table 22: cross tab- occupation and interest rate as a motivating factor

Interpretation:

Among the 49 salaried employees 93.9 percentages think that interest rate is an important factor which motivates them while choosing any banking and financial institution while 6.1 percentages feel interest rate is not an important factor.

4.1.23 Cross tabulation between Occupation and easy loan facility as a motivating factor

easy loan facilities				
occupation		not important	important	Total
	self employed	16 (53.3)	14 (46.7)	30 (100.0)
salaried employees	17 (34.7)	32 (65.3)	49 (100.0)	
student	13 (72.2)	5 (27.8)	18 (100.0)	
housewife	1 (33.3)	2 (66.7)	3 (100.0)	
Total		47 (47.0)	53 (53.0)	100 (100.0)

Table 23: cross tab- occupation and easy loan facility as a motivating factor

Interpretation:

Among the 49 salaried employees 65.3 percentages think that easy loan facility is an important factor which motivates them while choosing any banking and financial institution while 34.7 percentages feel easy loan facility is not an important factor.

4.1.24 Cross tabulation between occupation and schemes and terms as a motivating factor

schemes and terms				
occupation		not important	important	Total
	self employed	24 (80.0)	6 (20.0)	30 (100.0)
salaried employees	29 (59.2)	20 (40.8)	49 (100.0)	

	student	10 (55.6)	8 (44.4)	18 (100.0)
	housewife	2 (66.7)	1 (33.3)	3 (100.0)
Total		65 (65.0)	35 (35.0)	100 (100.0)

Table 24: cross tab- occupation and schemes and terms as a motivating factor

Interpretation:

Among the 49 salaried employees 40.8 percentages think that schemes and terms is an important factor which motivates them while choosing any banking and financial institution while 59.2 percentages feel schemes and terms is not an important factor.

4.1.25 Cross tabulation between Occupation and popularity as a motivating factor

		popularity		
		not important	important	Total
occupation	self employed	21 (70.0)	9 (30.0)	30 (100.0)
	salaried employees	34 (69.4)	15 (30.6)	49 (100.0)
	student	15 (83.3)	3 (16.7)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	3 (100.0)
	Total	73 (73.0)	27 (27.0)	100 (100.0)

Table 25: cross tab- occupation and popularity as a motivating factor

Interpretation:

Among the 49 salaried employees 30.6 percentages think that popularity is an important factor which motivates them while choosing any banking and financial institution while 69.4 percentages feel popularity is not an important factor

4.1.26 Cross tabulation between Occupation and Insurance service as a motivating factor

insurance service				
occupation		not important	important	Total
	self employed	24 (80.0)	6 (20.0)	30 (100.0)
salaried employees	37 (75.5)	12 (24.5)	49 (100.0)	
student	14 (77.8)	4 (22.2)	18 (100.0)	
housewife	2 (66.7)	1 (33.3)	3 (100.0)	
Total	77 (77.0)	23 (23.0)	100 (100.0)	

Table 26: cross tab- occupation and insurance service as a motivating factor

Interpretation:

Among the 49 salaried employees 24.5 percentages think that insurance service is an important factor which motivates them while choosing any banking and financial institution while 75.5 percentages feel insurance service is not an important factor

4.1.27 Cross tabulation between Occupation and utility payment as a motivating factor

utility payment				
occupation		not important	important	Total
	self employed	24 (80.0)	6 (20.0)	30 (100.0)
salaried employees	39 (79.6)	10 (20.4)	49 (100.0)	
student	14 (77.8)	4 (22.2)	18 (100.0)	
housewife	3 (100.0)	0 (0.0)	3 (100.0)	
Total	80 (80.0)	20 (20.0)	100 (100.0)	

Table 27: cross tab- occupation and utility payment as a motivating factor

Interpretation:

Among the 49 salaried employees 20.4 percentages think that utility payment is an important factor which motivates them while choosing any banking and financial institution while 79.6 percentages feel interest rate is not an important factor

4.1.28 Cross tabulation between Occupation and location as a motivating factor

		location		
		not important	important	Total
occupation	self employed	15 (50.0)	15 (50.0)	30 (100.0)
	salaried employees	16 (32.7)	33 (67.3)	49 (100.0)
	student	8 (44.4)	10 (55.6)	18 (100.0)
	housewife	0 (0.0)	3 (100.0)	3 (100.0)
Total		39 (39.0)	61 (61.0)	100 (100.0)

Table 28: cross tab- occupation and location as a motivating factor

Interpretation:

Among the 49 salaried employees 67.3 percentages think that location is an important factor which motivates them while choosing any banking and financial institution while 32.7 percentages feel location is not an important factor

4.1.29 Cross tabulation between Occupation and remittance as a motivating factor

		remittance		
		not important	important	Total
occupation	self employed	27 (90.0)	3 (10.0)	30 (100.0)
	salaried employees	42 (85.7)	7 (14.3)	49 (100.0)
	student	16 (88.9)	2 (11.1)	18 (100.0)

	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total		88 (88.0)	12 (12.0)	100 (100.0)

Table 29: cross tab- occupation and remittance as a motivating factor

Interpretation:

Among the 49 salaried employees 14.3 percentages think that remittance is an important factor which motivates them while choosing any banking and financial institution while 85.7 percentages feel remittance is not an important factor

4.1.30 Cross tabulation between Occupation and brand name as a motivating factor

		brand name		
		not important	important	Total
occupation	self employed	22 (73.3)	8 (26.7)	30 (100.0)
	salaried employees	37 (75.5)	12 (24.5)	49 (100.0)
	student	16 (88.9)	2 (11.1)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total	78 (78.0)	22 (22.0)	100 (100.0)	

Table 30: cross tab- occupation and brand name as a motivating factor

Interpretation:

Among the 49 salaried employees 24.5 percentages think that brand name is an important factor which motivates them while choosing any banking and financial institution while 75.5 percentages feel brand name is not an important factor

4.1.31 Cross tabulation between Occupation and Convenience as a motivating factor

		Convenience		
		not important	important	Total
occupation	self employed	17 (56.7)	13 (43.3)	30 (100.0)

	salaried employees	19 (38.8)	30 (61.2)	49 (100.0)
	student	9 (50.0)	9 (50.0)	18 (100.0)
	housewife	1 (33.3)	2 (66.7)	3 (100.0)
Total		46 (46.0)	54 (54.0)	100 (100.0)

Table 31: cross tab- occupation and convenience as a motivating factor

Interpretation:

Among the 49 salaried employees 61.2 percentages think that convenience is an important factor which motivates them while choosing any banking and financial institution while 38.8 percentages feel convenience is not an important factor

4.1.32 Cross tabulation between Occupation and small deposit as a motivating factor

		small deposit		
		not important	important	Total
occupation	self employed	18 (60.0)	12 (40.0)	30 (100.0)
	salaried employees	26 (53.1)	23 (46.9)	49 (100.0)
	student	14 (77.8)	4 (22.2)	18 (100.0)
	housewife	1 (33.3)	2 (66.7)	3 (100.0)
Total		59 (59.0)	41 (41.0)	100 (100.0)

Table 32: cross tab- occupation and small deposit as a motivating factor

Interpretation:

Among the 49 salaried employees 46.9 percentages think that small deposit is an important factor which motivates them while choosing any banking and financial institution while 53.1 percentages feel small deposit is not an important factor

4.1.33 Cross tabulation between Occupation and family member as a motivating factor

		family member		
occupation		not important	important	Total
	self employed	24 (80.0)	6 (20.0)	30 (100.0)
salaried employees	36 (73.5)	13 (26.5)	49 (100.0)	
student	12 (66.7)	6 (33.3)	18 (100.0)	
housewife	1 (33.3)	2 (66.7)	3 (100.0)	
Total	73 (73.0)	27 (27.0)	100 (100.0)	

Table 33: cross tab occupation and family member as a motivating factor

Interpretation:

Among the 49 salaried employees 26.5 percentages think that family member is an important factor which motivates them while choosing any banking and financial institution while 73.5 percentages feel family member is not an important factor

4.1.34 Cross tabulation between Occupation and security as a motivating factor

		Security		
occupation		not important	important	Total
	self employed	14 (46.7)	16 (53.3)	30 (100.0)
salaried employees	24 (49.0)	25 (51.0)	49 (100.0)	
student	6 (33.3)	12 (66.7)	18 (100.0)	
housewife	2 (66.7)	1 (33.3)	3 (100.0)	
Total	46 (46.0)	54 (54.0)	100 (100.0)	

Table 34: cross tab- occupation and security as a motivating factor

Interpretation:

Among the 49 salaried employees 51percentages think that security is an important factor which motivates them while choosing any banking and financial institution while 49 percentages feel security is not an important factor

4.1.35 Cross tabulation between Occupation and reliability as a motivating factor

		reliability		
		not important	important	Total
occupation	self employed	15 (50.0)	15 (50.0)	30 (100.0)
	salaried employees	31 (63.3)	18 (36.7)	49 (100.0)
	student	9 (50.0)	9 (50.0)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total		58 (58.0)	42 (42.0)	100 (100.0)

Table 35: cross tab- occupation and reliability as a motivating factor

Interpretation:

Among the 49 salaried employees 36.7percentages think that reliability is an important factor which motivates them while choosing any banking and financial institution while 63.3 percentages feel reliability is not an important factor

4.1.36 Cross tabulation between Occupation and quick service as a motivating factor

		quick service		
		not important	important	Total
occupation	self employed	10 (33.3)	20 (66.7)	30 (100.0)
	salaried employees	18 (36.7)	31 (63.3)	49 (100.0)
	student	10 (55.6)	8 (44.4)	18 (100.0)

	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total		41 (41.0)	59 (59.0)	100 (100.0)

Table 36: cross tab- occupation and quick service as a motivating factor

Interpretation:

Among the 49 salaried employees 63.3 percentages think that quick service is an important factor which motivates them while choosing any banking and financial institution while 36.7 percentages feel quick service is not an important factor

4.1.37 Cross tabulation between Occupation and advertisement and promotion as a motivating factor

		advertisement and promotion		
		not important	important	Total
occupation	self employed	26 (86.7)	4 (13.3)	30 (100.0)
	salaried employees	47 (95.9)	2 (4.1)	49 (100.0)
	student	17 (94.4)	1 (5.6)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total		93 (93.0)	7 (7.0)	100 (100.0)

Table 37: cross tab between occupation and advertisement and promotion as a motivating factor

Interpretation:

Among the 49 salaried employees 4.1 percentages think that advertisement and promotion is an important factor which motivates them while choosing any banking and financial institution while 95.9 percentages feel advertisement and promotion is not an important factor

4.1.38 Cross tabulation between Occupation and salary payment as a motivating factor

		salary payment		
occupation		not important	important	Total
	self employed	25 (83.3)	5 (16.7)	30 (100.0)
	salaried employees	44 (89.8)	5 (10.2)	49 (100.0)
	student	17 (94.4)	1 (5.6)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	3 (100.0)
Total		89 (89.0)	11 (11.0)	100 (100.0)

Table 38: cross tab- occupation and salary payment as a motivating factor

Interpretation:

Among the 49 salaried employees 10.2 percentages think that salary payment is an important factor which motivates them while choosing any banking and financial institution while 89.8 percentages feel salary payment is not an important factor

4.1.39 Cross tabulation between age and regulated financial institution safer than cooperative

		Regulated financial institution safer than cooperative		
age		yes	no	Total
	less than 25	11 (64.7)	6 (35.3)	17 (100.0)
	25 to 34	30 (83.3)	6 (16.7)	36 (100.0)
	35 to 44	22 (95.7)	1 (4.3)	23 (100.0)
	45 to 54	16 (88.9)	2 (11.1)	18 (100.0)
	55 to 64	3 (75.0)	1 (25.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	2 (100.0)
	Total		84 (84.0)	16 (16.0)

Table 39: cross tab- age and regulated financial institution safer than cooperative

Interpretation:

Among the 36 respondent aged 25 to 34 years 83.3 percentages think that regulated financial institute are safer than cooperative while 16.7 percentage do not think that regulated financial institution are safer than cooperative.

4.1.40 Cross tabulation between occupation and regulated financial institution safer than cooperative

Regulated financial institution safer than cooperative				
occupation		yes	no	Total
	self employed		25 (83.3)	5 (16.7)
salaried employees		40 (81.6)	9 (18.4)	49 (100.0)
student		16 (88.9)	2 (11.1)	18 (100.0)
housewife		3 (100.0)	0 (0.0)	3 (100.0)
Total		84 (84.0)	16 (16.0)	100 (100.0)

Table 40: cross tab- occupation and regulated financial institution safer than cooperative

Interpretation:

Among the 49 salaried employees 81.6 percentages think that regulated financial institute are safer than cooperative while 18.4 percentages do not think that regulated financial institution are safer than cooperative.

4.1.41 Cross tabulation between age and preference of financial institution

Preference of financial institution						
age		commercial bank	development bank	finance companies	cooperative	Total
less than 25		11 (64.7)	2 (11.8)	0 (0.0)	4 (23.5)	17 (100.0)
25 to 34		25 (69.4)	3 (8.3)	1 (2.8)	7 (19.4)	36 (100.0)
35 to 44		16 (69.6)	0 (0.0)	0 (0.0)	7 (30.4)	23 (100.0)

	45 to 54	12 (66.7)	4 (22.2)	0 (0.0)	2 (11.1)	18 (100.0)
	55 to 64	1 (25.0)	1 (25.0)	2 (50.0)	0 (0.0)	4 (100.0)
	65 to 74	2 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total		67 (67.0)	10 (10.0)	3 (3.0)	20 (20.0)	100 (100.0)

Table 41: cross tab- age and preference

Interpretation:

Among the 36 respondent aged 25 to 34 years 69.4 percentages prefer commercial bank, 8.3 percentages prefer development bank, 2.8 percentages prefer finance companies while 19.4 percentages prefer cooperative

4.1.42 Cross tabulation between Occupation and preference of financial institution

Preference of financial institution						
		commercial bank	development bank	finance companies	cooperative	Total
occupation	self employed	23 (76.7)	3 (10.0)	1 (3.3)	3 (10.0)	30 (100.0)
	salaried employees	28 (57.1)	4 (8.2)	2 (4.1)	15 (30.6)	49 (100.0)
	student	13 (72.2)	3 (16.7)	0 (0.0)	2 (11.1)	18 (100.0)
	housewife	3 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	3 (100.0)
Total		67 (67.0)	10 (10.0)	3 (3.0)	20 (20.0)	100 (100.0)

Table 42: Cross tab- occupation and preference

Interpretation:

Among the 49 salaried employees respondent 57.1 percentages prefer commercial bank, 8.2 percentages prefer development bank, 4.1 percentages prefer finance companies while 30.6 percentages prefer cooperative.

4.1.43 Cross tabulation between age and cooperatives follow regulation

cooperatives follow the regulation				
age		yes	no	Total
	less than 25		8 (47.1)	9 (52.9)
25 to 34		19 (52.8)	17 (47.2)	36 (100.0)
35 to 44		12 (52.2)	11 (47.8)	23 (100.0)
45 to 54		15 (83.3)	3 (16.7)	18 (100.0)
55 to 64		2 (50.0)	2 (50.0)	4 (100.0)
65 to 74		2 (100.0)	0 (0.0)	2 (100.0)
Total		58 (58.0)	42 (42.0)	100 (100.0)

Table 43: cross tab- age follow regulation

Interpretation:

Among the 36 respondent aged 25 to 34 years 52.8 percentages think that cooperatives follow regulation as stated by the cooperative board while 47.2 percentages think that they do not follow regulation as stated by the cooperative board.

4.1.44 Cross tabulation between occupation and cooperatives follow regulation

cooperatives follow the regulation				
occupation		yes	no	Total
	self employed		13 (43.3)	17 (56.7)
salaried employees		35 (71.4)	14 (28.6)	49 (100.0)
student		7 (38.9)	11 (61.1)	18 (100.0)
housewife		3 (100.0)	0 (0.0)	3 (100.0)
Total		58 (58.0)	42 (42.0)	100 (100.0)

Table 44: cross tab- occupation and follow regulation

Interpretation:

Among 49 salaried employees 71.4 percentages think that cooperatives follow regulation as stated by the cooperative board while 28.6 percentages think that they do not follow regulation as stated by the cooperative board.

4.1.45 Cross tabulation between age and sustainability

		sustainability		
age		yes	no	Total
	less than 25	14 (82.4)	3 (17.6)	17 (100.0)
25 to 34	22 (61.1)	14 (38.9)	36 (100.0)	
35 to 44	15 (65.2)	8 (34.8)	23 (100.0)	
45 to 54	13 (72.2)	5 (27.8)	18 (100.0)	
55 to 64	3 (75.0)	1 (25.0)	4 (100.0)	
65 to 74	2 (100.0)	0 (0.0)	2 (100.0)	
Total	69 (69.0)	31 (31.0)	100 (100.0)	

Table 45: cross tab- age and sustainability

Interpretation:

Among the 36 respondent aged 25 to 34 years 22 percentages think that cooperatives are sustainable in nature while 38.9 percentages think that they are not sustainable in nature.

4.1.46 Cross tabulation between occupation and sustainability

		Sustainability		
occupation		yes	no	Total
	self employed	14 (46.7)	16 (53.3)	30 (100.0)
salaried employees	40 (81.6)	9 (18.4)	49 (100.0)	
student	13 (72.2)	5 (27.8)	18 (100.0)	
housewife	2	1	3	

		(66.7)	(33.3)	(100.0)
Total		69 (69.0)	31 (31.0)	100 (100.0)

Table 46: cross tab- occupation and sustainability

Interpretation:

Among the 49 salaried employees 81.6 percentages think that cooperatives are sustainable in nature while 18.4 percentages think that they are not sustainable in nature.

4.1.47 Cross tabulation between age and unregulated environment vs. risk

Unregulated environment Vs. risk							
age		strongly disagree	disagree	neutral	agree	strongly agree	Total
	less than 25		0 (0.0)	0 (0.0)	1 (5.9)	13 (76.5)	3 (17.6)
25 to 34		1 (2.8)	3 (8.3)	4 (11.1)	18 (50.0)	10 (27.8)	36 (100.0)
35 to 44		0 (0.0)	1 (4.3)	2 (8.7)	13 (56.5)	7 (30.4)	23 (100.0)
45 to 54		1 (5.6)	1 (5.6)	4 (22.2)	5 (27.8)	7 (38.9)	18 (100.0)
55 to 64		0 (0.0)	0 (0.0)	0 (0.0)	2 (50.0)	2 (50.0)	4 (100.0)
65 to 74		1 (50.0)	0 (0.0)	0 (0.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total		3 (3.0)	5 (5.0)	11 (11.0)	51 (51.0)	30 (30.0)	100 (100.0)

Table 47: cross tab- age and unregulated environment vs. risk

Interpretation:

Among the 36 respondent aged 25 to 34 years 27.8 percentage strongly agree that unregulated environment of cooperative causes risk to their member, 50 percentages agree, 11.1 percentages are neutral, 8.3 percentages disagree and 2.8 percentages strongly disagree.

4.1.48 Cross tabulation between Occupation and unregulated environment vs. risk

Unregulated environment Vs risk							
occupation		strongly disagree	disagree	neutral	agree	strongly agree	Total
	self employed		1 (3.3)	0 (0.0)	2 (6.7)	14 (46.7)	13 (43.3)
salaried employees		1 (2.0)	5 (10.2)	8 (16.3)	26 (53.1)	9 (18.4)	49 (100.0)
student		1 (5.6)	0 (0.0)	1 (5.6)	9 (50.0)	7 (38.9)	18 (100.0)
housewife		0 (0.0)	0 (0.0)	0 (0.0)	2 (66.7)	1 (33.3)	3 (100.0)
Total		3 (3.0)	5 (5.0)	11 (11.0)	51 (51.0)	30 (30.0)	100 (100.0)

Table 48: cross tab- occupation and unregulated environment vs. risk

Interpretation:

Among the 49 salaried employees respondent 18.4 percentages strongly agree that unregulated environment of cooperative causes risk to their member, 53.1 percentages agree, 16.3 percentages are neutral, 10.2 percentages disagree and 2.0 percentages strongly disagree.

4.2 Narrative Analysis of Open ended questionnaire of the respondents:

The Narrative analysis deals with the open ended questionnaire filled up by 100 respondents.

4.2.1 Reason behind choosing the cooperative:

From the questionnaire filled up by the 100 respondent, the reason behind them choosing the cooperatives are as follows:

- High interest rate in deposits
- Easy operation while withdrawing the money
- Opened by people of like mind

- For easy transaction in business
- Small saving and collection system
- Micro financing facility
- Convenience – door to door service
- Faithful environment among members as they are known by each other
- Location of the cooperative
- Family influence and nepotism
- Small denomination of cash deposits and withdrawal
- No collateral while taking loan unlike in other banks and financial institution
- Salary payment by the schools and colleges

4.2.2 Positive point of cooperative over other financial institutes:

The positive point of cooperative rather than other financial institutions according to 100 respondents are as follows:

- Hassle free work while taking loan or withdrawing money
- Member oriented
- Easy loan facility and less documentation
- Easy to open even in remote places but it is not so in banks and other financial institution
- Known and familiar member but in other banks and financial institution we do not know them
- Low investment for opening cooperative
- High interest rate than other financial institution
- Easy to open and close account
- Convenience – door to door service for collection and withdrawal of money
- Encourages small deposit among low income people
- Cooperatives can be opened in nooks and corner of any place
- Less rules and regulation for any transaction
- Time saving in withdrawal of money as there is less process
- Competitive nature – providing better service than bank and financial institution

- Share profit on equal basis with all stock holders but it is not so in other financial institution
- The member can get loans when required in future in case of emergency easily
- Safer than other financial institution due to operation by likeminded people
- Can operate in small circle of members but for other financial institution they need large number of shareholder
- Single shareholder has right to a single vote but in case of banks they get voting rights according to the capital investment of that individual person. It does not matter how much share one has in case of cooperative

4.2.3 Comments and suggestion regarding operation/ regulation/ sustainability:

The comments and suggestion regarding operation, regulation and sustainability according to the respondents are as follows:

1. Operation:

- Government should make compulsory registration of all cooperatives under grade D. This will make the cooperatives under NRB control and hence secure the deposits of the member.
- Strict rules and regulation should be made regarding the operation of the cooperative
- Broader range of services should be added like other financial institution
- Deposit of the people should be utilized properly and dividend should be given in time
- Transparency regarding the operation is required to its member
- Well trained and reliable staff should be there in order to avoid financial misuse

2. Regulation:

- Cooperative as they are self regulated, so those institutions that are under central bank regulation are much safer than cooperative.

- Number of cooperatives are mushrooming so there must be strong regulation
- Cooperatives should comply with the regulation as stated by the cooperative board
- Regular monitoring by executive team should be there

3. Sustainability

- Cooperatives should be sustainable and they should be able to create trust among customers
- Timely auditing its financial transaction
- Proper regulation from separate and strong regulating board to avoid risk factor and make the cooperative sustainable
- Cooperatives should be less profit oriented and more service oriented for sustainability as cooperative is a social financial institution and not a pure commercial company

4.3 Hypothesis testing

4.3.1 Test of significance relation between age and Interest rate as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and interest rate as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and interest rate as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	14.865	15	0.461

Table 49: chi square- age and interest rate

Chi Square value is 14.865 and P value is 0.461 which is greater than significance level 0.05. Hence there is no significance relationship between age and interest rate as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to interest rate as one of the criteria are different.

4.3.2 Test of significance relation between age and easy loan facility as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and easy loan facility as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and easy loan facility as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	26.609	20	0.147

Table 50: chi square- age and easy loan facility

Chi Square value is 26.609 and P value is 0.147 which is greater than significance level 0.05. Hence there is no significance relationship between age and easy loan facility as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to easy loan facility as one of the criteria are different.

4.3.3 Test of significance relation between age and Schemes and terms as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and schemes and terms as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and schemes and terms as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	24.589	20	0.218

Table 51: chi square- age and schemes and terms

Chi Square value is 24.589 and P value is 0.218 which is greater than significance level 0.05. Hence there is no significance relationship between age and interest rate as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to age and schemes and terms as one of the criteria are different.

4.3.4 Test of significance relation between age and popularity as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and popularity as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and popularity as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	29.010	20	0.088

Table 52: chi square- age and popularity

Chi Square value is 29.010 and P value is 0.088 which is greater than significance level 0.05. Hence there is no significance relationship between age and popularity as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to popularity as one of the criteria are different.

4.3.5 Test of significance relation between age and insurance as a preference factor service

Null Hypothesis (H₀): There is no significant relationship between age and insurance as a preference factor service

Alternative Hypothesis (H₁): There is significant relationship between age and insurance as a preference factor service

	Chi-Square Tests		
	Value	Df	P Value
Pearson Chi-Square	42.100	20	0.003

Table 53: chi square- age and insurances service

Chi Square value is 42.10 and P value is 0.003 which is lesser than significance level 0.05. Hence there is significance relationship between age and insurance service as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to insurance service as one of the criteria are same.

4.3.6 Test of significance relation between age and brand name

Null Hypothesis (H₀): There is no significant relationship between age and brand name

Alternative Hypothesis (H₁): There is significant relationship between age and brand name

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	40.520	20	0.004

Table 54: chi square – age and brand name

Chi Square value is 40.520 and P value is 0.004 which is lesser than significance level 0.05. Hence there is significance relationship between age and brand name as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to insurance service as one of the criteria are same.

4.3.7 Test of significance relation between age and payment service as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and payment service as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and payment service as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	17.146a	20	0.643

Table 55: chi square- age and payment service

Chi Square value is 17.146 and P value is 0.643 which is greater than significance level 0.05. Hence there is no significance relationship between age and payment service as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to payment service as one of the criteria are different.

4.3.8 Test of significance relation between age and advertisement and promotion as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and advertisement and promotion as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and advertisement and promotion as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	27.722	20	0.116

Table 56: chi square- age and advertisement and promotion

Chi Square value is 27.722 and P value is 0.116 which is greater than significance level 0.05. Hence there is no significance relationship between age and advertisement and promotion as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to advertisement and promotion as one of the criteria are different.

4.3.9 Test of significance relation between age and remittance as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and remittance as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and remittance as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	42.982	20	0.002

Table 57: chi square- age and remittance

Chi Square value is 42.982 and P value is 0.002 which is lesser than significance level 0.05. Hence there is significance relationship between age and remittance as a motivating

factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to remittance as one of the criteria are same.

4.3.10 Test of significance relation between age and location as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and location as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and location as a preference factor

	Chi-Square Tests		
	Value	Df	P value
Pearson Chi-Square	12.081	20	0.913

Table 58: chi square- age and location

Chi Square value is 12.081 and P value is 0.913 which is greater than significance level 0.05. Hence there is no significance relationship between age and location as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to location as one of the criteria are different.

4.3.11 Test of significance relation between age and small deposit as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and small deposit as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and small deposit as a preference factor

	Chi-Square Tests		
	Value	Df	P value
Pearson Chi-Square	52.119	25	0.001

Table 59: chi square- age and small deposit

Chi Square value is 52.119 and P value is 0.001 which is lesser than significance level 0.05. Hence there is significance relationship between age and small deposit as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to small deposit as one of the criteria are same.

4.3.12 Test of significance relation between age and convenience as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and convenience as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and convenience as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	33.694	20	0.028

Table 60: chi square- age and convenience

Chi Square value is 33.694 and P value is 0.028 which is greater than significance level 0.05. Hence there is no significance relationship between age and convenience as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to convenience as one of the criteria are different.

4.3.13 Test of significance relation between age and family member as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and family member as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and family member as a preference factor

	Chi-Square Tests		
	Value	df	P value
Pearson Chi-Square	26.960	20	0.136

Table 61: chi square- age and family member

Chi Square value is 26.960 and P value is 0.136 which is greater than significance level 0.05. Hence there is no significance relationship between age and family member as a motivating factor for choosing financial institution. This means, various age groups'

preference over financial institutions with regard to family member as one of the criteria are different.

4.3.14 Test of significance relation between age and security as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and security as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and security as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	18.764	20	0.537

Table 62: chi square- age and security

Chi Square value is 18.764 and P value is 0.537 which is greater than significance level 0.05. Hence there is no significance relationship between age and security as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to security as one of the criteria are different.

4.3.15 Test of significance relation between age and reliability as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and reliability as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and reliability as a preference factor

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	28.792	20	0.092

Table 63: chi square- age and reliability

Chi Square value is 28.792 and P value is 0.092 which is greater than significance level 0.05. Hence there is no significance relationship between age and reliability as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to reliability as one of the criteria are different.

4.3.16 Test of significance relation between age and quick service as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and quick service as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and quick service as a preference factor

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	15.470	20	0.749

Table 64: chi square- age and quick service

Chi Square value is 15.47 and P value is 0.749 which is greater than significance level 0.05. Hence there is no significance relationship between age and quick service as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to quick service as one of the criteria are different.

4.3.17 Test of significance relation between age and salary payment as a preference factor

Null Hypothesis (H₀): There is no significant relationship between age and salary payment as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between age and salary payment as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	29.083	10	0.001

Table 65: chi square- age and quick service

Chi Square value is 29.083 and P value is 0.001 which is lesser than significance level 0.05. Hence there is significance relationship between age and salary payment as a motivating factor for choosing financial institution. This means, various age groups' preference over financial institutions with regard to salary payment as one of the criteria are same.

4.3.18 Test of significance relation between occupation and Interest rate as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and interest rate as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and interest rate as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	27.693	9	0.001

Table 66: chi square- occupation and interest rate

Chi Square value is 27.693 and P value is 0.001 which is less than significance level 0.05. Hence there is significance relationship between occupation and interest rate as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to insurance service as one of the criteria are same.

4.3.19 Test of significance relation between occupation and easy loan facility as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and easy loan facility as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and easy loan facility as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	20.629	12	0.056

Table 67: chi square- occupation and easy loan facility

Chi Square value is 20.629 and P value is 0.056 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and interest rate as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to easy loan facility as one of the criteria are different.

4.3.20 Test of significance relation between occupation and Schemes and terms as a preference factor

Null Hypothesis (H_0): There is no significant relationship between occupation and schemes and terms as a preference factor

Alternative Hypothesis (H_1): There is significant relationship between occupation and schemes and terms as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	21.512	12	0.043

Table 68: chi square- occupation and schemes and terms

Chi Square value is 21.512 and P value is 0.043 which is less than significance level 0.05. Hence there is significance relationship between occupation and schemes and terms as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to schemes and terms as one of the criteria are same.

4.3.21 Test of significance relation between occupation and popularity as a preference factor

Null Hypothesis (H_0): There is no significant relationship between occupation and popularity as a preference factor

Alternative Hypothesis (H_1): There is significant relationship between occupation and popularity as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	27.983	12	0.006

Table 69: chi square- occupation and popularity

Chi Square value is 27.983 and P value is 0.006 which is less than significance level 0.05. Hence there is significance relationship between occupation and popularity as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to popularity as one of the criteria are same.

4.3.22 Test of significance relation between occupation and insurance service as a preference factor

Null Hypothesis (H_0): There is no significant relationship between occupation and insurance service as a preference factor

Alternative Hypothesis (H_1): There is significant relationship between occupation and insurance service as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	11.778	12	0.464

Table 70: chi square- occupation and insurance service

Chi Square value is 11.778 and P value is 0.464 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and insurance service as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to insurance service as one of the criteria are different.

4.3.23 Test of significance relation between occupation and brand name as a preference factor

Null Hypothesis (H_0): There is no significant relationship between occupation and brand name as a preference factor

Alternative Hypothesis (H_1): There is significant relationship between occupation and brand name as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	21.720	12	0.041

Table 71: chi square- occupation and brand name

Chi Square value is 21.720 and P value is 0.041 which is less than significance level 0.05. Hence there is significance relationship between occupation and brand name as a motivating factor for choosing financial institution. This means, various occupation

groups' preference over financial institutions with regard to brand name as one of the criteria are same.

4.3.24 Test of significance relation between occupation and payment service as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and payment service as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and payment service as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	21.374	12	0.045

Table 72: occupation and payment service

Chi Square value is 21.374 and P value is 0.045 which is less than significance level 0.05. Hence there is significance relationship between occupation and payment service as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to payment service as one of the criteria are same.

4.3.25 Test of significance relation between occupation and advertisement and promotion as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and advertisement and promotion as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and advertisement and promotion as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	16.831	12	0.156

Table 73: chi square- occupation and advertisement and promotion

Chi Square value is 16.831 and P value is 0.156 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and advertisement and promotion as a motivating factor for choosing financial institution. This means,

various occupation groups' preference over financial institutions with regard to advertisement and promotion as one of the criteria are different.

4.3.26 Test of significance relation between occupation and remittance as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and remittance as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and remittance as a preference factor

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	20.822	12	0.053

Table 74: chi square- occupation and remittance

Chi Square value is 20.822 and P value is 0.053 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and remittance as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to remittance service as one of the criteria are different.

4.3.27 Test of significance relation between occupation and location as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and location as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and location as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	19.350	12	0.08

Table 75: chi square- occupation and location

Chi Square value is 19.350 and P value is 0.08 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and location as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to location as one of the criteria are different.

4.3.28 Test of significance relation between occupation and small deposit as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and small deposit as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and small deposit as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	15.527	15	0.414

Table 76: chi square- occupation and small deposit

Chi Square value is 15.527 and P value is 0.414 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and small deposit as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to small deposit as one of the criteria are different.

4.3.29 Test of significance relation between occupation and convenience as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and convenience as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and convenience as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	19.033	12	0.088

Table 77: chi square- occupation and convenience

Chi Square value is 19.033 and P value is 0.088 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and convenience as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to convenience as one of the criteria are different.

4.3.30 Test of significance relation between occupation and family member as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and family member as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and family member as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	16.090	12	0.187

Table 78: occupation and family member

Chi Square value is 16.090 and P value is 0.187 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and family member as a motivating factor for choosing financial institution. This means, various occupation groups' preference over family member with regard to insurance service as one of the criteria are different.

4.3.31 Test of significance relation between occupation and security as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and security as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and security as a preference factor

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	23.099	12	0.027

Table 79: chi square- occupation and security

Chi Square value is 23.099 and P value is 0.027 which is less than significance level 0.05. Hence there is significance relationship between occupation and security as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to security as one of the criteria are same.

4.3.32 Test of significance relation between occupation and reliability as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and reliability as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and reliability as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	21.187	12	0.048

Table 80: chi square- occupation and reliability

Chi Square value is 21.187 and P value is 0.048 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and interest rate as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to reliability as one of the criteria are different.

4.3.33 Test of significance relation between occupation and quick service as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and quick service as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and quick service as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	39.003	12	0

Table 81: chi square – occupation and service

Chi Square value is 39.003 and P value is 0.00 which is less than significance level 0.05. Hence there is significance relationship between occupation and interest rate as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to quick service as one of the criteria are same.

4.3.34 Test of significance relation between occupation and salary payment as a preference factor

Null Hypothesis (H₀): There is no significant relationship between occupation and salary payment as a preference factor

Alternative Hypothesis (H₁): There is significant relationship between occupation and salary payment as a preference factor

	Chi-Square Tests		
	Value	df	p value
Pearson Chi-Square	2.355	6	0.884

Table 82: chi square- occupation and salary payment

Chi Square value is 2.355 and P value is 0.884 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and in salary payment as a motivating factor for choosing financial institution. This means, various occupation groups' preference over financial institutions with regard to salary payment as one of the criteria are different.

4.3.35 Test of significance relation between age and cooperative follow regulation

Null Hypothesis (H₀): There is no significant relationship between age and cooperative follow regulation

Alternative Hypothesis (H₁): There is significant relationship between age and cooperative follow regulation

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	7.854	5	0.164

Table 83: chi square- age and cooperative follow regulation

Chi Square value is 7.854 and P value is 0.164 which is greater than significance level 0.05. Hence there is no significance relationship between age and the opinion of respondent that cooperative follow regulation as stated by the cooperative board. This means, various age groups' opinion with regard to whether cooperative follow regulation are different.

4.3.36 Test of significance relation between occupation and cooperative follow regulation

Null Hypothesis (H₀): There is no significant relationship between occupation and cooperative follow regulation

Alternative Hypothesis (H₁): There is significant relationship between occupation and cooperative follow regulation

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	11.148	3	0.011

Table 84: chi square- occupation and cooperative follow regulation

Chi Square value is 11.148 and P value is 0.011 which is less than significance level 0.05. Hence there is significance relationship between occupation and the opinion of respondent that cooperative follow regulation as stated by the cooperative board. This means, various occupation groups' opinion with regard to whether cooperative follow regulation are same.

4.3.37 Test of significance relation between age and sustainability

Null Hypothesis (H₀): There is no significant relationship between age and sustainability

Alternative Hypothesis (H₁): There is significant relationship between age and sustainability

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	3.672	5	0.598

Table 85: chi square- age and sustainability

Chi Square value is 3.672 and P value is 0.598 which is greater than significance level 0.05. Hence there is no significance relationship between age and opinion of the respondent about cooperative's sustainability. This means, various age groups' opinion with regard to sustainability of cooperative are different.

4.3.38 Test of significance relation between occupation and sustainability

Null Hypothesis (H₀): There is no significant relationship between occupation and sustainability

Alternative Hypothesis (H₁): There is significant relationship between occupation and sustainability

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	10.746	3	0.013

Table 86: chi square- occupation and sustainability

Chi Square value is 10.746 and P value is 0.013 which is less than significance level 0.05. Hence there is significance relationship between occupation and opinion of the respondent about cooperative's sustainability. This means, various occupation groups' opinion with regard to sustainability of cooperative are same.

4.3.39 Test of significance relation between age and regulation vs. risk

Null Hypothesis (H₀): There is no significant relationship between age and regulation vs. risk

Alternative Hypothesis (H₁): There is significant relationship between age and regulation vs. risk

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	29.093	20	0.086

Table 87: chi square – age and regulation and risk vs. risk

Chi Square value is 29.093 and P value is 0.086 which is greater than significance level 0.05. Hence there is no significance relationship between age and opinion of the respondent about whether unregulated environment of cooperative causes risk to an

individual. This means, various age groups' opinion with regard to whether unregulated environment can cause risk are different.

4.3.40 Test of significance relation between occupation and regulation vs. risk

Null Hypothesis (H₀): There is no significant relationship between occupation and regulation vs. risk

Alternative Hypothesis (H₁): There is significant relationship between occupation and regulation vs. risk

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	13.211	12	0.354

Table 88: chi square- occupation and regulation vs. risk

Chi Square value is 13.211 and P value is 0.354 which is greater than significance level 0.05. Hence there is no significance relationship between occupation and opinion of the respondent about whether unregulated environment of cooperative causes risk to an individual. This means, various occupation groups' opinion with regard to whether unregulated environment can cause risk are different

4.3.41 Test of significance relation between age and preference of financial institution

Null Hypothesis (H₀): There is no significant relationship between age and preference of financial institution

Alternative Hypothesis (H₁): There is significant relationship between age and preference of financial institution

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	42.222	15	0

Table 89: chi square- age and preference of financial institution

Chi Square value is 42.222 and P value is 0.00 which is less than significance level 0.05. Hence there is significance relationship between age and preference of financial

institution. This means, various age groups' opinion with regard to preference of financial institution are different

4.3.42 Test of significance relation between occupation and preference of financial institution

Null Hypothesis (H₀): There is no significant relationship between occupation and preference of financial institution

Alternative Hypothesis (H₁): There is significant relationship between occupation and preference of financial institution

	Chi-Square Tests		
	Value	Df	p value
Pearson Chi-Square	9.358	9	0.405

Table 90: chi square- occupation and preference of financial institution

Chi Square value is 9.358 and P value is 0.405 which is greater than significance level 0.05. Hence there is significance relationship between occupation and preference of financial institution. This means, various age groups' opinion with regard to preference of financial institution are different

4.4 Expert interview result

4.4.1 Cooperative Expert

1. Organization: Everest Multi Purpose Cooperative Ltd

Name: Sushil Bhakta Mathema

Post: Chairman

Address of Cooperative: Thapathali, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
 - High interest rate in deposit amount
 - Nepotism and favoritism by the member

b) Do you think Cooperatives are following the regulation?

I think that 50 percentage of the cooperative follow regulation and 50 percentages do not follow regulation. It is sometimes hard to follow all the regulation so there are exceptional cases when one has to customize the rules and regulation themselves for the smooth transaction.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

I think that the unregulated environment of the cooperatives does not have any risk creating factor. Cooperatives are safer even though there are some exceptional cases. If we see in this context than even the so called regulated banks and financial institutions are also not safe.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, they are sustainable in nature if they work according to the system.

e) What is the positive point of cooperative apart from other financial institutions?

- Immediate finance availability
- less procedure while taking loan

2. Organization: Mitra Kalyan Cooperative ltd

Name: Rekha Shrestha

Post: Chairman

Address: Old Baneshwor, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Security
- Interest rate

➤ Easy withdrawal

b) Do you think Cooperatives are following the regulation?

Not all cooperatives are following regulation but maximum are following it. Even though there are exceptional cases where some cooperatives are not following all the regulation.

c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

No, because the main purpose of opening cooperative is for community welfare and it is the member themselves who regulate it so there is no risk.

d) Do you think that cooperatives are sustainable in nature? Why?

We can see that there has been increase in number of cooperative so we can say it is sustainable in nature.

e) What is the positive point of cooperative apart from other financial institutions?

- Promoters are known
- Easy withdrawal and deposit
- Family environment

3 Organization: Samyak Saving and Credit Cooperative Ltd

Name: Govinda Lal Tanduakar

Post: Finance, Chief Manager

Address: New Road, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Cooperative goes into Microfinance level
- Questions about even small amount like 10 lakh needs to be answered in bank and even the source have to be opened but in cooperative for 5 crore

only they have to report to Nepal Rastra Bank and for other Cooperative board handles all.

b) Do you think Cooperatives are following the regulation?

It is unknown. But I think more than 80 percentages are following the regulation due to cases such as, we can give only 10 percentage loan, cannot take member from more than 5 wards and so on. So cooperatives are sometimes mandatory to break some regulation.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Cooperatives cannot exceed 5 wards but some are not following it due to which the members are not known by each other. In Kathmandu there is less risk of Management of Cooperative running away with money of the depositors. But those who are from outside valley, there is high chance of them running away and changing address. One has to be careful while choosing cooperative. So they have to know the background of the cooperative before choosing them.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, Cooperatives are sustainable if they follow proper regulation.

e) What is the positive point of cooperative apart from other financial institutions?

- Giving employment to the society
- Small deposits is taken
- Investment in productive sector like agriculture
- Less initial investment and low loss
- Member oriented so it is safer

4. Organization: Reknown Multiple cooperative Ltd

Name: Shyam Rijal

Post: Chief Executive Officer

Address: New Raod, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Member oriented
- Good cooperation between members
- Can use the cooperative service in future need

b) Do you think Cooperatives are following the regulation?

Normally they follow but due to different nature of Cooperative the work done by one cooperative differs from another the work done by them may not be considered under regulation by other.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

No, but some may be exceptional never the less we cannot all cooperative under that category due to one or two.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if the management is good.

e) What is the positive point of cooperative apart from other financial institutions?

- Small deposit

5. Organization: Gopi Krishna saving and credit cooperative Ltd

Name: Sundar Narsingh Joshi

Post: Executive chairman

Address: khichapokhari, kathamandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- For transaction
- Member oriented
- Family attachment

b) Do you think Cooperatives are following the regulation?

Cannot say but maximum are following it.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

It can be risky only if the deposits are made without knowing background of the organization and looking at interest rate only.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if there is good management and appropriate principles and regulations are followed.

e) What is the positive point of cooperative apart from other financial institutions?

- Easy transaction

6. Organization: Janaudhar cooperative ltd

Name: Mohan Ram Dhungana

Post: Secretary and Chief Executive officer

Address: Khichapokhari, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Small deposit
- Friendly environment as the member and management know each other

b) Do you think Cooperatives are following the regulation?

Yes, maximum are following regulation and we cannot say it is not on the basis of one or two.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes to some extent but if they follow good cooperative practice then there is no risk to the member.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes it is sustainable. But the number of Cooperatives mushrooming should be controlled by government as if this is not controlled it will be hard to sustain all cooperatives.

e) What is the positive point of cooperative apart from other financial institutions?

- High interest rate
- Fast loan transaction

7. Organization: Omni Multipurpose Cooperative ltd

Name: Raghu karki

Post: Secretary and Manager

Address: khichapokhari, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Easy loan facility
- Personal relationship

b) Do you think Cooperatives are following the regulation?

All are not following but there are many who are following the regulation.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes, but if there is good management and marketing and follow up is done properly then there is no risk.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if government makes good rules and regulation in favor of cooperatives it is sustainable in nature.

e) What is the positive point of cooperative apart from other financial institutions?

- Fast transaction

8. Organization: Times Saving and Credit Cooperative Ltd

Name: karma Gurung

Post: Chairman

Address: Khichapokhari, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Emergency need of money
- Less transaction
- Small deposit
- Small loan

b) Do you think Cooperatives are following the regulation?

Yes, but there are exceptional cases as well but most of the cooperative follow the regulation.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

No, Cooperative board is taking care of the risk factor by monitoring unethical action.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if rules and regulation is followed. But we cannot say anything as even the banks and financial institutions are closing down in current situation.

e) What is the positive point of cooperative apart from other financial institutions?

- Fast transaction
- High interest rate

- Fast service
- Opened in even nooks and corner
- Giving service to all ethnic group

9. Organization: Dev Saving and Credit cooperative ltd

Name: Narendra Ballav Panth

Post: Chief Executive Officer

Address: Khichapokhari, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Member oriented
 - Local
 - Easy transaction
 - Reliability

- b) Do you think Cooperatives are following the regulation?

Yes, they are following regulation. International Association of Geneva makes guidelines and different country adapt accordingly. But even in this many follow it and many don not follow it.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

There are many cooperatives and due to high competition some do unhealthy competition and this can cause risk to their member.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if guidelines are followed. If they follow the guideline then it is helpful in future as well.

- e) What is the positive point of cooperative apart from other financial institutions?
- Leniently seen by the government
 - Low tax payment according to budget

10. Organization: United Citizen multipurpose Ltd

Name: Sujan Maharjan

Post: Marketing manager

Address: Thamel, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Door to door service for collection
 - Interest rate
- b) Do you think Cooperatives are following the regulation?

Not all are following regulation but 40 percentages only follow it. New regulation says that cooperatives should submit monthly report to Nepal Rastra Bank but some are not following it.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

There are 50 – 50 chance as if people look at the goodwill of the company and think twice then there is no risk otherwise they may be cheated . so they have to look at the background of the organization to be in the safe side.

- d) Do you think that cooperatives are sustainable in nature? Why?

It depends on the nature, if they are following rules and regulation and according to nepotism then they are sustainable in nature.

- e) What is the positive point of cooperative apart from other financial institutions?
 - Door to door service
 - Interest rate
 - Fast transaction

11. Organization: Subha Jyoti Saving and Credit Ltd

Name: Jabila Joshi

Post: Chief Accountant

Address: lazimpat, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
 - High interest rate
 - Easy transaction
- b) Do you think Cooperatives are following the regulation?

Yes they are following regulation but there are some exceptional cases.
- c) Does the unregulated environment of the cooperatives cause risk to an individual?

How?

Yes, to some extent if proper rules are not followed by cooperatives.
- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, they are sustainable in nature if there is good management.
- e) What is the positive point of cooperative apart from other financial institutions?

- High interest rate
- Easy loan facility

12. Organization: Common wealth

Name: BaL Krishna Dahal

Post: Manager

Address: New Baneshwor, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Less process to take loan
 - High interest rate

- b) Do you think Cooperatives are following the regulation?

Yes, they are following regulation as they have to send their financial report to Nepal Rastra Bank and Cooperative Board within a week of a month.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

No, there is no risk as cooperatives are opened for social clients and they benefit from it and the money is circulated within the members only.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, because it provides high interest rate and short term loan to its members which other banks and financial institution does not provide.

- e) What is the positive point of cooperative apart from other financial institutions?

- Small sector

- High networking

13. Organization: Parivasha Saving and Credit Ltd.

Name: Pradhuman Ghimire

Post: Managing Director

Address: New Baneshwor, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Door to door service
- Small deposit
- Loan facility with personal guarantee

- b) Do you think Cooperatives are following the regulation?

They should as if they don't they will be mismanaged. If they don't follow it will be difficult for them to sustain.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

No, because it is the members who regulate it and the organization have to follow it. If the management does not follow the regulation then they will be biased.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, it is sustainable in nature. In a poor country like ours cooperatives are transparent and member can ask what has been implemented. So there is participative decision made and all members' suggestion is taken into consideration.

- e) What is the positive point of cooperative apart from other financial institutions?
- No third party
 - One man one vote and not according to capital invested like in banks.

14. Organization: Om Samaj Saving and Credit Cooperative ltd

Name: Deepa Shrestha

Post: Manager

Address: New Baneshwor, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Relationship with its member
 - Interest rate

- b) Do you think Cooperatives are following the regulation?

Yes, they follow regulation. But in past they were not following it but due to new regulation they are following it nowadays.

- c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

No, there is no risk because they have to update the Cooperative division about their transaction.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, they are sustainable. But it depends on the management team of the organization.

- e) What is the positive point of cooperative apart from other financial institutions?
- Easy transaction
 - Less documentation for depositing and taking loan

15. Organization: Bhrikuti Multipurpose Saving and Credit Cooperative ltd

Name: Bhagwati Prasad Dahal

Post: Supervisor

Address: New Baneshwor, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Community
 - Facility
 - Less rules and regulation

- b) Do you think Cooperatives are following the regulation?

Yes, because the cooperative division makes sure of it.

- c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

No, because the members are the owner and they regulated the overall operation.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, because we can see increase in number of cooperative over the year. Similarly, is there is good management they are sustainable.

- e) What is the positive point of cooperative apart from other financial institutions?
- Collection and mobilization of money
 - Provide money to its member when required

4.4.2 Other Expert

1. Organization: Prime Commercial Bank

Name: Geha Ranjan Joshi

Post: Branch Manager

Address: New Baneshwor

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

➤ Personal link

b) Do you think Cooperatives are following the regulation?

Cooperatives are following only small regulation and but the major regulation are not being followed like loan amount, members from 5 wards only.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

If there will be unlimited withdrawal both in lending and in deposit then risk is high.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if they are running in good governance.

e) What is the positive point of cooperative apart from other financial institutions?

➤ Fast processing

➤ Micro financing

➤ Door to door collection

2. Organization: Himalayan Bank Ltd

Name: Jasmine Dangol

Post: Relationship manager

Address: Pulchowk

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- interest rate
 - less knowledge about risk in that sector
 - family member
 - less procedure

- b) Do you think Cooperatives are following the regulation?

Some are following and some are not.

- c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

Yes, there is risk towards the member and they should learn the background before choosing any financial institution.

- d) Do you think that cooperatives are sustainable in nature? Why?

No, they are not as they have not been following proper regulation as stated by the cooperative board.

- e) What is the positive point of cooperative apart from other financial institutions?

- Comfortable layout as in bank people feel self-conscious in banks
- Bank neglect door to door service as in cooperative

3 Organization: Nepal Bank

Name: Meena Sainju

Post: Manager- Consumer loan Department

Address: New road

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Limited group
 - Ownership feeling
 - High interest rate

- b) Do you think Cooperatives are following the regulation?

All of them do not follow it. But there are some who follow the regulation.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes, they usually run away and they do not follow rules strictly.

- d) Do you think that cooperatives are sustainable in nature? Why?

If they follow rules and regulation they are sustainable in nature.

- e) What is the positive point of cooperative apart from other financial institutions?
- Ownership feeling of the members

4 Organization: Megha Bank

Name: Binay Raimajhi

Post: Manager- Credit department

Address: kantipath, Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Member oriented
 - Easy loan facility
 - High interest rate

- b) Do you think Cooperatives are following the regulation?

Big Cooperatives follow regulation but small cooperatives do not follow regulation.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes, there is high risk as the principle return is not guaranteed only the interest in that principle amount is guaranteed.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, maximum of them are sustainable in nature.

- e) What is the positive point of cooperative apart from other financial institutions?
- United
 - Mutual understanding

- Ownership feeling between the members

5 Organization: National cooperative federation of Nepal (NCF/N)

Name: keshav Bahadur Thapa

Post: Senior Cooperative officer

Address: Bijulibazar, Kathmandu

a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?

- Group with similar need
- Community

b) Do you think Cooperatives are following the regulation?

All of them are not following the rules as most of them do not know about it. And there are some who knowingly also do not follow it.

c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Cooperative's nature is to operate in self regulated environment and if they are self concern they operate well. And in those areas where some cooperatives are not operating well government need to intervene.

d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if they honestly operate according to the regulation as well as if the member deposits and return back loan on time.

e) What is the positive point of cooperative apart from other financial institutions?

- Self development

- Community growth
- Develop management skill
- Finance for lower income people

6 Organization: National Cooperative federation of Nepal (NCF/N)

Name: Krishna Prasad Sharma

Post: Cooperative officer

Address: Bijulibazar. Kathmandu

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Member based transaction
 - Ownership feeling
 - Easy transaction
 - High interest rate
 - Easy loan facility
 - Door to door service
- b) Do you think Cooperatives are following the regulation?

Maximum of them are following it but most of them are not following it knowingly or unknowingly.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Some may do fraud but cooperatives are legally stable in nature.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, as maximum of them are operating well and they are doing well.

- e) What is the positive point of cooperative apart from other financial institutions?
- Banks have lengthy process
 - Voting rights according to membership and not on the basis of capital
 - Profit is distributed equally

7 Organization: Nepal Rastra Bank

Name: K.B. Manandhar

Post: retired Deputy Governer

Address: Baluwatar

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- Less paper work
 - Credit appraisal is rigorous in bank
 - Banks are collateral oriented and valuation is done in conservative manner

- b) Do you think Cooperatives are following the regulation?

No, because there is no regulating body.

- c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

For depositor it is risky but for borrower it is not risky.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if there is good management and if they take less risk.

- e) What is the positive point of cooperative apart from other financial institutions?

- Can take risk due to high interest in loan so they can give high interest in deposit

8 Organization: Himalayan Bank Ltd

Name: Dipendra Bhatt

Post: Manager

Address: Thamel

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- High interest rate
 - Easy transaction

- b) Do you think Cooperatives are following the regulation?

Some of them are following and some are not.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes, to some extent so people have to look at the back ground of the company before choosing any organization.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if they follow good management practice.

- e) What is the positive point of cooperative apart from other financial institutions?
- Easy transaction
 - Easy to open and close accounts

9 Organization: Nepal Rastra Bank

Name: Bam Dev Sikdel

Post: Director

Address: Baluwatar

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- High interest rate
 - Easy withdrawal
 - Ownership feeling

- b) Do you think Cooperatives are following the regulation?

Yes, but there are some exceptional case as well.

- c) Does the unregulated environment of the cooperatives cause risk to an individual? How?

Yes, as there are many cases where cooperatives have run away with the depositors' money. So people themselves should see the back ground first.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if they follow regulation.

- e) What is the positive point of cooperative apart from other financial institutions?
- High interest rate
 - Member oriented
 - Easy transaction

10 Organization: Nepal Rastra Bank

Name: Ramji Regmi

Post: Corporate Planning Commission –Executive Director

Address: Baluwatar

- a) What are the factors that influence the preference of the people for choosing cooperative over other financial institutions?
- High interest rate
 - Location
 - Easy transaction

- b) Do you think Cooperatives are following the regulation?

Yes, maximum of them are following it.

- c) Does the unregulated environment of the cooperatives cause risk to an individual?
How?

Yes, if they do not follow the regulations.

- d) Do you think that cooperatives are sustainable in nature? Why?

Yes, if the management is good.

- e) What is the positive point of cooperative apart from other financial institutions?
- Easy transaction
 - Door to door service

4.5 Limitation:

Since the time period for the thesis writing is very little therefore one needs to minimize the area of study. There are various limitations in this research. They are as follows:

1. The primary limitation of the study is time constrain and lack of research experience.
2. The research focuses only in co-operative opened under cooperative Act 1992.
3. Among the four types of Cooperative Companies the research focuses on the saving and credit Cooperative and Multipurpose Cooperatives.
4. The research was conducted in Kathmandu metropolitan city and not in Bhaktapur and Lalitpur due to constrain on time.
5. The study area is limited where the numbers of samples are chosen with in Kathmandu metropolitan only.
6. Questionnaire filled up by some of the respondents may be dishonest due to their lack of attention and time limitation.

Chapter 5

Summary and conclusions

5.1 Summary of Findings

5.1.1 Major finding of the study:

The finding is based on the primary data collected through questionnaire. The major findings of the primary data are as follows:

- The entire 100 respondent were member of cooperative
- With regards to age of the respondent maximum of the respondent were from age 25 to 34 and 35 to 44.
- With regards to occupation maximum of the respondent were from self employed and salaried employees.
- With response to the interrelationship with age and motivating factor while choosing a financial institute, majority of the respondent think that interest rate, easy loan facility, location, convenience, security and quick service are their major priority.
- With response to the interrelationship with occupation and motivating factor while choosing a financial institute, majority of the respondent think that interest rate, easy loan facility, location, convenience, security and quick service are their major priority.
- With response to interrelationship with age and whether cooperatives are safer than regulated financial institution, majority of the respondent think that regulated financial institution are safer than cooperative.
- With response to interrelationship with occupation and whether cooperatives are safer than regulated financial institution , majority of the respondent think that regulated financial institution are safer than cooperative.
- With response to interrelationship with age and preference of financial institution, majority of the respondent have chosen commercial bank than cooperative than development bank and lastly finance company.

- With response to interrelationship with occupation and preference of financial institution, majority of the respondent have chosen commercial bank than cooperative than development bank and lastly finance company.
- With response to interrelationship with age and whether cooperative follow regulation as stated by the cooperative division, majority of the respondent think that cooperative follow regulation.
- With response to interrelationship with occupation and whether cooperative follow regulation as stated by the cooperative division, majority of the respondent think that cooperative follow regulation.
- With response to interrelationship between age and sustainability majority of the respondent think that cooperative are sustainable in nature.
- With response to interrelationship between occupation and sustainability majority of the respondent think that cooperative are sustainable in nature.
- With response to interrelationship between age and whether unregulated environment of cooperative can cause risk to the individual, majority of the respondent agree that unregulated environment of the cooperative can cause risk to the individual.
- With response to interrelationship between occupation and whether unregulated environment of cooperative can cause risk to the individual, majority of the respondent agree that unregulated environment of the cooperative can cause risk to the individual
- With respect to reason behind choosing the cooperative, majority of the respondent responded with high interest rate, easy loan facility, convenience and micro financing as the major reason.
- With respect to positive point of cooperative apart from other financial institution, majority of the respondent think that hassle free work, member oriented, convenience, easy loan facility, high interest rate, open by likeminded people, one share one vote and equal profit sharing are the positive point of cooperative.
- With respect to suggestion regarding operation, regularity and sustainability, majority of the respondent think that cooperative should be under NRB directive,

number of cooperatives mushrooming should be controlled and they should be sustainable and create trust among the member.

5.1.2 Findings from chi square test

- There is significant relationship between age and insurance service, remittance, small deposit, brand name and salary payment.
- There is no significant relationship between age and interest rate, easy loan facility, schemes and terms, popularity, payment service, advertisement and promotion, location, convenience, family member, security, reliability and quick service.
- There is significant relationship between occupation and interest rate, schemes and terms, popularity, brand name, payment service, security and quick service.
- There is no significant relationship between occupation and easy loan facility, insurance service, advertisement and promotion, remittance, location, small deposit, convenience, family member, reliability and salary payment.
- There is no significant relationship between age and whether cooperative follow regulation.
- There is significant relationship between occupation and cooperative follow regulation.
- There is no significant relationship between age and sustainability.
- There is significant relationship between occupation and sustainability.
- There is no significant relationship between age and whether unregulated environment of cooperative can cause risk to individual.
- There is no significant relationship between occupation and whether unregulated environment of cooperative can cause risk to individual.
- There is significant relationship between age and preference of financial institution.
- There is no relationship between and occupation and preference of financial institution.

5.1.2 Findings from expert interview

- With regards to factors that influence the preference of the people for choosing cooperative over other financial institution, majority of the expert think that interest rate, easy transaction, member oriented, easy withdrawal, easy loan facility, door to door service and small deposits are the major factor.
- With regards to whether cooperative follow regulation or not, majority of the respondent think some are following it and some are not following it.
- With regards to whether unregulated environment of the cooperatives cause risk to an individual, majority of the respondent think there is some risk but the customer themselves have knowledge about the organization.
- With regards cooperative's sustainability, majority of the respondent think that they can be sustainable if they follow proper regulation and have good management team.
- With regards to positive point of cooperative over other financial institution, majority of the respondent think easy transaction, door to door service, one share one vote, ownership as the major point of cooperative.

5.2: Conclusion and Recommendation:

5.2.1 Conclusion

Nepal is chiefly an agricultural country whose agricultural population is about eighty per cent. Obstacles hindering agricultural productivity are poor irrigational facilities, unavailability of inputs, sub-division and fragmentation of land, higher cost of production and meagre profit from the output, pathetic food security mechanism. To encourage modern agricultural innovation and to address shortcomings such as insufficiency of capital, storage inconveniences and poor infrastructure, cooperatives being one of the suitable mechanisms were launched as one of the vital sectors.

The history of the cooperative movement in Nepal dates back to 1953 when the government established the Department of Cooperatives to help promote cooperative societies and unions within the framework of the principles of the International Cooperative Alliance (ICA). The cooperative movement has been successful in many Asian countries, including South Korea, because of the strong bond that exists in these community-based associations, organised to achieve common socio-economic and cultural goals. In the last decade, Nepal has experienced rapid development of cooperative societies due to its liberal attitude. The country also considers cooperatives as the Third Pillar of its development process.

Principally its center of attention was to motivate economic, social and cultural requirement of people for community development devoted to service delivery. The cooperative sector has been playing a leading role in increasing the access of the poor and underprivileged to resources. It is cooperative institutions that alone can encourage the rural poor and other underprivileged people to get organized and utilize the unused resources and labour for productive sectors. Through the cooperatives movement, it can improve the social and economic conditions of the people. When the people are financially empowered, they can get education. As they become educated, they are conscious about their health. Thus, cooperatives can help bring about a desired social change.

There are about 30,000 cooperatives operating in the country, and 40 percent or 12,000 of them are savings and credit cooperatives. Other cooperatives are multipurpose cooperatives, which number about 4,000, followed by agricultural, vegetable and fruit producers, coffee producers and consumer cooperatives. The evidence of rural savings and credit cooperatives reveals that savings and credit activities are an integral part of cooperatives and they have played a crucial role in the overall production and marketing activities aimed at increasing the income level of the members.

However, uncontrolled mushrooming of savings and credit cooperatives in urban areas in recent times has become an issue of concern to the government and the overall financial sector. It has been found that these cooperatives have not been adhering to the basic principles of the cooperatives movement or the Cooperative Act 1992 and Cooperative bylaws 1993. Anomalies emerged due to non-compliance with the existing laws. Their activities go against the notion of the ICA which emphasises "democratic control by the members" and "self-regulation" as one of the seven fundamental principles. Moreover, weak provisions in the Cooperative Act has encouraged these anomalies to grow. Savings and credit cooperatives and huge multipurpose cooperatives which are also engaged in savings and credit activities have been reported to be running as family businesses. They have even extended the business of savings and credit to non-members.

It is believed that cooperatives account for around 15 percent of the total transactions in the financial sector which is an alarming situation. Massive embezzlement of deposits in savings and credit cooperatives in particular has been noticed. Weak provisions with regards to punishment for misuse of funds in the Cooperative Act has also emboldened offenders. Regarding embezzlement of deposits, the act has stipulated a fine of Rs 1,500, cancellation of the cooperative's registration or recommendation to the police to take action against the directors. The weak Cooperative Act has also encouraged the siphoning of funds from the banking sector to cooperative societies thus triggering warning signals regarding the stability of the financial sector itself. As we are all aware, while cooperative societies offer a higher rate of interest on deposits compared to banks and other financial institutions, they adhere more strictly to the Bank and Financial Institutions Act, 2006.

Current problems that have evolved in cooperatives are mishandling and exploitation of deposit of public funds. This sorry state of affairs resulted due to lack of proper policies and controlling mechanism on the part of the authorities. A study carried out by Department of Co-operative (DOC) in co-operation with the central bank over the last three years found that some of the co-operatives were being run like a family business with members of a single family performing the function of a director, audit committee member, chief executive and employees all in one. The repercussion of the misappropriation of hard earned money by cooperatives has left thousands of people in a desperate situation. Over and above this crooked performance, the institution has raised a serious question regarding the loss of trustworthiness in cooperatives which has emerged more like an institution for befooling innocent people. This drift from the set goals of the cooperatives has obscured the goodness, honesty and conviction of the institution. Giant cooperatives have indulged in reckless misappropriation to serve their family circles and kin for the sake of profit.

Cooperatives are becoming more urban-oriented. Instead of serving the poor, they are becoming a tool for the rich to reap benefits. Similarly, cooperatives are becoming a medium for legalizing black money. So, the government must educate the people and

initiate due measures to check such anomalies. It needs to make efforts to bring the financial activities of the cooperatives within the regulated track while punishing those violating the code of conduct and principles of governance. The central bank being the apex body of financial institutions with an objective of developing a secure, healthy, efficient system of payments as well as boosting the public confidence in the country's entire banking and financial system should not back out of monitoring and supervising cooperatives. Rather, it should intervene and exhibit its dynamism in sorting out the problem of the depositors. This trend of malpractices in cooperatives will have disastrous effects on the whole financial sector.

Cooperatives are considered an important system for bringing about socio-economic change among the backward classes, regions and communities. The country's economic development would be possible only if the cooperatives sector is developed side by side the other components of the national economy.

5.2.2 Recommendation

- Cooperative board should make sure that cooperatives are following regulation.
- Cooperative should be regulated by stronger regulating body such as NRB.
- Banks should make the overall ambience friendlier so that people feel comfortable while visiting the bank.
- Bank should also include services such as door to door services in its service package to attract more customers.
- Cooperative should have good management team.
- There should be strict monitoring of the cooperatives.
- Cooperatives should submit timely financial report to NRB.
- Cooperative should be more transparent.
- Individuals should also do background check of the Company before becoming a member.

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**Appendix:
Questionnaires**

I am Aayush Shrestha Rajbhandari, MBS II Year student of St.Xavier's College doing a research on “Study On Individuals’ Preference For Co-Operative Companies In Nepal” for the partial fulfillment of the MBS program. This research is done for academic purpose and the information provided by you will be kept confidential.

Personal details:

a) Name:

b) Age:

c) Gender:

Male

Female

d) Marital status:

Single

Married

e) Occupation:

Self employed

salaried employee

Student

Housewife

Others (Please specify)

1. How safe do you feel regulated financial institutions are (except cooperatives)?

Safe neutral not safe

2. Are you currently using any bank or other financial institutions?

Yes No

3. Are you a member of a cooperative?

Yes No

4. What is the reason behind choosing the Cooperative?

5. What factors motivate you while going for a particular banking and financial institution? Tick as many as you like.

Interest rate	<input type="checkbox"/>	Easy Loan facilities	<input type="checkbox"/>	Schemes and terms	<input type="checkbox"/>
Popularity	<input type="checkbox"/>	Insurance service	<input type="checkbox"/>	Utility payment	<input type="checkbox"/>
Location	<input type="checkbox"/>	Remittance	<input type="checkbox"/>	Brand name	<input type="checkbox"/>
Convenience	<input type="checkbox"/>	Small Deposit	<input type="checkbox"/>	family member	<input type="checkbox"/>
Security	<input type="checkbox"/>	Reliability	<input type="checkbox"/>	Quick service	<input type="checkbox"/>
Advertisement and Promotion payment	<input type="checkbox"/>			Salary	<input type="checkbox"/>

Other (Please specify)

6. Have you ever taken any loan from a cooperative?

Yes No

7. Do you think that regulated banks and financial institutions are safer than cooperatives?

Yes No

8. Do you agree that image of the bank and financial Institution has its influence on the customer?

Agree Disagree

9. Tick the factors according to the importance while choosing any banking and financial institution on a scale of 1 to 5. Where 5 =very important 4= important and so on

Factors	1	2	3	4	5
Interest rate					
Easy Loan facilities					
Schemes and terms					
Popularity of the financial institution					
Insurance services					
Brand name					
Payment services(telephone, electricity, etc)					
Advertisement and Promotion					
Remittance					
Location					
Small deposit					
Convenience					
Family member					
Security					

Reliability					
Quick Service					
Salary payment					

Any factors other than the ones specified above that affects the preference of an institute?

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

10. Which financial institution would you prefer? Tick one

Commercial Bank Development Bank

Finance Companies Co-operative

Other (Please Specify)

11. Do you think that cooperatives follow the regulation as stated by the Cooperative Board?

Yes No

12. Do you think that cooperatives are sustainable in nature?

Yes No

13. What do you think is the positive point of cooperative rather than other financial institutes?

14. Do you think unregulated environment of the Cooperative companies can cause risk to you?

Strongly Disagree

Disagree

Neutral

Agree

Strongly agree

15. Do you have any comment or suggestion regarding operation/ regulation/ sustainability?

Thank you for your valuable time

Questionnaire to experts:

1. What are the factors that influence the preference of the individuals for choosing cooperatives over other financial institutions?
2. Do you think cooperatives are following regulations?
3. Does the unregulated environment of the cooperatives can cause risk to an individual?
How
4. Do you think that cooperatives are sustainable? Why?
5. What is the positive point of cooperatives apart from other financial institutions?