

**“THE NEED AND USE BEHAVIOR FOR SMALL  
DENOMINATION COINS”**  
**A study commissioned by Reserve Bank of India**

July 2005



**BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE**  
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**SANAL KUMAR VELAYUDHAN**

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## **EXECUTIVE SUMMARY**

The focus of the study is to understand the availability and use of small denomination coins. A sample survey of customers, trade and banks was carried out in five urban and five rural locations in each of the three states of Bihar, U.P. and W.B.

The study observed that the use of small denomination coins was poor. The problem was less of availability of small denomination coins and more of behavior of the three constituents that impact the use of small denomination coins, customer, trade and banks.

The study observed that the customers are passive and do nothing when trade does not give coin change. A segment of customers prefer to transact in small denomination coins but the reluctance of trade to accept coins discourage these customers in the use of coins. The passive nature of customers, unwillingness to displease traders and cost of carrying coins result in the non-use of small denomination coins. The trader benefits as some charge more and others profit by giving a substitute item. The trader therefore does not make any effort to procure and stock coins resulting in the poor availability of small denomination coins. There are some traders who do prefer to procure coins from banks.

The survey indicates that most customers who demand coins do not give coins and most customers who give coins do not demand coins in order to reduce carrying coins.

The response of banks in providing coin change was influenced by presence of currency chest and adequate stock of coins. Banks indicated high level of awareness of the RBI guidelines on coins.

## **1: THE NEED AND USE BEHAVIOR FOR SMALL DENOMINATION COINS**

Government and Reserve Bank of India (RBI) had taken various measures to make available coins in adequate quantity to the public through RBI Offices and Commercial Banks. It had also suggested that banks keep open certain branches on “Sundays” for the purpose of making available coins as also use mobile vans for reaching the “Service” to the public. There has been an effort to use certain other agencies like Post Offices in a few regions to distribute coins. Despite these efforts of RBI it had a large stock of undistributed coins. RBI therefore reduced procurement of coins from the Government Mint. At the same time there were and are instances where traders do not provide correct coin change to customers. RBI is interested to not only make coins available but also promote use of correct coin denominations.

Analyzing the data on currency with the public also indicates stagnation in the circulation of Small Coins. The circulation of Rupee Coins increased by 6.4% from Rs 5, 613 crores in 2002-03 to Rs 5,973 crores in 2004-05 while the increase in circulation for Small Coins during that period was 0.4% from Rs 1,458 crores to Rs 1,464 crores. Comparing the coins in circulation for March 5, 2004 and March 4, 2005 indicates an increase of 2.49% for Rupee Coins while no growth for Small Coins. There was a decrease in circulation of both Rupee Coins and Small Coins as a percentage of “currency with public”. The circulation of Rupee Coins had decreased as a percentage of “currency with public” from 2.07 % in 2002-03 to 1.67% in 2004-05 and for Small Coins it decreased from 0.54% to 0.41% during the same period. Comparison of figures of March 5, 2004 and March 4, 2005 also indicates a percentage decline for both Rupee Coins and Small Coins. The Rupee Coins had declined as a percentage of “Currency with Public” from 1.84% to 1.7% between March 5, 2004 and March 4, 2005 while the Small Coins declined from 0.46% to 0.42% during the same period (RBI Bulletin, May 2005).

The increased supply had met the demand for coins and is possibly an explanation for lack of the current growth in circulation of coins. This still does not explain the experience of customers not obtaining coins from trade in some situations. RBI appointed BITS to carry out a study to understand the behavior of the public in the use of small denomination coins to understand this apparent contradiction of a large stock of coins caused by adequate quantity of coins in circulation and at the same time non-use of correct coin change by public. The understanding of the use behavior was also to be an input in the efforts to promote the use of small denomination coins.

### **Focus of the study**

The broad areas addressed in the study include:

- 1 The extent of availability and/ or use of small denomination coins among the Public
2. In the event of unsatisfactory availability of coins and/ or poor use of small denomination coins, there is the need to understand the reasons for the non-availability of small denomination coins and/ or the reasons for the poor use of small denomination coins.

The focus of the first aspect is on identifying the presence or absence of shortage while the second aspect requires examining the behavioral aspects of usage of small coins.

Addressing the issues is useful to decide on customer responsive steps to increase use of small denomination coins if the public perceives such a need for small denomination coins.

### **Research Issues**

The two focus areas of the study are elaborated in the form of research issues. The specific steps to be taken by RBI to improve availability and use of small

denomination coins would be guided by an understanding of the following research issues:

1. The occurrence of non-availability of small denomination coins with the public (customers and traders).
2. The trade response to non-availability of small denomination coins.
3. The customer response to trader behavior in situations of non-availability of coins.
4. Examining the reasons for customer behavior in situations where small denomination coins are not available.

The above research issues require a systematic approach to understand the behavior of the customer and trader. The methodology for researching the issues is discussed next.



## **2: METHODOLOGY**

The two important segments researched were the “Customers” and “Trade”. In addition to these two segments data was also obtained from banks. The methodology is discussed under research design, development of measures and the sampling approach.

### **Research Design**

The study used survey method to understand the need and use behavior for coins among customers and trade. The survey was through interviews. The interview format was developed and discussed with RBI. Data collected from banks was through experience of service using the mystery shopper method.

The communication method used for primary data collection was largely “Structured- Undisguised Questionnaires”. The motivational aspect required a slight modification of the above. Third person questions were therefore used for these aspects. The structured approach was maintained even for motivational aspects with introduction of only an element of disguise.

### **Development of Measures and Questionnaire**

Questionnaire was developed in three steps.

- i. Measures were developed for the information required. The dimensions of use behavior and of the influences on use behavior were identified before the measures were developed. The dimensions for use behavior and the influences on use behavior were developed based on Social Marketing literature and through ‘Focus Group Discussion’ (FGD). The social marketing literature provided a broad idea of the influences but the specific items relevant for the context was developed through FGD.

- ii. The inputs from the Literature and FGD were used for developing the measures, which was then used to develop a questionnaire.
- iii. The questionnaire was then pre-tested.

The “development of measures” is presented in Annexure 1.

### **Pre-testing of questionnaire**

The questionnaires were pre-tested twice to identify and eliminate potential problems in content, wording, sequence, and question difficulty. The first pre-testing was done on 12 customers and 12 traders and a second pretest on 6 customers and 5 traders. The pretest resulted in minor changes in the wording and sequence of questions. The second pretest in addition to the above identified the difficulty of using ranking, with many customers finding difficulty with ranking. Except for the question on preferred source the scale used was nominal than ordinal. The use of nominal scale in place of ordinal scale improved the quality of information and made-up for the loss in information.

### **Sampling**

The Sample included “traders” and “customers” across three states of Bihar, Uttar Pradesh and West Bengal. In each of these states five urban and five rural areas were studied. On an average 30 customers and 20 traders in an urban area and 10 customers and 2 traders in the rural areas were interviewed. The actual sample size was influenced by availability and willingness of respondents. The distribution of respondents by location is given in Annexure-5 and its summary by urban and rural areas distributed across the three states is given in Table 2.1

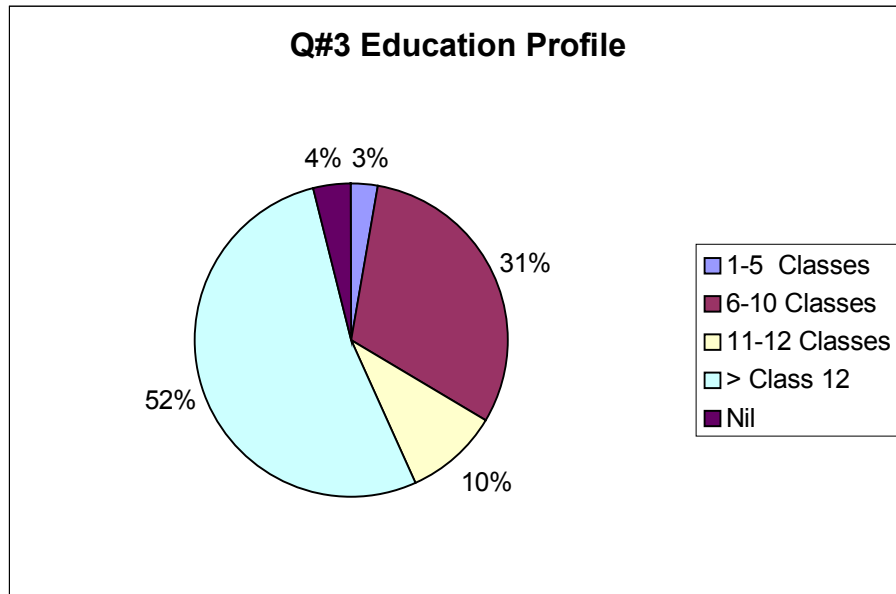
**Table 2.1: Summary Sample Distribution**

| State | Urban    |       | Rural    |       |
|-------|----------|-------|----------|-------|
|       | Customer | Trade | Customer | Trade |
| Bihar | 151      | 100   | 50       | 10    |
| U.P.  | 153      | 102   | 55       | 12    |
| W.B.  | 150      | 100   | 50       | 10    |
| Total | 454      | 302   | 155      | 32    |

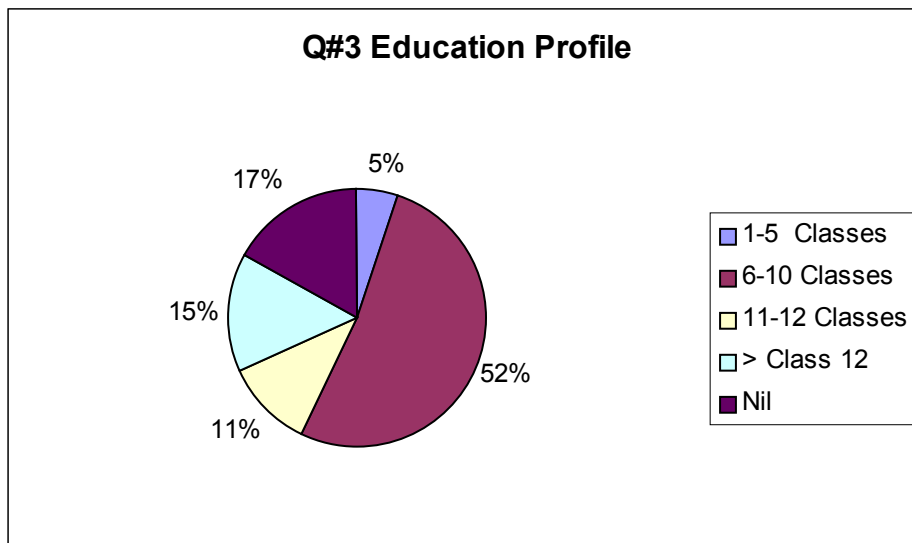
### Respondent Profile

Public-Customer: The respondent profile among the customers in urban location indicate a spread in the education profile, with 7% having less than primary class education ( $\leq$  Class 5) and 41% with schooling (Class 6 to class 12) and 52 % with education higher than intermediate (Chart 2.1). The education levels are lower in rural area with 22 % having less than primary class education ( $\leq$  Class 5) and 63 % with schooling (Class 6 to class 12) and only 15 % with education higher than intermediate (Chart 2.2).

**Chart 2.1: Urban: Education Profile**

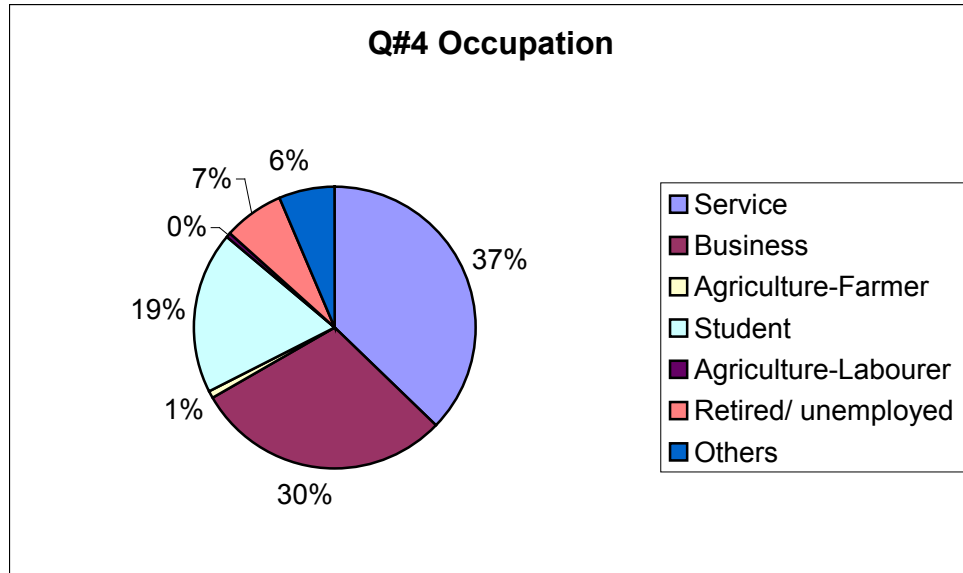


**Chart 2.2: Rural: Education Profile**

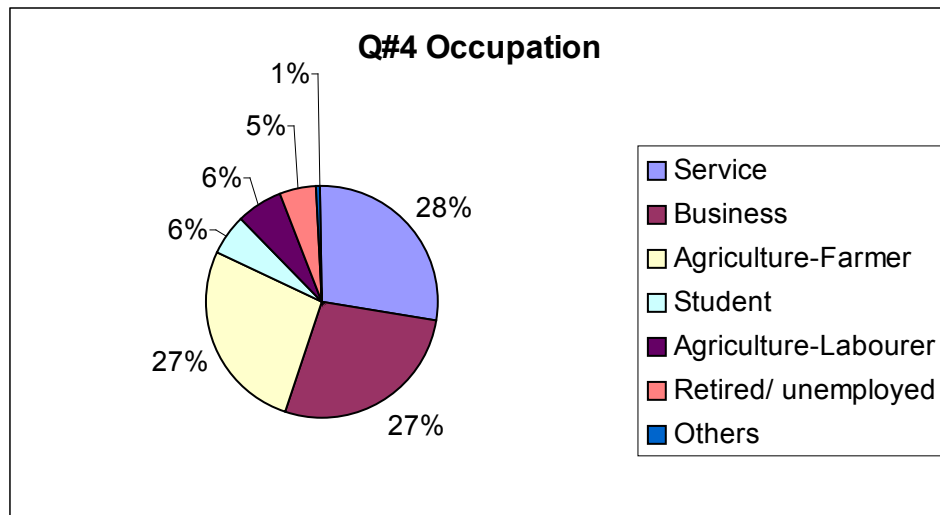


The occupation in urban areas is mostly “Service” followed by those in “Business” (Chart 2.3) while in rural areas it is “Service, business and farmer” (Chart 2.4)

**Chart 2.3: Urban: Occupation Profile**



**Chart 2.4 Rural: Occupation Profile**



Public-Trade: The respondents are spread across different category of shops in the urban areas (Chart 2.5) with about half either grocery stores or general stores. In the rural area also the grocery stores and general stores are 56% of the respondents. The only variation in the rural area as compared to the urban area is that the grocery stores are more than a third of the sample while the general stores are less at about one-fifth of the total sample (Chart 2.6).

Chart 2.5: Urban: Trade Profile

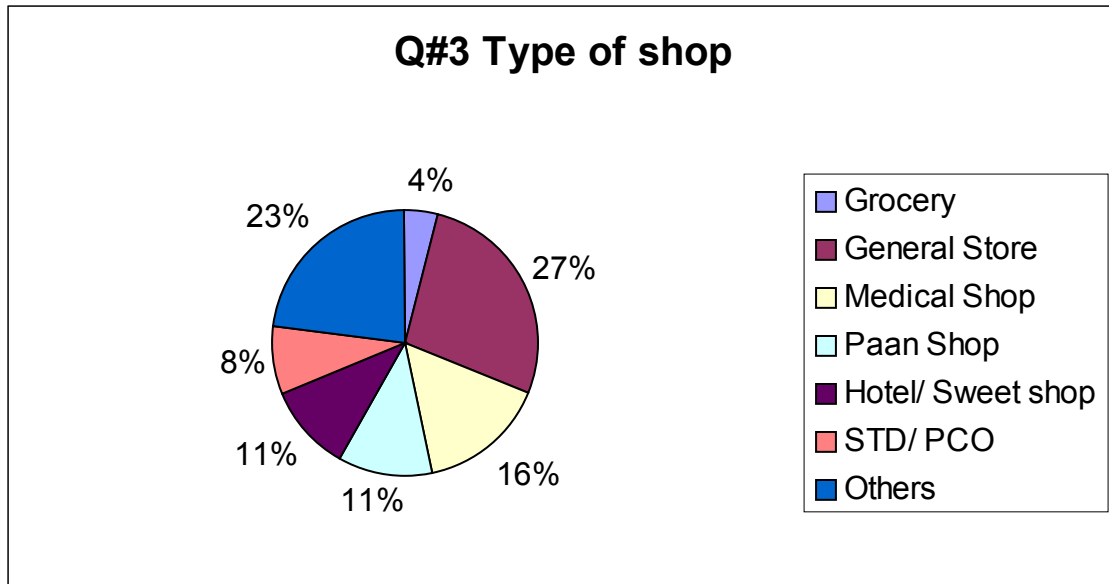
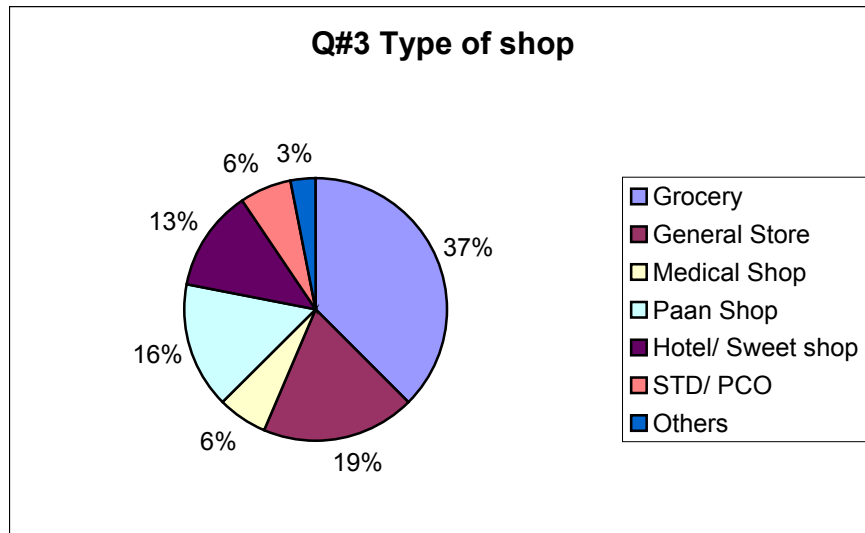


Chart 2.6: Rural: Trade Profile



Locations: The locations within each of the three states were from different districts, with the urban and rural location to the extent possible within the same district.

In addition to survey of ‘ Customers” and “traders” actual recording of the service quality among banks was carried out. The “mystery shopper” approach was used for the purpose. The field investigators sought “coin” change from the cash counters of banks. The number of such evaluations is given in Table 2.2

**Table 2.2: Sample Distribution for Banks**

| <b>Sample Distribution for Banks</b> |              |              |              |
|--------------------------------------|--------------|--------------|--------------|
| <b>State</b>                         | <b>Urban</b> | <b>Rural</b> | <b>Total</b> |
| <b>Bihar</b>                         | 25           | 5            | 30           |
| <b>U.P.</b>                          | 26           | 6            | 32           |
| <b>W.B.</b>                          | 25           | 5            | 30           |
| <b>Total</b>                         | 76           | 16           | 92           |

## **SECTION A: COMBINED ANALYSIS FOR ALL THREE STATES**

### **3. NEED AND USE BEHAVIOR FOR SMALL DENOMINATION COINS AMONG CUSTOMERS**

#### **Availability of coins**

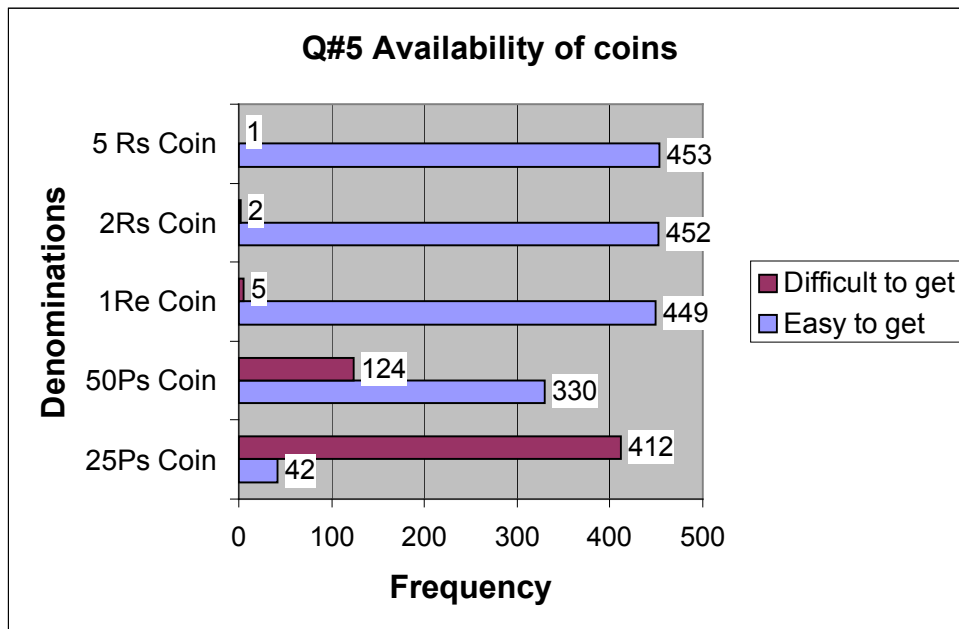
The availability of coins to customers is understood from their experience in obtaining coins. The customers generally get their coins as part of their purchase of products and services. The availability is therefore examined in terms of ease of getting coins and their experience when purchasing from shops.

Understanding the ease of getting coin change during transactions indicates the extent of the availability of coins.

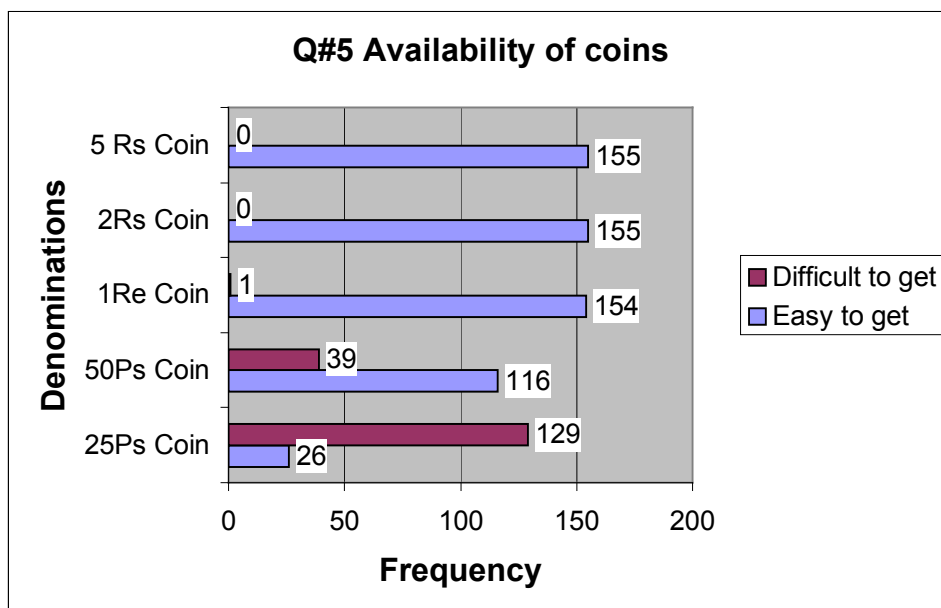
The survey shows that the customers find it easy to get coins of all denominations except that of 25 Ps. Most customers indicate that they do not get 25 Ps coins, with only 10% of the respondents in urban area getting 25 Ps coins with ease. In rural area the availability is better at 20 %. In the case of 50 Ps the availability is low but much better than 25 Ps. About 27% of the respondents in

urban area experience difficulty in obtaining 50 Ps coins while it is 33 % in rural area. The system of distribution is possibly not the reason for difficulty in availability as 25 Ps is more easily available in rural than urban area.

**Chart 3.1: Urban: Ease of getting coins**



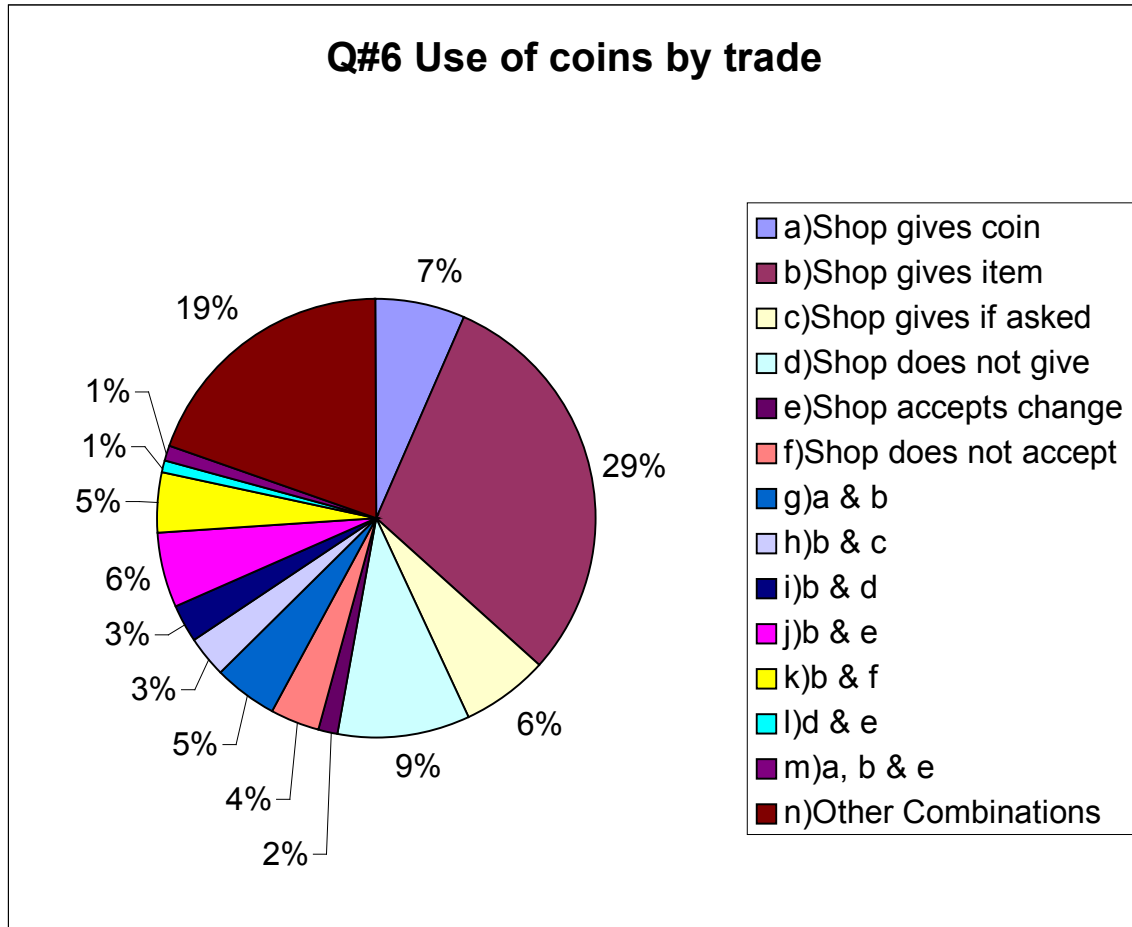
**Chart 3.2: Rural: Ease of getting coins**



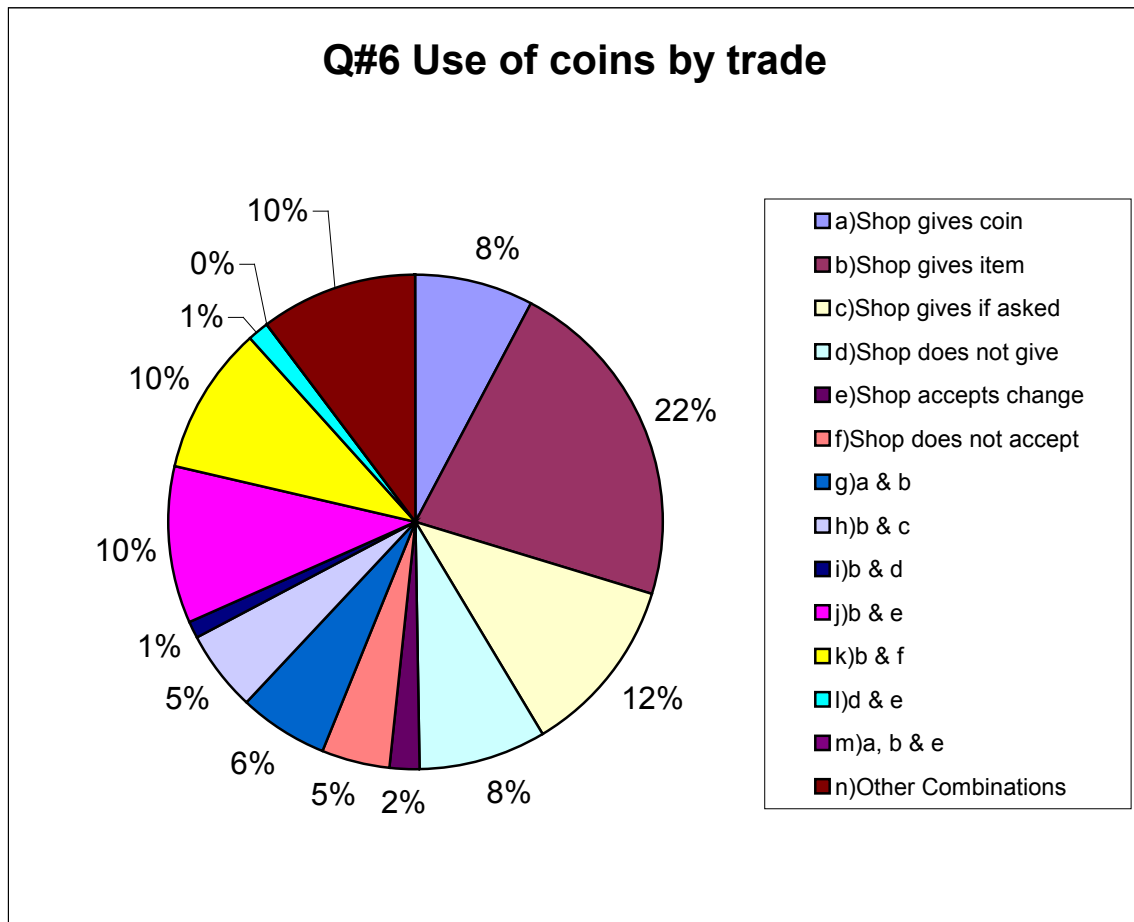


The availability of coins for customers is from the shop. The experience of customers in urban areas in transactions involving 25 Ps and 50 Ps indicates that only in 7 % of the cases the shop gives coin change. In 6 % of the cases they get coin change when asked. In a large number of situations (29 %) the shop gives some item instead of coin change. In 9% of the cases the shop does not give coin change or item. In 4 % of the cases shop do not accept change. Many customers experience more than one type of situation. The number of customers who indicated that they got coin change and also indicated some other option is about 6 % (Combination which includes the option “getting coin change”). Thus only in 13 % of the cases the shop gives coin change. This supports the data on difficulty of the customer in getting 25 Ps and to some extent 50 Ps coins. In rural area the trade gives coins in 8% of the cases and in combination with other options in 14 % of the cases. This is very similar to urban area. In rural area 12% of the shops gives coin change if asked compared to 6 % in urban area. The trade behavior is slightly better in rural area compared to urban area but still the willingness to give and accept small denomination coins is low. If the trader is in a position to give coins other than small denomination coins then understanding the reason for the trader not giving small denomination coins is important. The non-availability of 25 Ps and 50 Ps coins is the therefore the reluctance by trade to use small denomination coins in their transactions. (Chart 3.3 & 3.4)

**Chart 3.3: Urban: Experience with trade on small denomination coins**



**Chart 3.4: Rural: Experience with trade on small denomination coins**

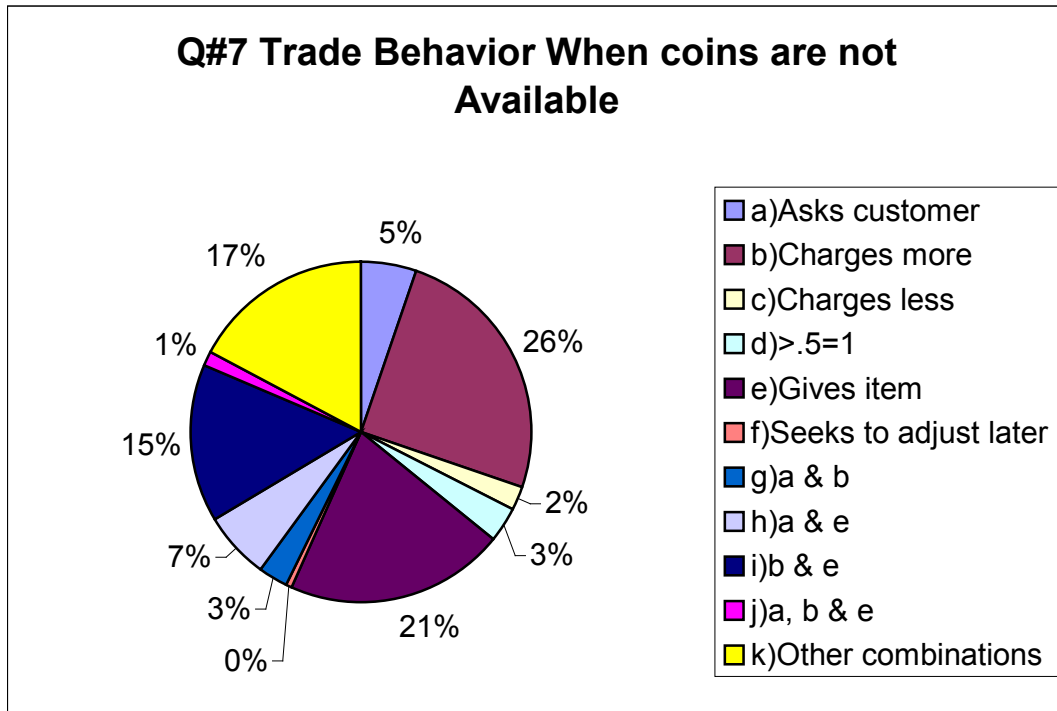


**Customers experience when trade does not have coin change**

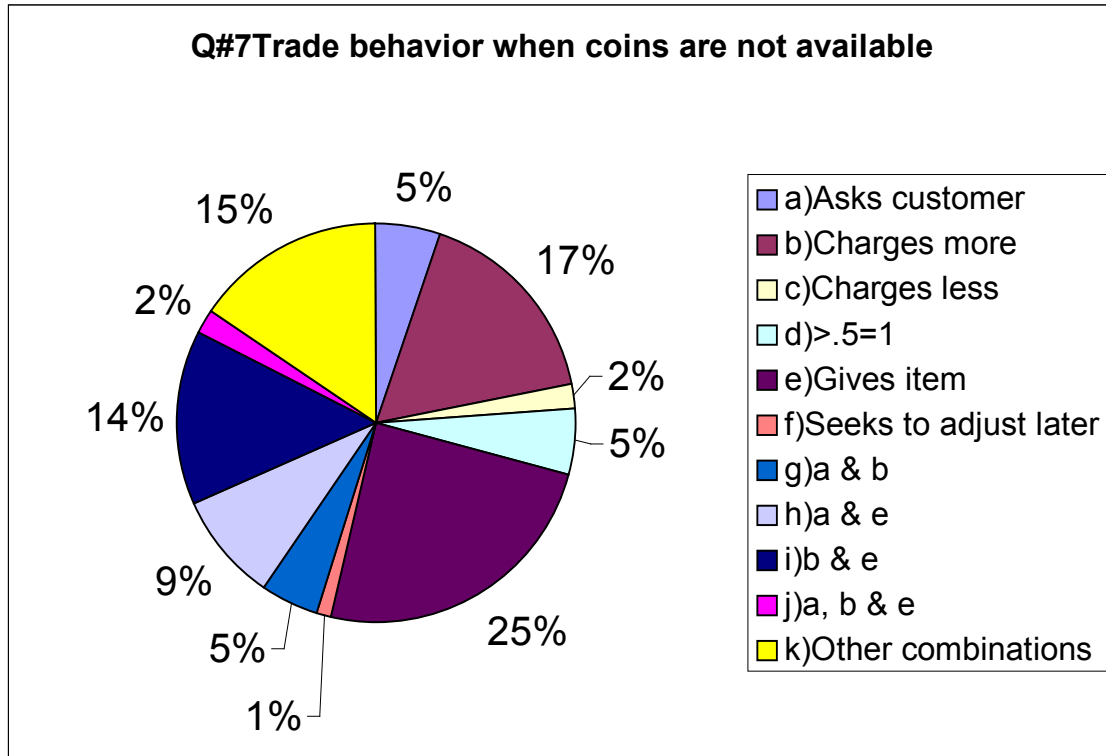
The customers experience with coin change does indicate that the customers are disadvantageously placed in the transactions requiring coin change. In the urban area only 5% of the traders not having coin change ask the customers to give coin change. The trader charged more in 26% of the cases and in 21 % of the cases gave some item. In 15 % of the cases the trader either “charged more or gave an item”. Therefore in 62% of the cases the trader either charged more or gave an item instead of coin change. In the rural area 17 % of the traders charged more compared to the 26 % in the urban area. Overall the pattern in rural area is similar to the urban area as in 56 % of the cases the trader either charged more or gave an item instead of coin change. The non-availability of

coin change clearly benefits the trade. It is only in 2% of the cases both in the urban and rural area that the trader takes less and only in 3% of the cases in the urban area and in 5 % of the cases in rural area that the trader rounds off according to the decimal value.

**Chart 3.5: Urban: Trade behavior when coins are not available**



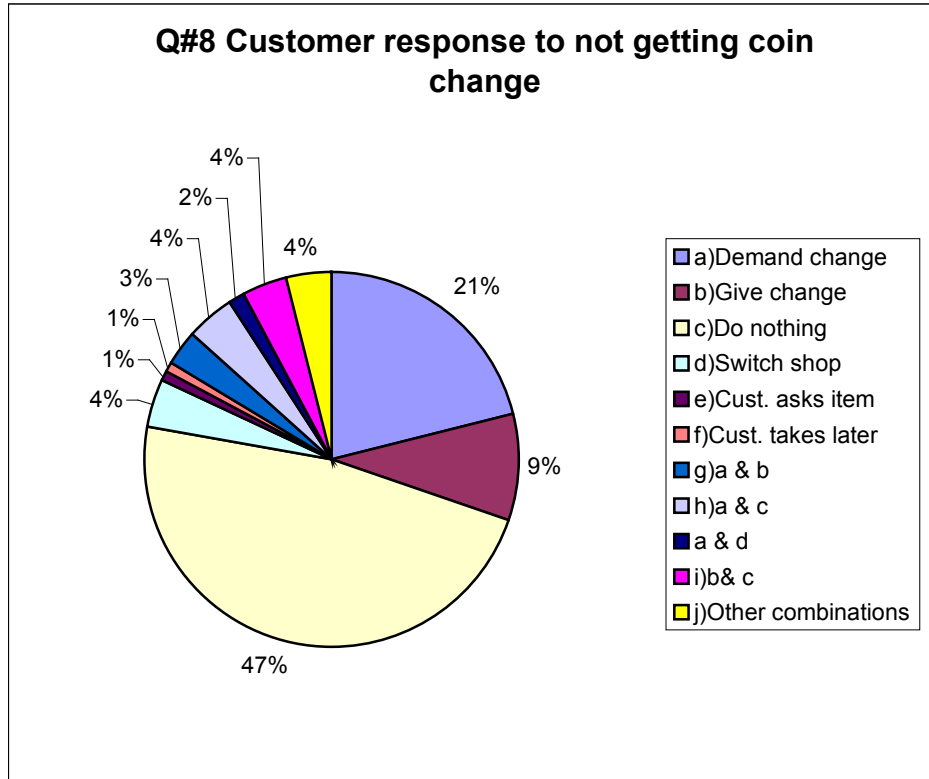
**Chart 3.6: Rural: Trade behavior when coins are not available**



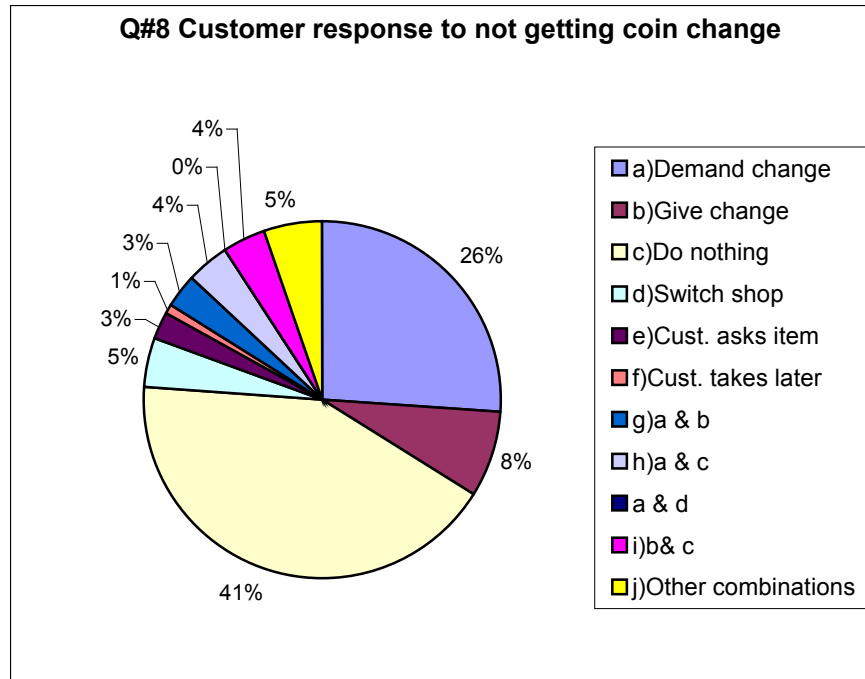
**Customer response to trade behavior**

The response of the customer to trader not giving correct coin change is “to do nothing” and this is true in about half the cases (47 %) in the urban area. It is only in a third of the cases that the customer demands change (21 %), gives change (9%) or switch shops (4%) (Chart 3.7). This is also true in the rural area with slightly more number of customers demanding coin change (26 %) (Chart 3.8). This indicates a passive nature of the customer and therefore allowing trade the opportunity not to provide coin change.

**Chart 3.7: Urban: Customer response to not getting coin change**



**Chart 3.8: Rural: Customer response to not getting coin change**

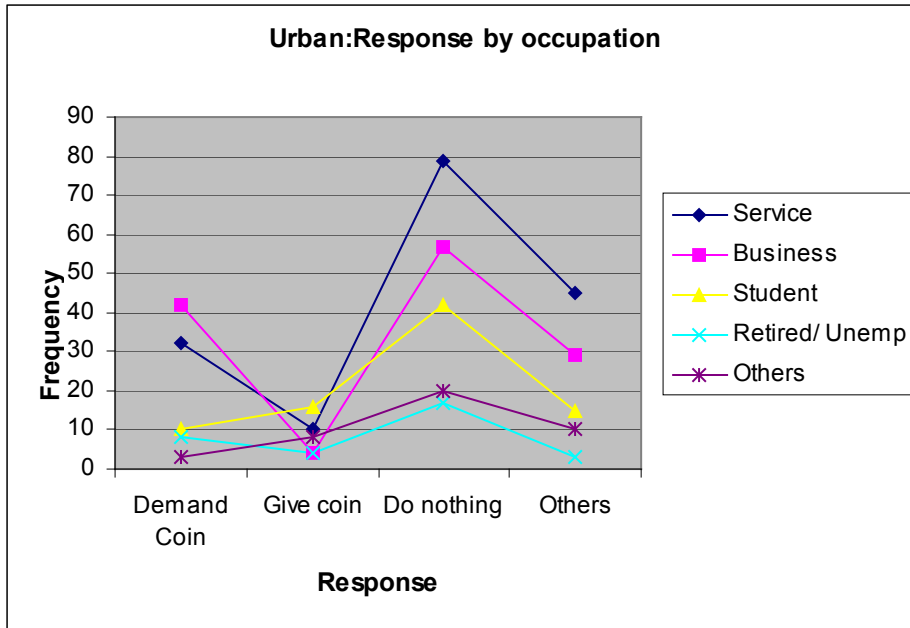


Influence of occupation on response to not getting coin change:

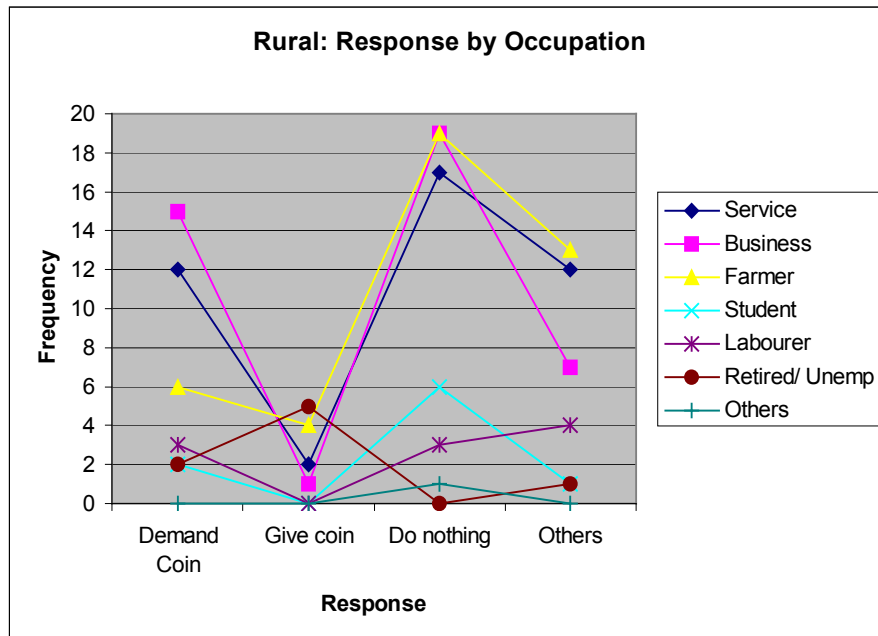
Examining the use of coin by customer profile indicates that education has less influence on use of coins as compared to occupation. The educated prefer to switch shop than demand coin change.

In urban area those in business and service “demand coin change” or “do nothing”. The student in the urban area prefers to “do nothing” but some also give coin change (Chart 3.9). In rural area there is greater willingness to demand coin change compared to urban area and the retired/unemployed prefer to give change while some demand coin change (Chart 3.10).

**Chart 3.9: Urban: Response by occupation**



**Chart 3.10: Rural: Response by occupation**

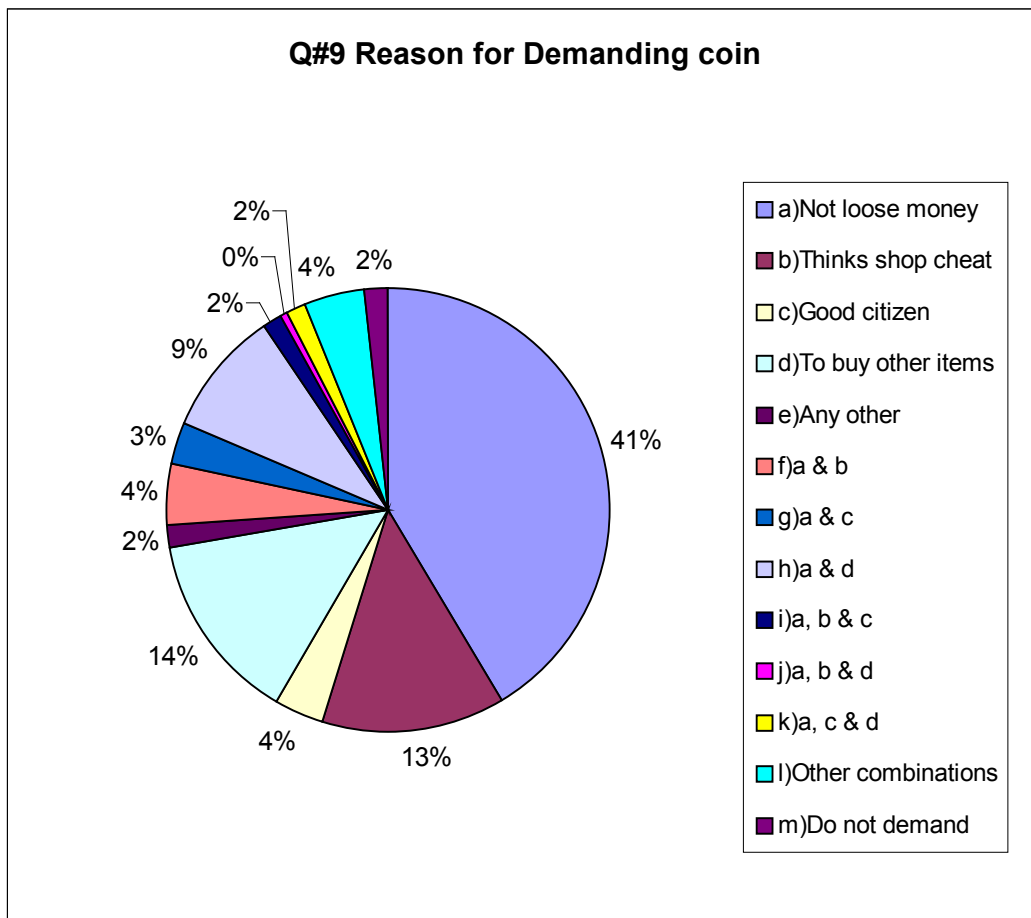




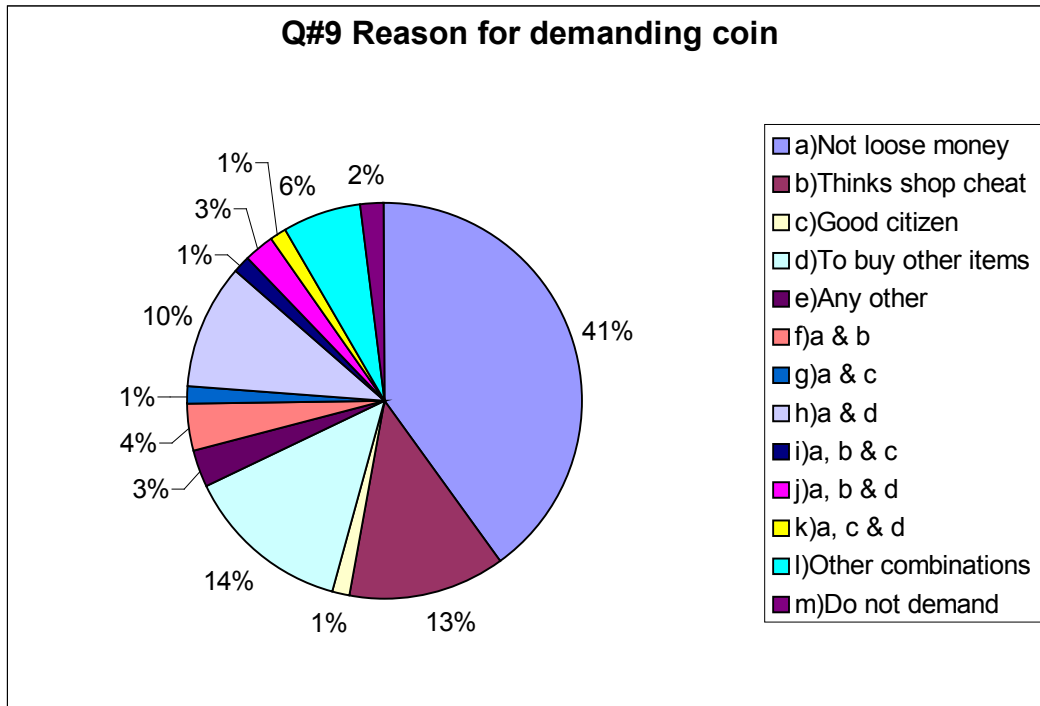
**Customer Motivations for behavior in respect of small denomination coins**

Motivation for demanding coin change: The greatest motivation for demanding coin change is economic. Most customers in the urban area demand coins, as they do not want to lose money (41 %) or use the coin change for other transactions (14%). Those who do not want to lose money and at the same time find coin change useful for other transactions is 9%. Value and ethics as motivation for demanding coin change is present but with few customers. About 13% of the customers demand coin change as they feel that traders cheat and only 4% demand correct coin change as a good citizen (Chart 3.11). The pattern is similar in rural area with the predominant reason for demanding coin change being economic (Chart 3.12).

**Chart 3.11:Urban: Reason for demanding coin change**



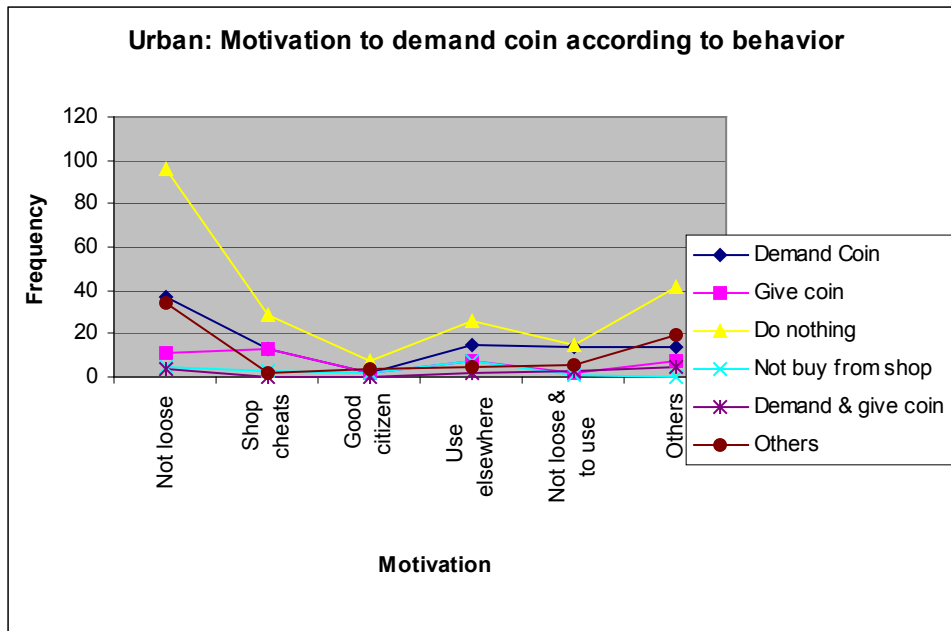
**Chart 3.12: Rural: Reason for demanding coin change**



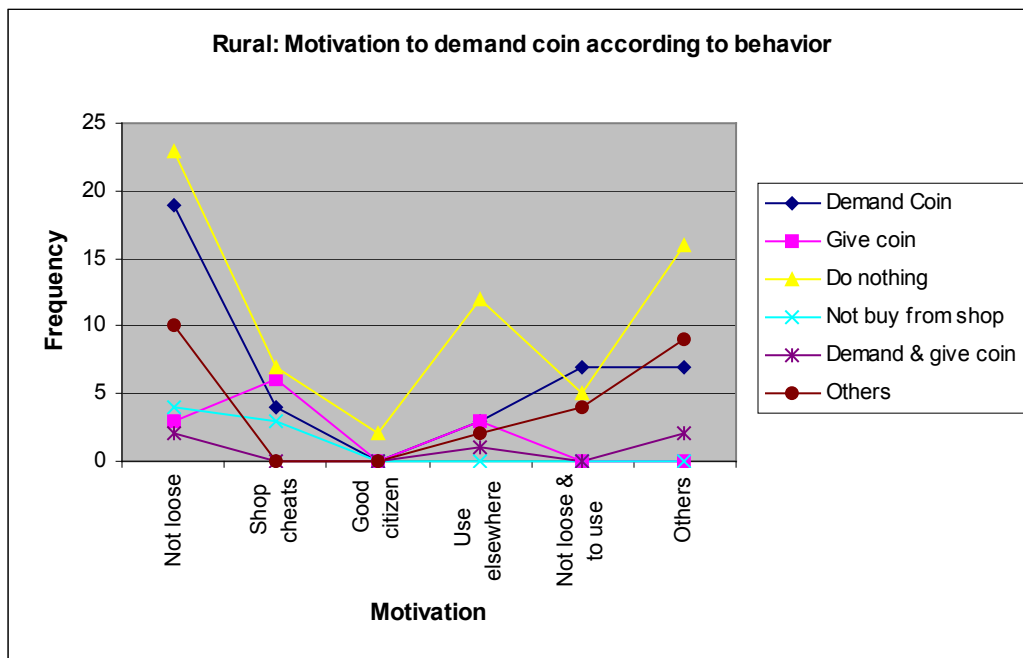
Examining motivation to demand coin change according to Customer Behavior

The customers who demand coin change do so primarily as they do not want to loose money and also as they can use for other transactions. Those who give correct coin change indicate that customers demand coin change as they feel that shops cheat, do not want to loose money and to use for other transactions. The pattern is similar in both the urban and rural areas (Charts 3.13 & 3.14).

**Chart 3.13: Urban: Motivation to demand coin according to behavior**



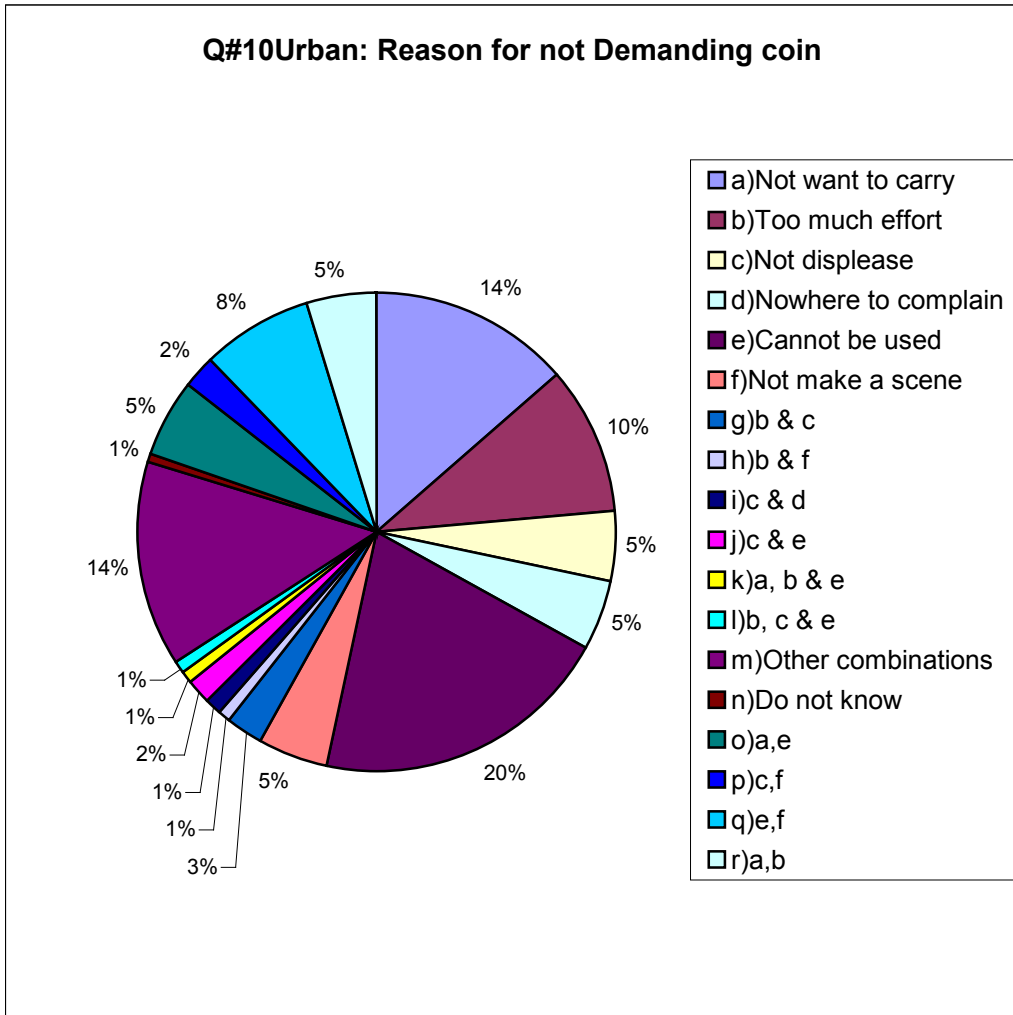
**Chart 3.14: Rural: Motivation to demand coin according to behavior**



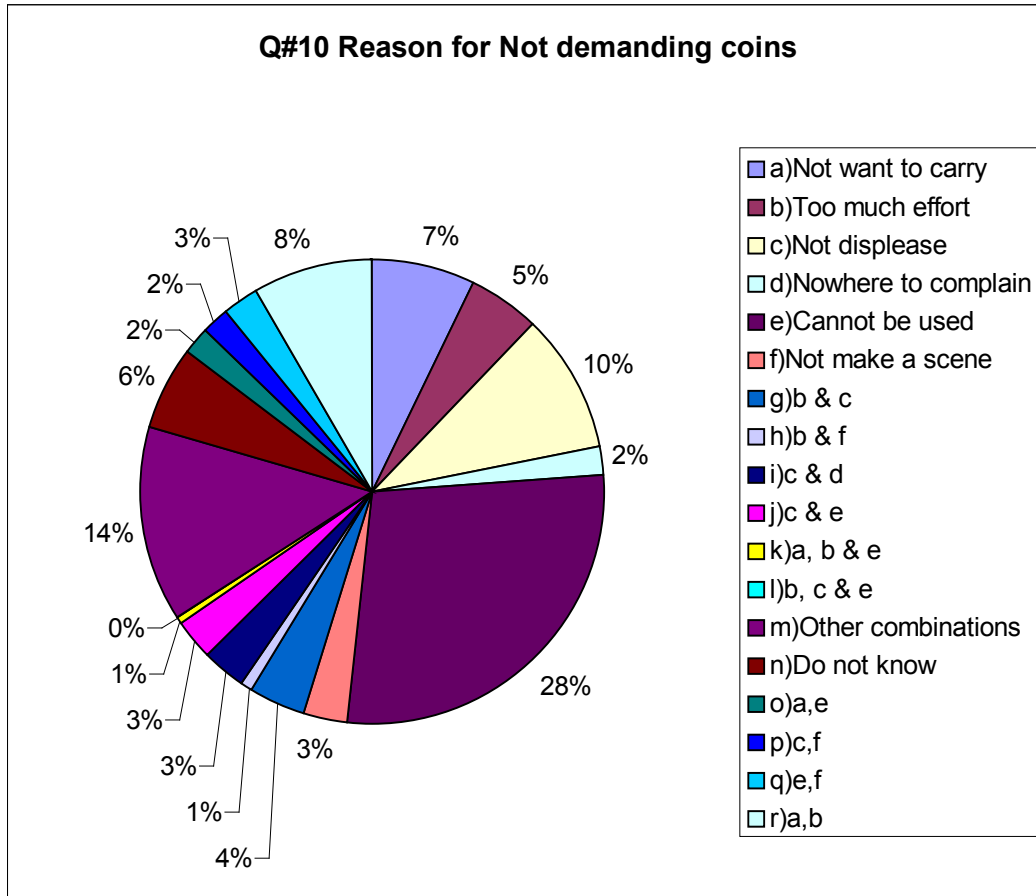
Reason for reluctance to demand coin change: There is no single dominant reason for the reluctance to demand coin change. In urban area the inability to use coin change in other transaction is indicated as a reason by 20 % of the

respondents. This behavior of customer is partly due to non-acceptance of small denomination coins by traders. At least 9 % of the respondents (4% & 5% for all “e” in Q#6) indicate that traders refuse to accept coin change. Also the important trade behavior of giving an item (21 %: Q#7) discourages the use of coin and therefore limits the relevance of coins. Costs are also an important reason for the passive behavior of customers. The physical costs of carrying coin change (14 %) and the time and effort involved in asking for small coin change (10 %) are the reasons in almost one fourth of the cases. The social costs are also a reason that 10 % of the respondents do not demand coin change. Not wanting to displease trader by demanding coin change (5 %) and not wanting to make an issue in front of others (5 %) are the social costs that prevent some customers from demanding coin change (Chart 3.15). In rural area the respondents find their inability to use the coins elsewhere as an important reason for not demanding coin change (28 %). More than urban the rural customer does not want to displease the trader (10 %). The physical costs of carrying and time & effort are much less a problem in the rural area than the urban area (Chart 3.16).

**Chart 3.15: Urban: Reason for not Demanding Coin**



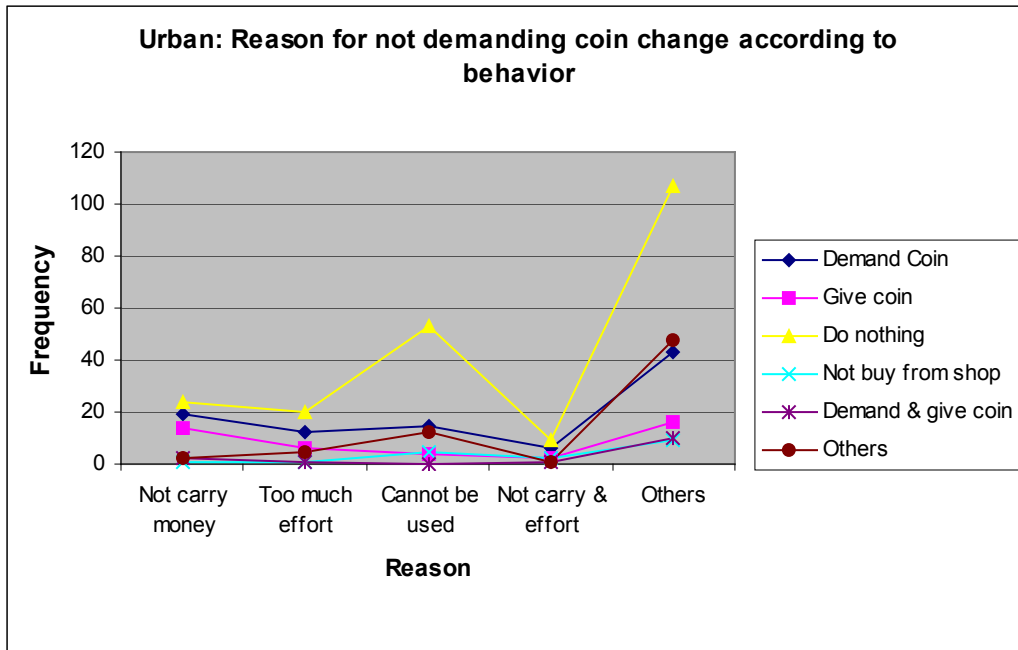
**Chart 3.16: Rural: reason for not demanding coin**



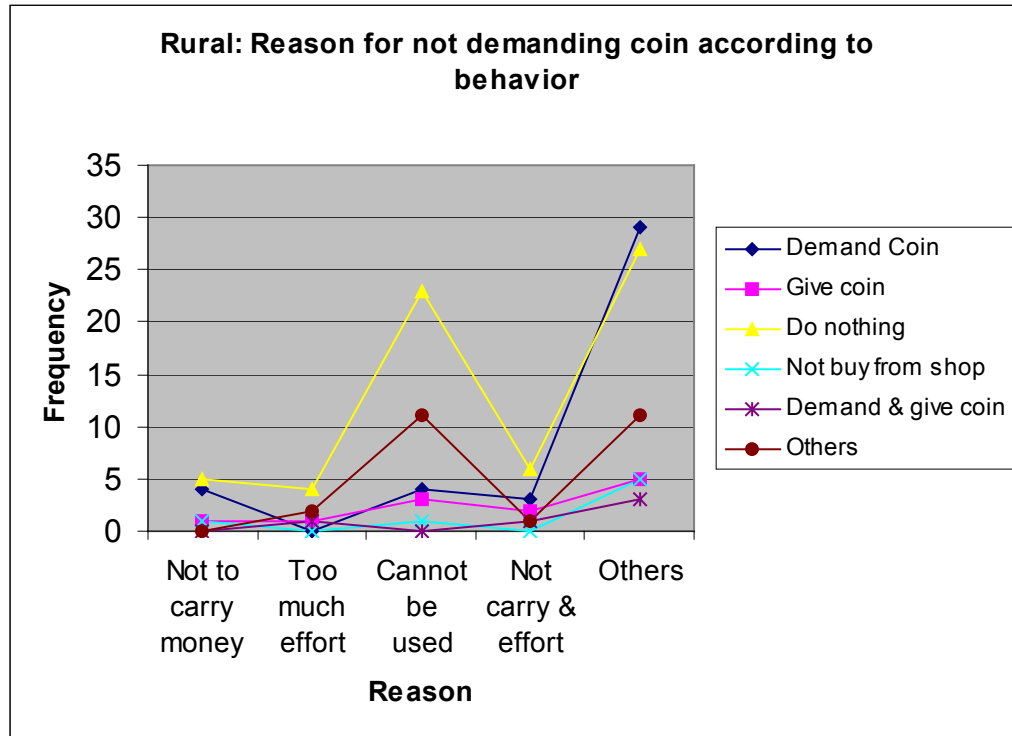
Examining “reason for not demanding coin change” in relation to “customer behavior”

Customers who “do nothing” when coin change is not given indicate that coin cannot be used elsewhere. Those customers in the urban area who give coins but do not demand coin indicate physical costs of carrying and time and effort as the reason for not demanding coins. Customers in urban area who demand coin change also indicate the physical cost as resulting in the reluctance to demand coins (Chart 3.17). In rural area those who “do nothing” indicate the inability to use as the reason for not demanding coin. This is also the reason indicated by those who give coins but do not demand coin with the physical costs not important (Chart 3.18).

**Chart 3.17: Urban: Reason for not demanding coin change according to behavior**



**Chart 3.18: Rural: Reason for not demanding coin according to behavior**

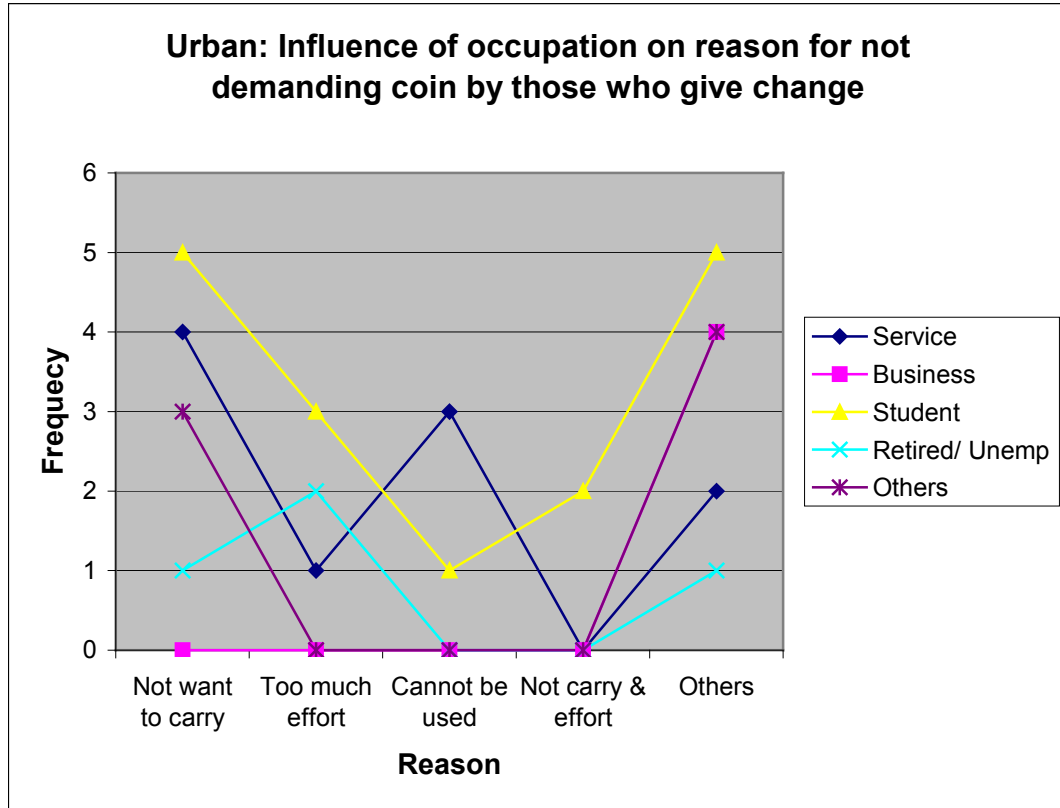


Relating occupation to reason for not demanding coin change and customer behavior

Those in urban area who give coin change but do not demand coin change and 'not interested in carrying change' are in service (9.5 %) and students (11.9 %). Those who give change but do not demand because of time and effort are students (11.9 %). Those who give change but do not demand, as they cannot be used elsewhere are in service (7.1 %).

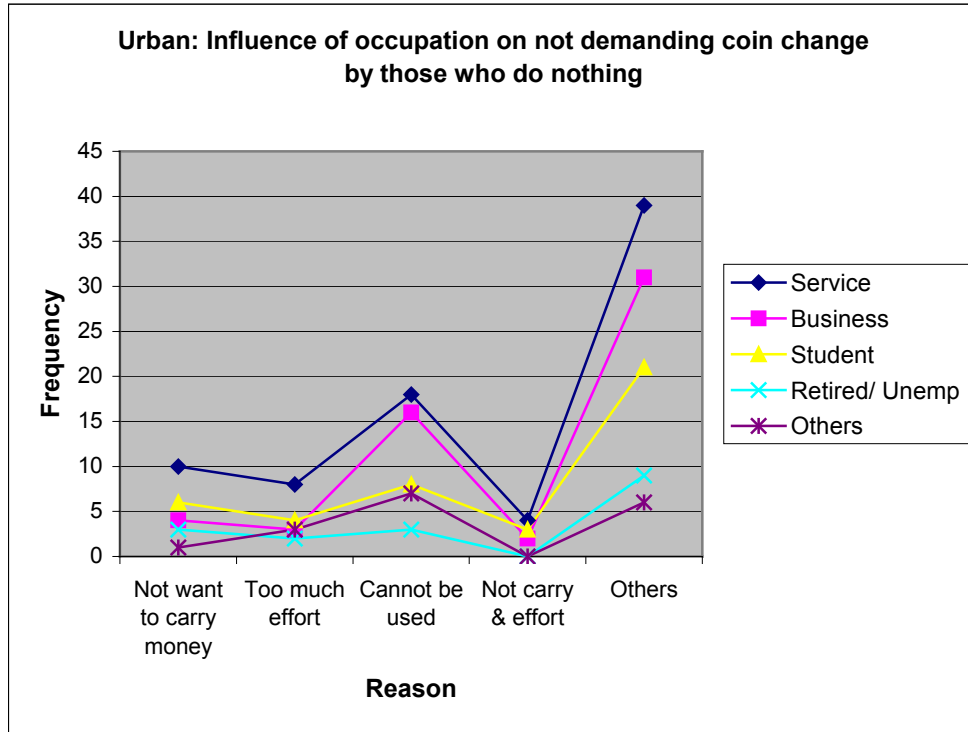
**Chart 3.19: Urban: Influence of occupation on reason for not demanding coin by those who give change**





Those in urban area who “do nothing” indicate their reason for not demanding coin change as “cannot be used”. This is similar across occupation (Chart 3.20).

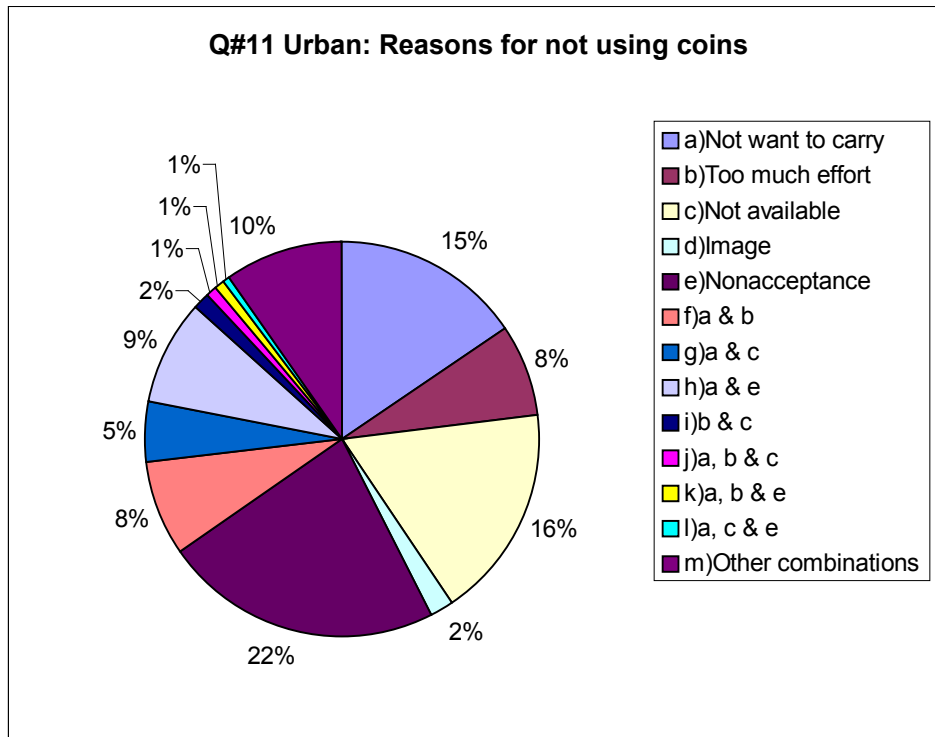
**Chart 3.20: Urban: Influence of occupation on not demanding coin change by those who do nothing**



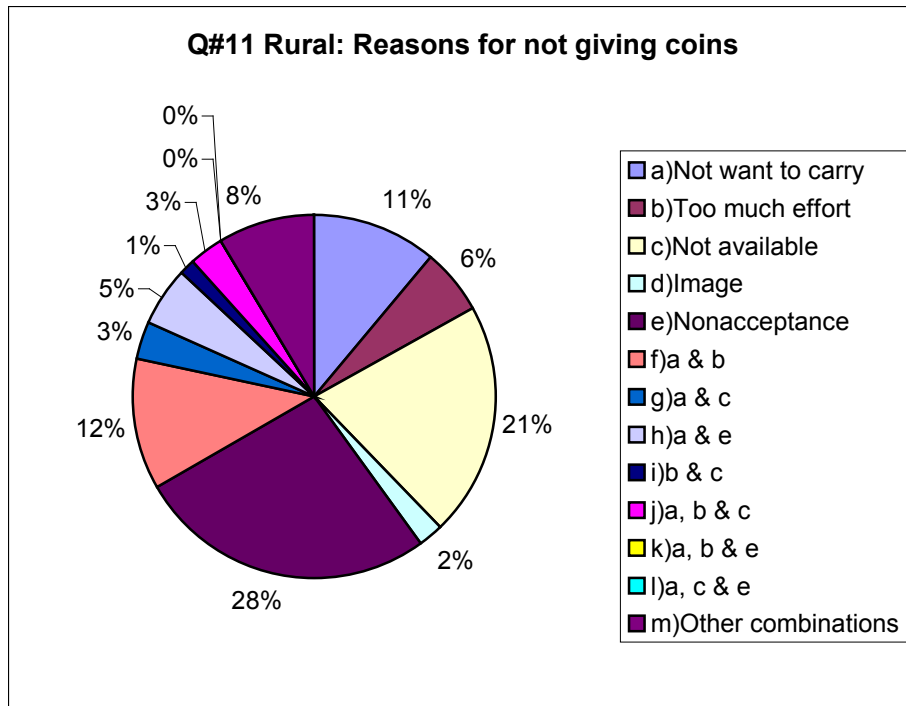
In the case of rural area the number of respondents do not allow the multivariate analyses.

Reason for not giving coin change: Physical cost is again an important reason for not giving coin change. About a third of the respondents do not give coins for this reason. Customers do not want to carry coins (15 %) and customers do not want to spend time and effort in selecting, counting and giving coins (8 %) and some customers do not give coin change for both these reasons (8 %). Non-availability of coins is indicated by 16 % of the respondents but a more important reason is non-acceptance of small denomination coins by trade (22 %) (Chart 3.21). In rural area the physical costs as the reason for not giving coin change by customers are slightly lower at overall of 29%. The non-acceptance of coins as the reason is slightly more in rural areas at 28% (Chart 3.22). The role of trade in customer motivation to give correct coin change is indicated as important.

Chart 3.21: Reason for not giving coins



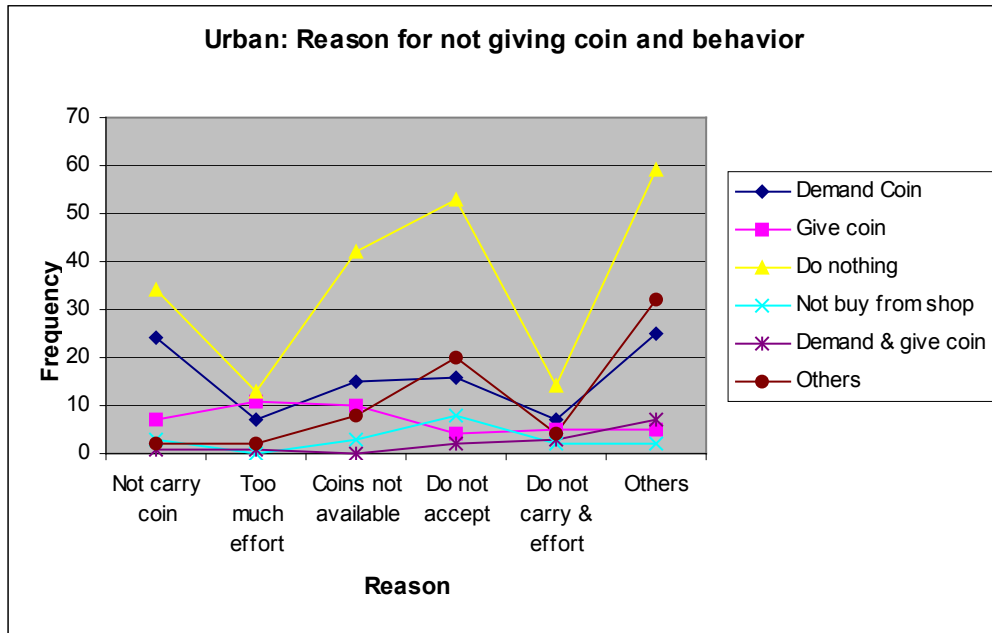
**Chart 3.22: Rural: Reason for not giving change**



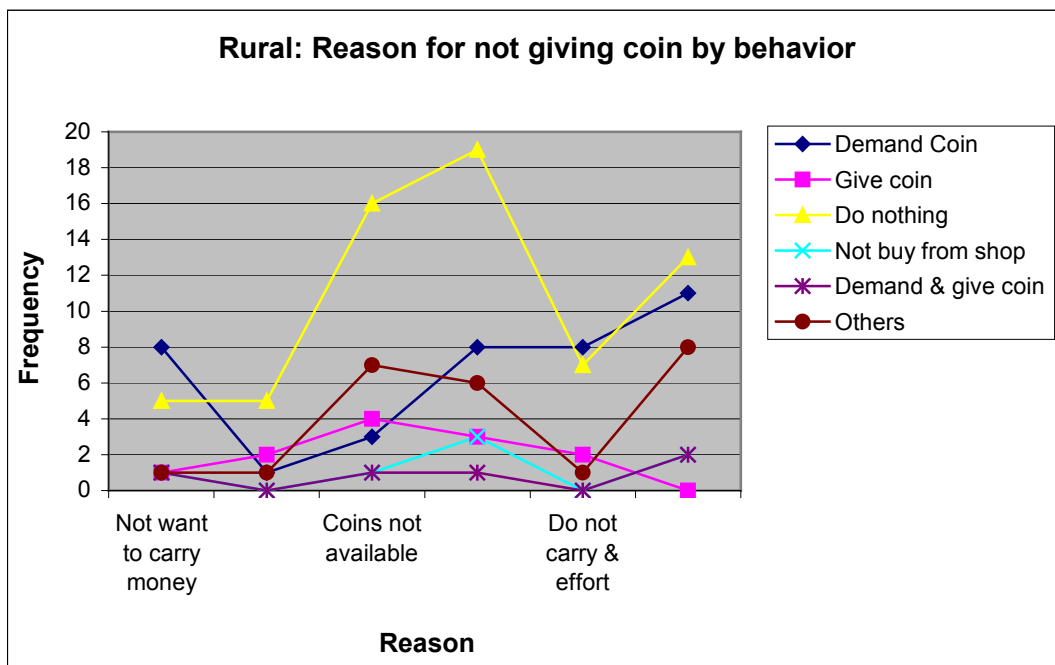
Examining “reasons for not giving correct coin change” in relation to “customer behavior”

A large number of customers who demand coin change do not give coin change, as they are not interested in carrying coins. To a lesser extent they also indicate the reasons of “traders not accepting coin change” and “difficulty in getting coin”. Those who “do nothing” indicate the reason for not giving coin change as “shops not accepting coin”. The patterns are similar in urban (Chart 3.23) and rural (Chart 3.24) areas

**Chart 3.23: Urban: Reason for not giving coin and behavior**



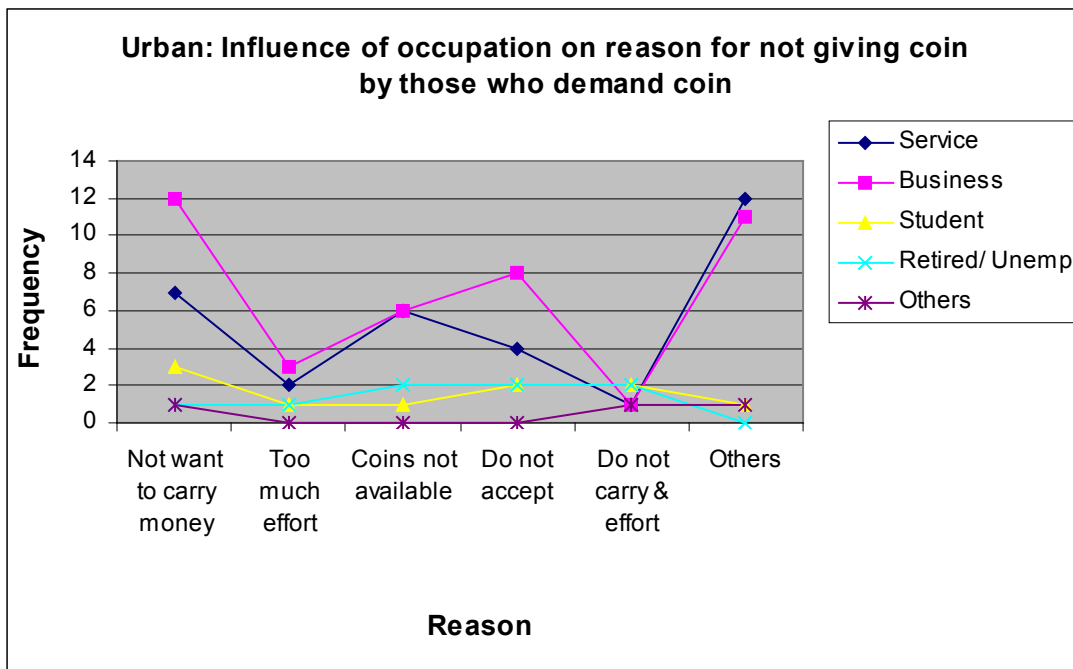
**Chart 3.24: Rural: Reason for not giving coin and behavior**



Relating occupation to reason for not giving change and customer behavior

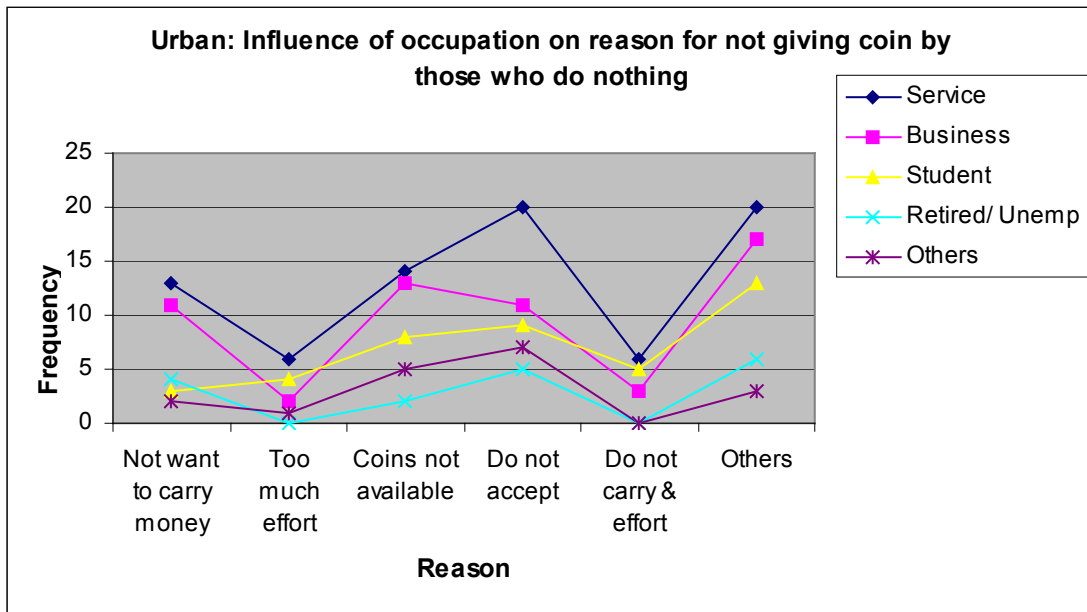
Those who demand coin change but do not give coin change, as they do not want to carry are in business and in service. They also do not give, as the coins are not available. Those in business do not give, as the coins are not accepted. It is a less important reason for those in service.

**Chart 3.25: Urban: Influence of occupation on reason for not giving coin by those who demand coin**



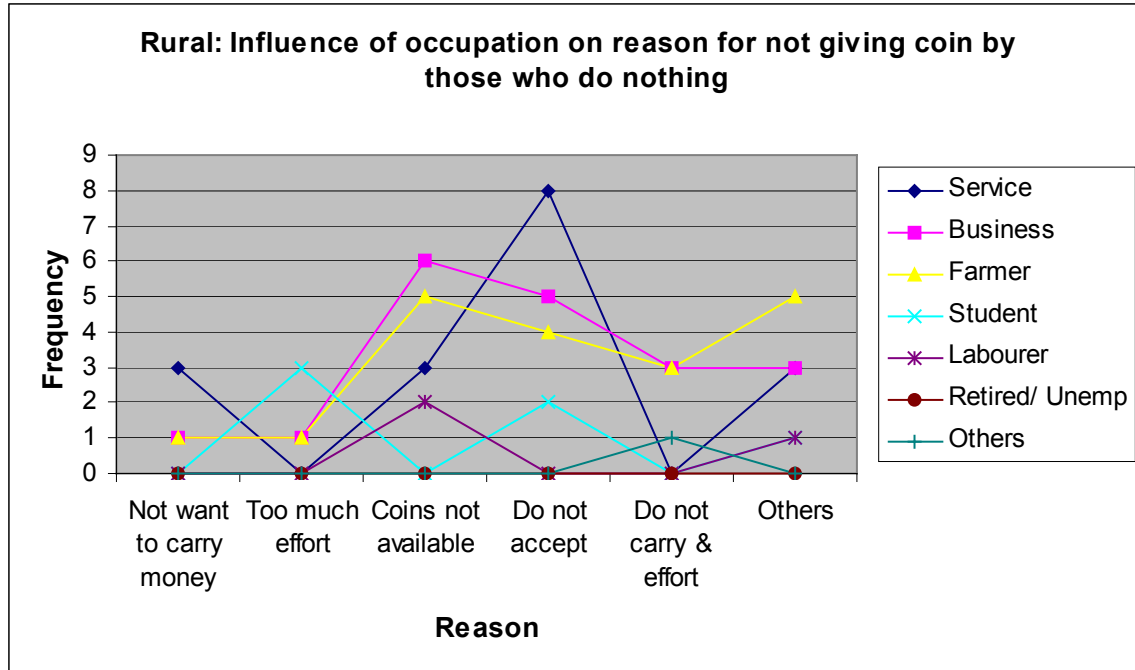
Those who “do nothing” when coin change is not given, indicate the reason for not giving coin as “non-acceptance”. This is true across occupation but relatively less for those in service who indicate non-availability of coins as more important.

**Chart 3.26: Urban: Influence of occupation on reason for not giving coin by those who do nothing**



The limited number of respondents in this category for rural area is a limitation in performing multivariate analysis. The non-availability of coins and non-acceptance are given as the reason for not giving coin change by those who “do nothing” across occupation.

**Chart 3.27: Rural: Influence of occupation on reason for not giving coin by those who do nothing**

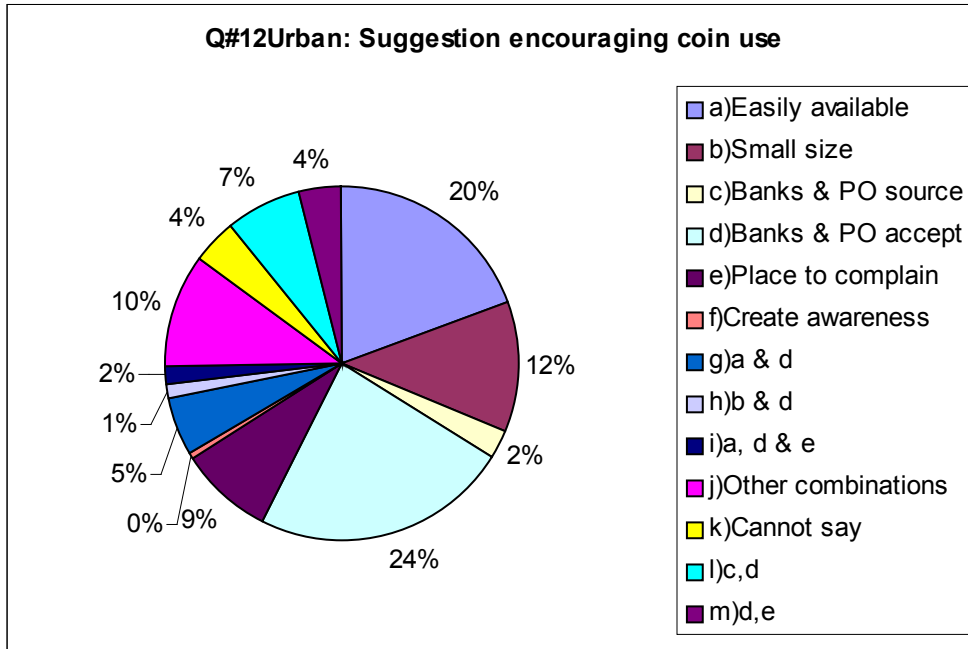


**Suggestion to encourage use of coins**

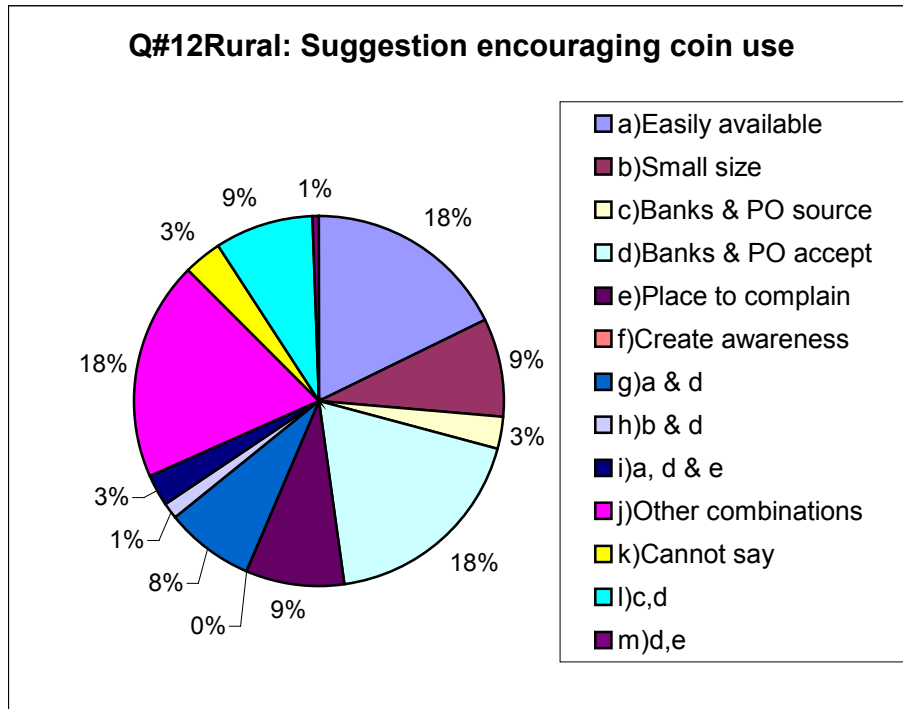
The customers in urban area suggest that use of coins can be improved if banks and post office accept coin change (24 %). The next most important suggestion is to make coins easily available (20 %). 5 % of the respondents suggest that banks & post office should accept coins and also the coins should be easily available. In effect the suggestion is that if small denomination coins are easily available (which for customers would be through the regular transactions) and the banks and post office are willing to accept coin change, the use of small denomination coins would improve. 7% of the customers indicate that banks & post office should give and also accept coins. Reducing size of coins and awareness of place to complain are also indicated as suggestions to encourage the use of coins by 12 % and 9 % of the customers (Chart 3.28). The pattern is similar in rural areas with slightly lower importance to banks and post office being required to accept coins (18 %) (Chart 3.29).



**Chart 3.28: Urban: Suggestions to encourage coin use**



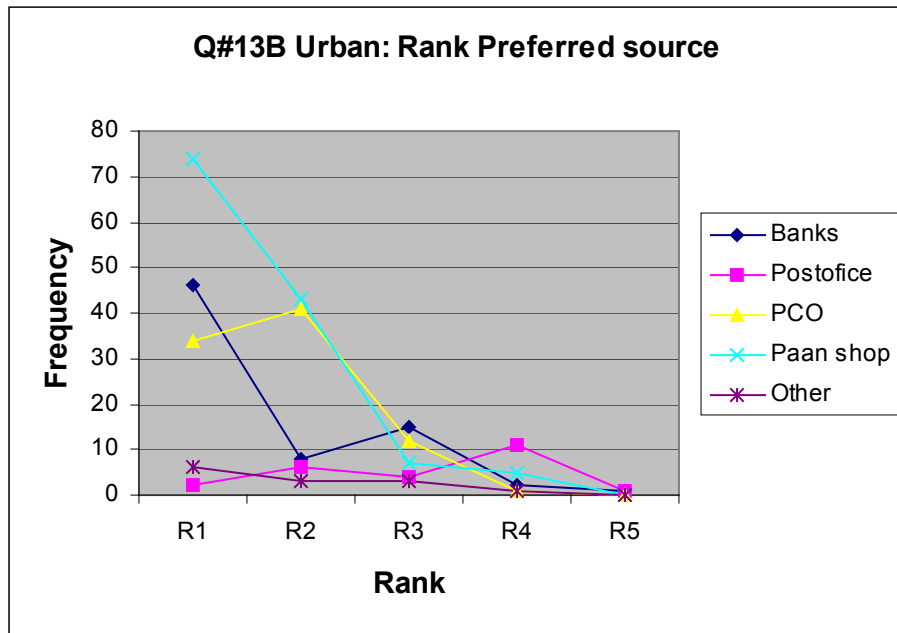
**Chart 3.29: Rural: Suggestion for encouraging coin use**



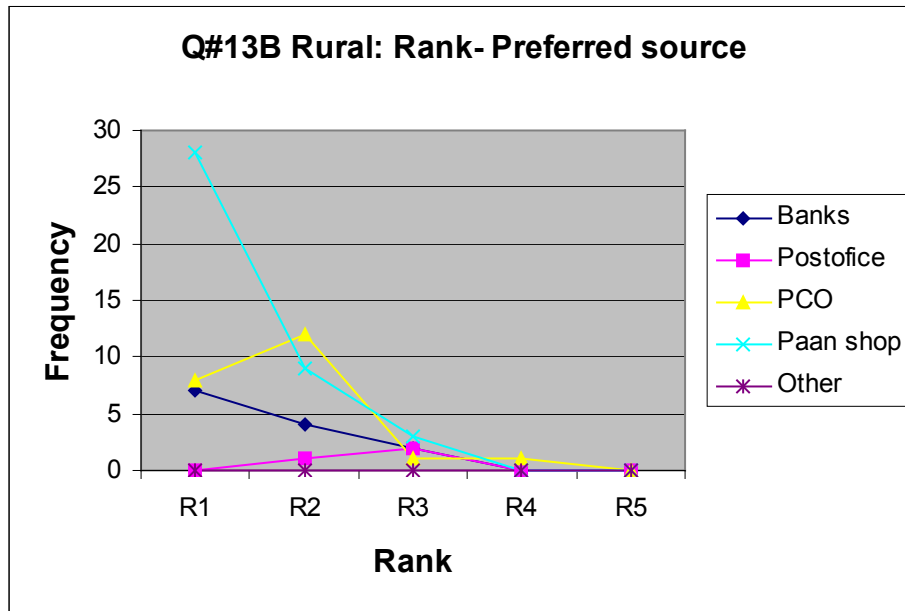
**Preferred source of coins**

Large numbers of customers prefer to use Paan shop as the source of coin (46%). If the first two preferred source of coins are used then the preference is for Paan shop (117 Nos.), PCO (75 Nos.) and Banks (54 Nos.) (Chart 3.30). The pattern is no different in rural areas and the first two ranks again result in preference order of Paan shop, P.C.O. and Banks as the source of coins (Chart 3.31).

**Chart 3.30: Urban: Preferred source**



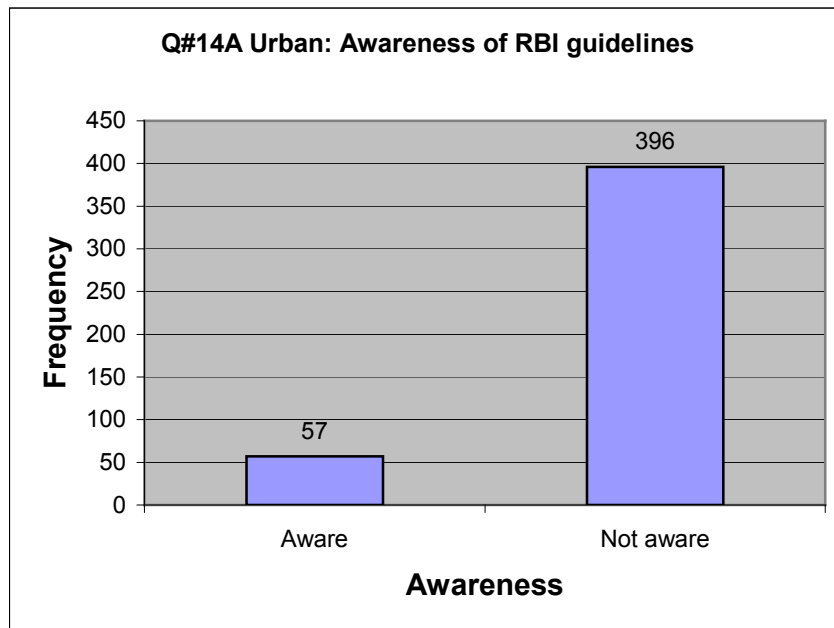
**Chart 3.31: Rural: Preferred source**



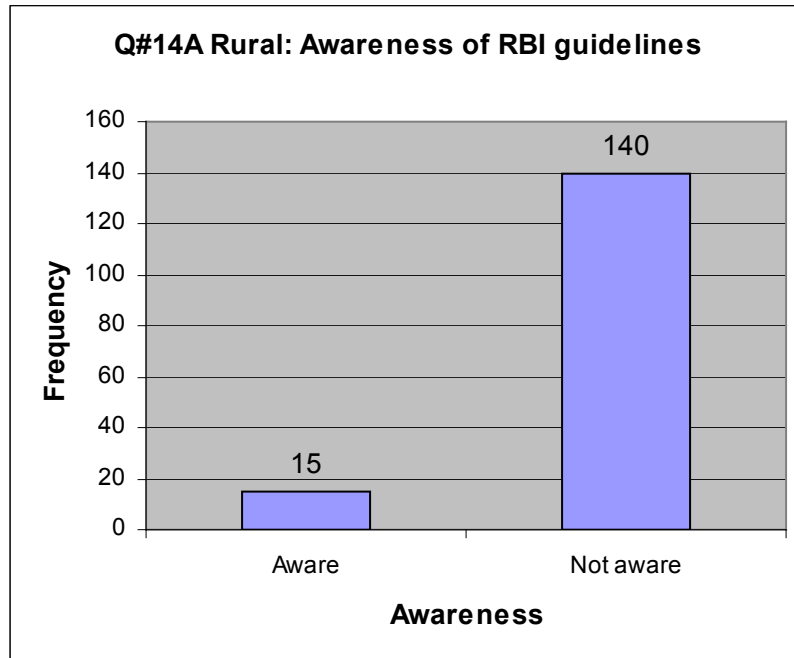
### Awareness and source of awareness of RBI guidelines

About 13 % of the urban and 10 % of the rural customers indicated that they are aware of the RBI guidelines (Charts 3.32 & 3.33). Of those aware the source for about half (43 %) in urban and more than half (60 %) in rural area is the newspaper with no other single source indicated as important (Charts 3.34 & 3.35).

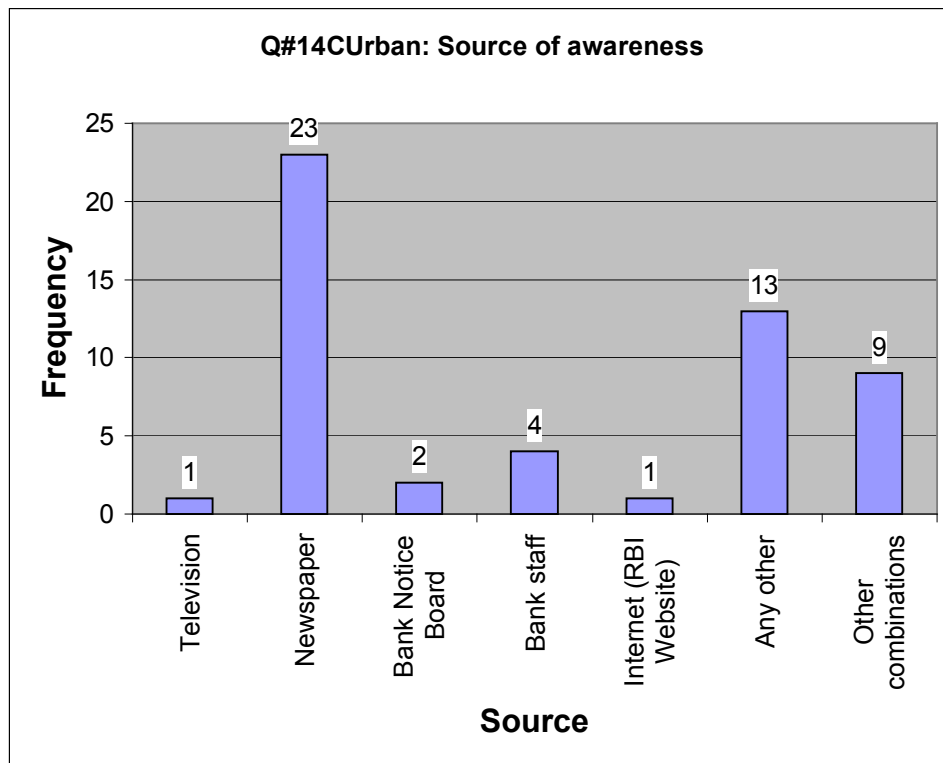
**Chart 3.32: Urban: Awareness of RBI guidelines**



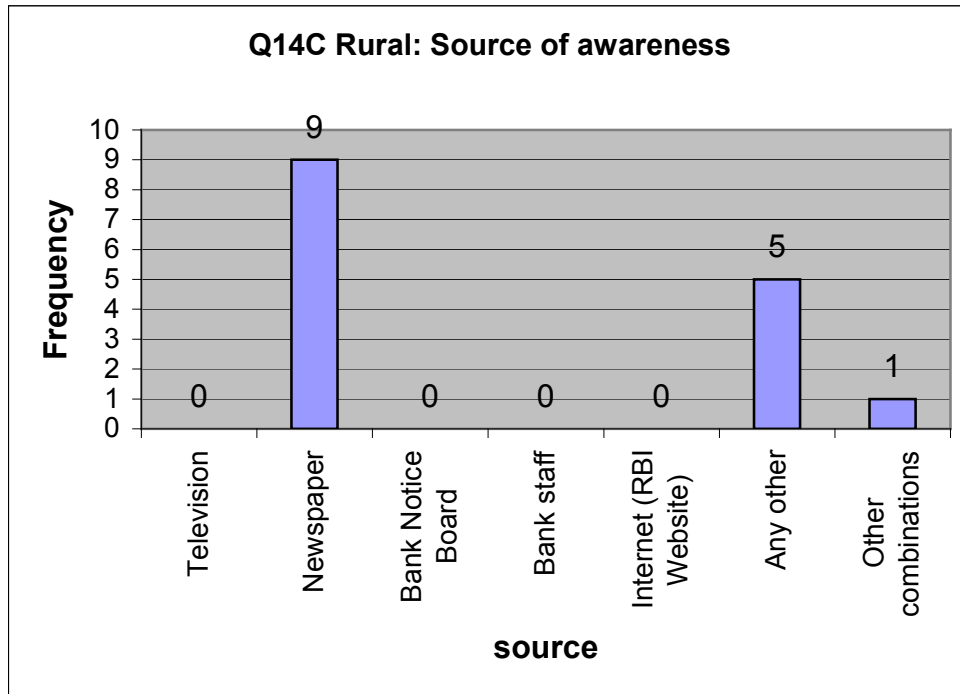
**Chart 3.33: Rural: Awareness of RBI guidelines**



**Chart 3.34: Urban: Source of awareness**



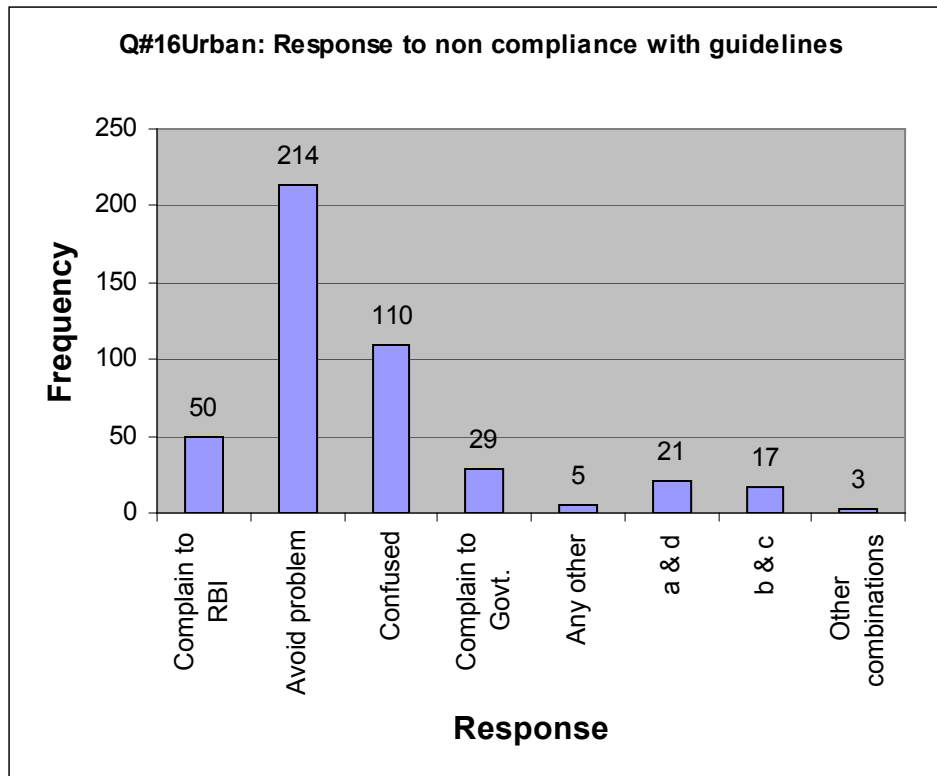
**Chart 3.35: Rural: Source of awareness**



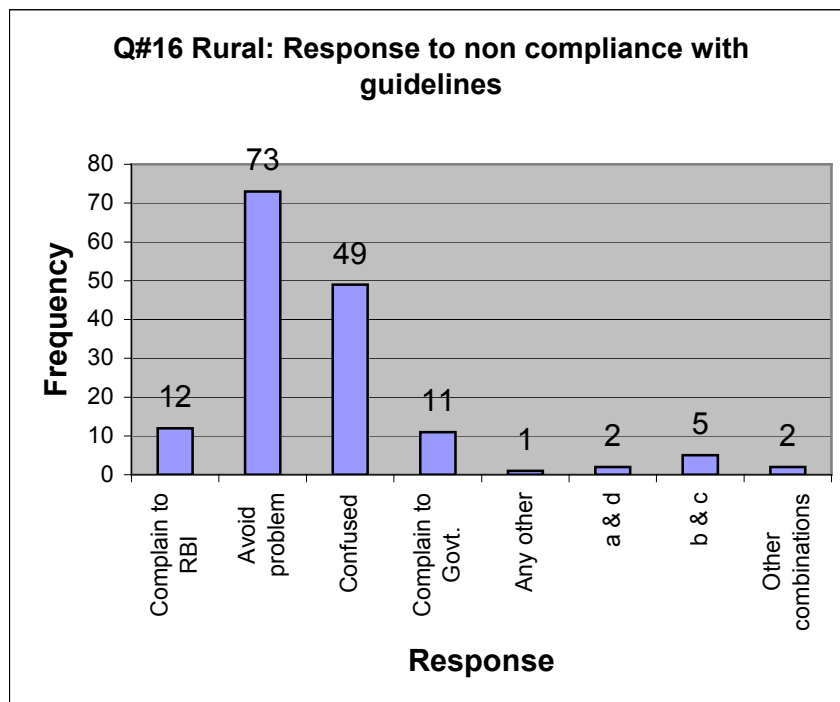
**Customer willingness to follow-up on the RBI guidelines**

The customers were told about the RBI guidelines on coins and then they were asked for their response in the case of non-compliance with the RBI guidelines. In slightly less than half the cases (44 % in urban and 46 % in rural) the customers indicated that they would tell the trader about the RBI guidelines. They were also required to examine their response to the situation where the trader refuses to comply with the RBI guideline even after telling them about the guideline. About half (48 % in urban and 47 % in rural) the customers indicated that they would do nothing and about a fourth of them in urban (24 %) and a third in rural (32 %) indicated that they would not know what to do. Slightly more than one-fifth (22 %) in urban and 16 % in rural indicated that they would complain to some official (Charts 3.36 & 3.37).

**Chart 3.36: Urban: Response to non compliance with guidelines**



**Chart 3.37: Rural: Response to non compliance with guidelines**

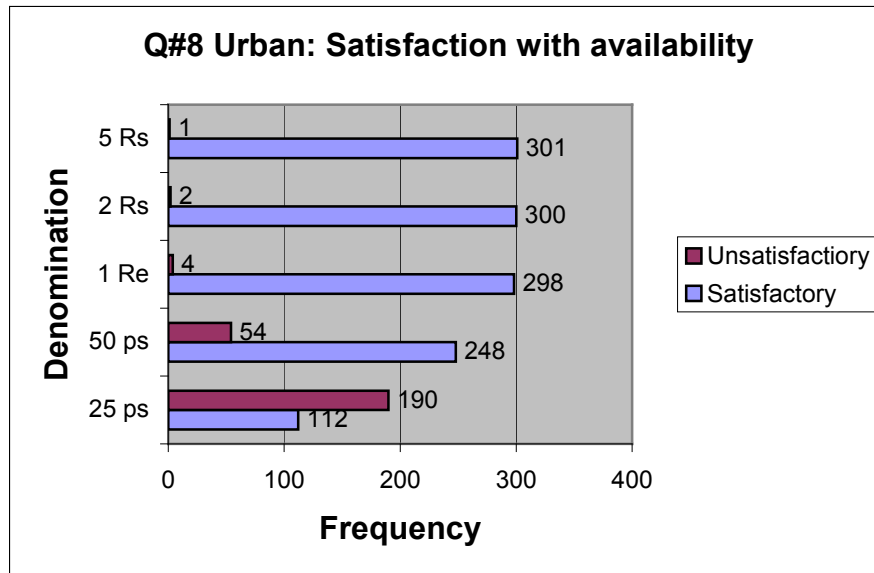


#### 4. NEED AND USE BEHAVIOR FOR SMALL DENOMINATION COINS AMONG TRADE

##### Availability of coins

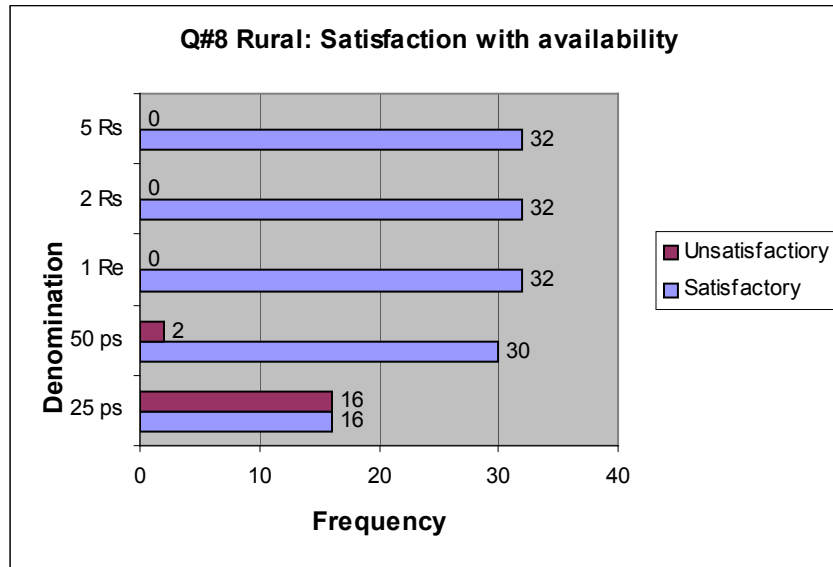
Availability is examined by satisfaction with the availability of coins and is also examined through ability to transact with correct coin change. The availability of coins in urban area is unsatisfactory for 25 Ps but satisfactory for all other denominations. 63 % indicate the availability of 25 Ps as unsatisfactory and 18 % indicate availability of 50 Ps as unsatisfactory (Chart 4.1). In rural area the availability of 25 Ps is 50 % and for 50 Ps only 6 % indicate unsatisfactory availability (Chart 4.2).

**Chart 4.1: Urban: Satisfaction with availability**



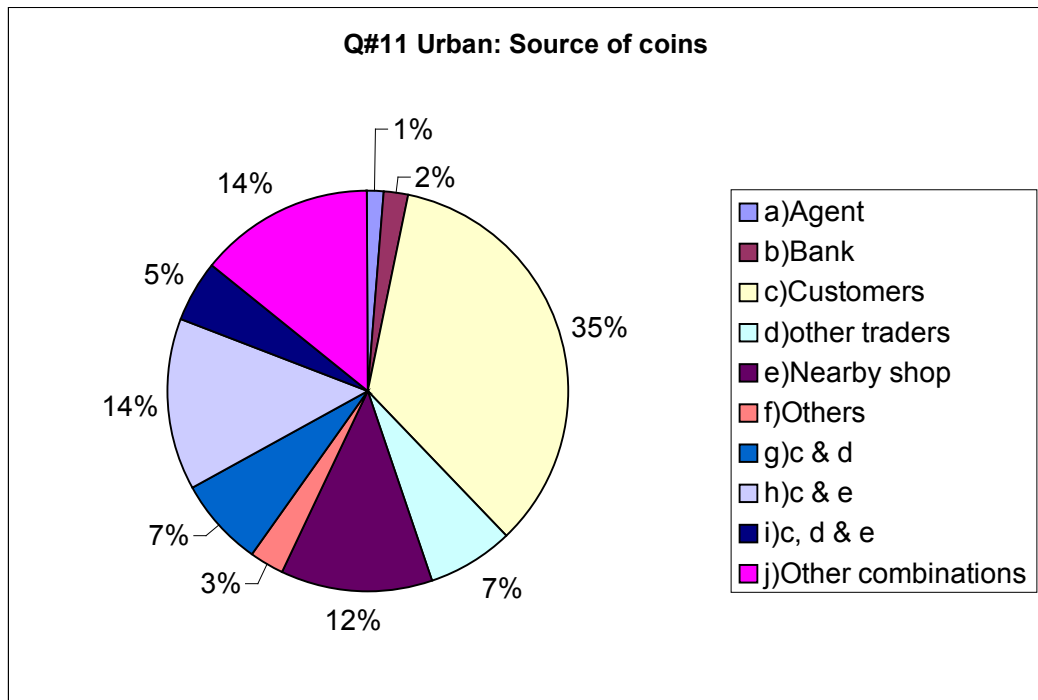


**Chart 4.2: Rural: Satisfaction with availability**

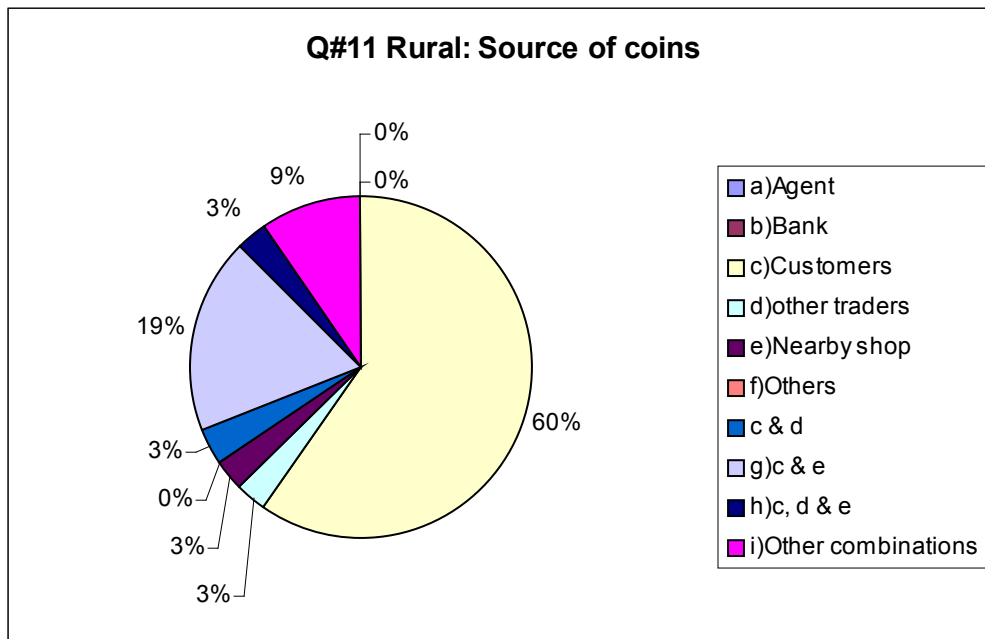


Source of coin: The non-availability of 25 Ps coins is not surprising as the use of 25 Ps coins is low and for 80 % of the trade in urban area the source of coins is customers and other traders (Chart 4.3). This is all the more true in rural where the customers are the major source. The use of customers and trade as source is more than 90 % in rural (Chart 4.4).

**Chart 4.3: Urban: Source of coins**



**Chart 4.4: Rural: Source of coins**

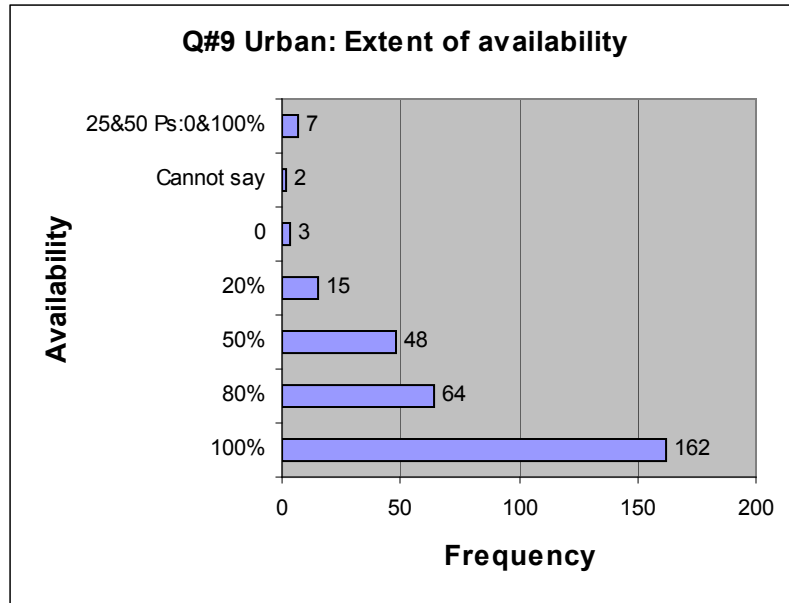


Transact with correct coin change: The availability of coins measured by the extent to which the trade transacts in correct coin change indicate that in urban area 54 % traders give coin change all the time. 6 % of the traders do not give correct coin change to customers even in half their transactions. The data for urban areas is given in table 4.1 and chart 4.5. In rural area 53 % of the traders give coin change to all their customers and 6 % to not even half the customers (Table 4.2 & Chart 4.6). This is examined without denominations and therefore the trader response could exclude small denomination coins.

**Table4.1: Urban: Transact with Correct Coin Change**

| Transact with Coins                         |           |
|---|-----------|
| Correct Coin Change With Every 10 Customers | Frequency |
| All   | 162       |
| 8 Customers                                 | 64        |
| 5 Customers                                 | 48        |
| 2 Customers                                 | 15        |
| Nil   | 3         |
| Cannot say                                  | 2         |
| 25 Ps None & 50 Ps All                      | 7         |
| Total                                       | 301       |

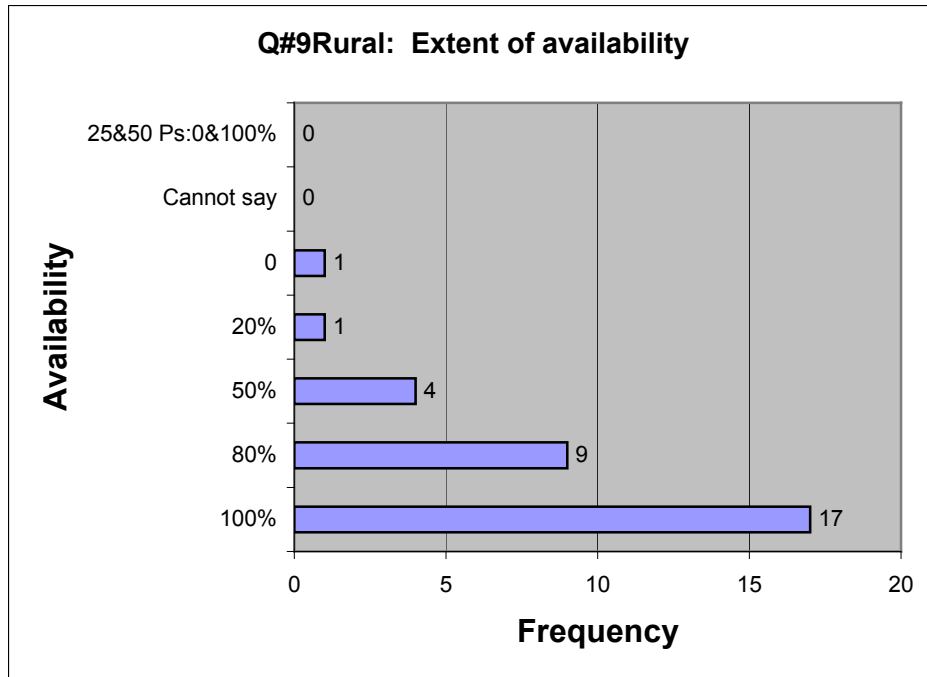
**Chart 4.5: Urban: Transact with Correct Coin Change**



**Table4.2: Rural: Transact with Correct Coin Change**

| Transact with Coins                         |           |
|---|-----------|
| Correct Coin Change With Every 10 Customers | Frequency |
| All   | 17        |
| 8 Customers                                 | 9         |
| 5 Customers                                 | 4         |
| 2 Customers                                 | 1         |
| Nil   | 1         |
| Cannot say                                  | 0         |
| 25 Ps None & 50 Ps All                      | 0         |
| <b>Total</b>                                | <b>32</b> |

**Chart 4.6: Rural: Transact with Correct Coin Change**



**Trade Behavior in use of coins**

Acceptance of Coins: The willingness of trade to accept correct coin change is examined. 90 % of the trade in urban area and 78 % in rural area do not accept 25 Ps coins and 23 % in urban area and 19 % in rural area do not accept 50 Ps coins (Charts 4.7 & 4.8). The acceptance of small denomination coins is poor but is better in rural compared to urban.

Chart 4.7:Urban: Acceptance of coins

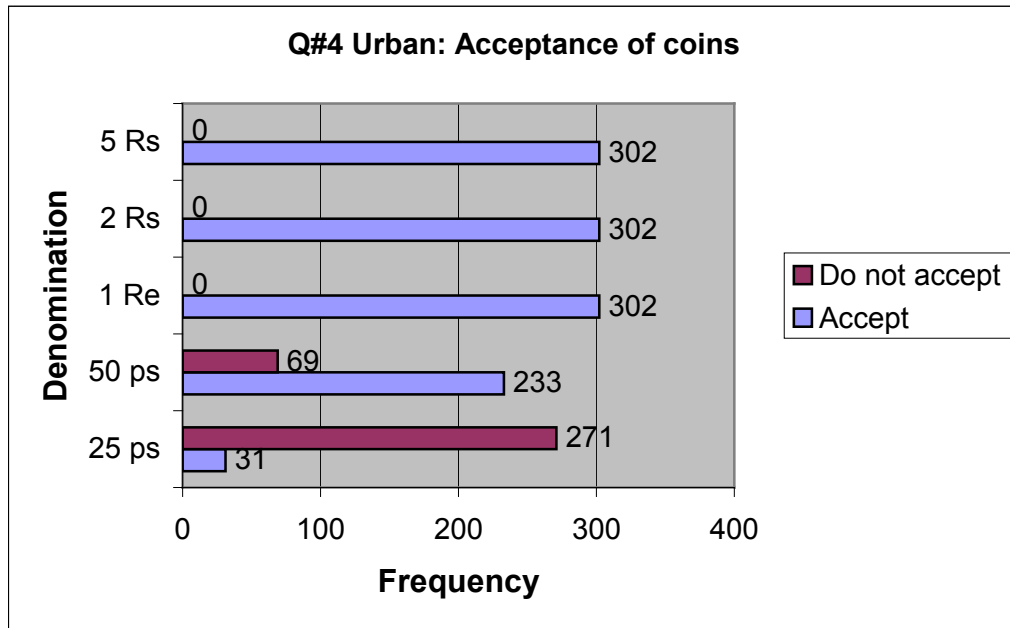
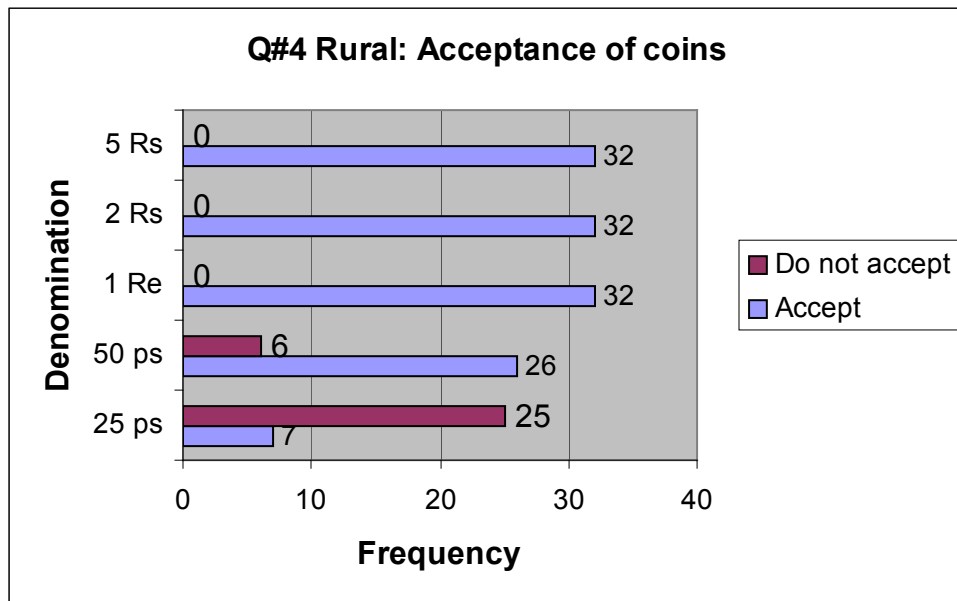


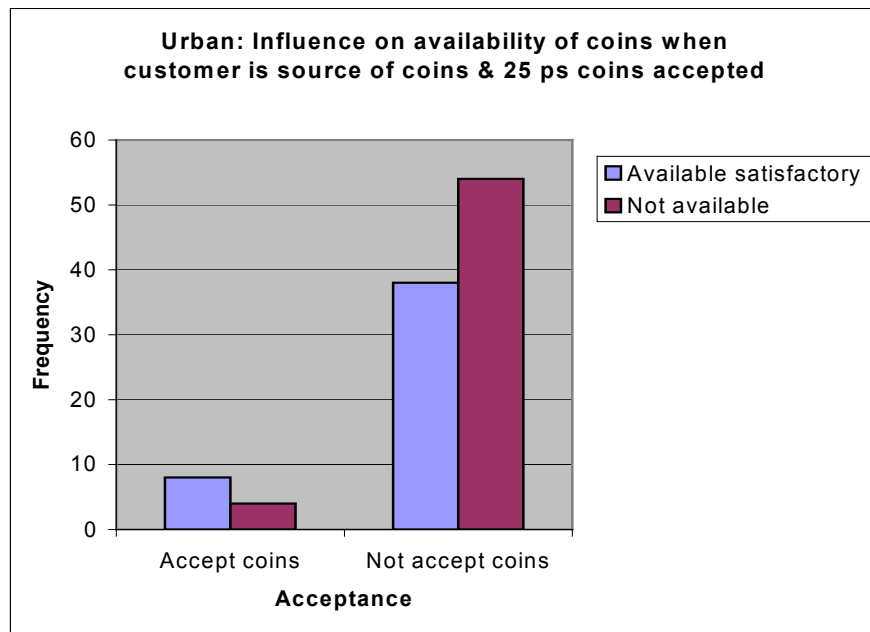
Chart 4.8:Rural: Acceptance of coins



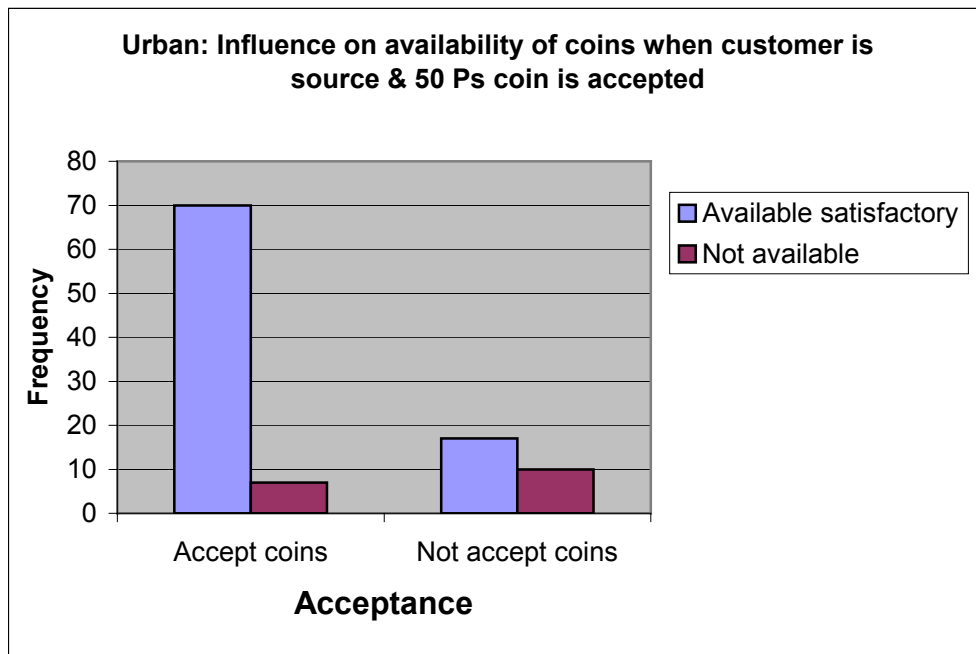
Influence of source of coins and willingness to accept coin change on availability of coins

Those traders in urban area who use customers as the source of coins and who accept coins find availability of 25 Ps coins satisfactory (67 %) compared to the satisfaction with availability of 41 % for the traders who do not accept 25 Ps and use customers as a source of coins (Chart 4.9). This is true for 50 Ps also. The traders who use customers as a source of coins and who accept coin change are more satisfied with availability of coins (90 %) compared to satisfaction with availability of 63 % for those who do not accept 50 Ps coins (Chart 4.10). This is true for rural areas also though the satisfaction with availability is higher for both 25 Ps and for 50 Ps (Charts 4.11 & 4.12).

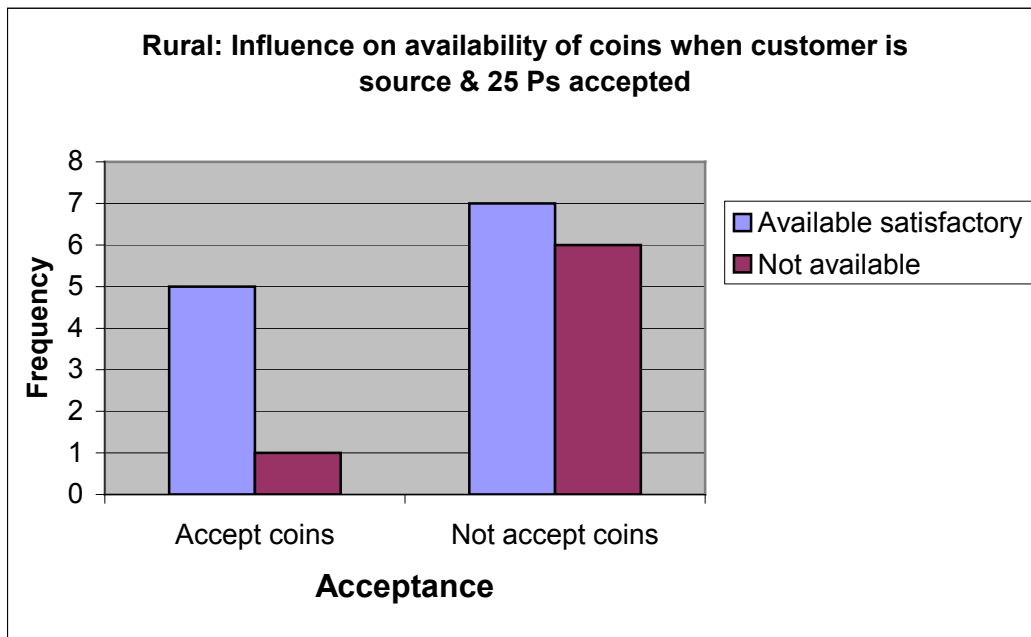
**Chart 4.9: Urban: Influence on availability of coins when customer is the source of coins & 25 Ps coins accepted**



**Chart 4.10: Urban: Influence on availability of coins when customer is the source of coins & 50 Ps coins accepted**

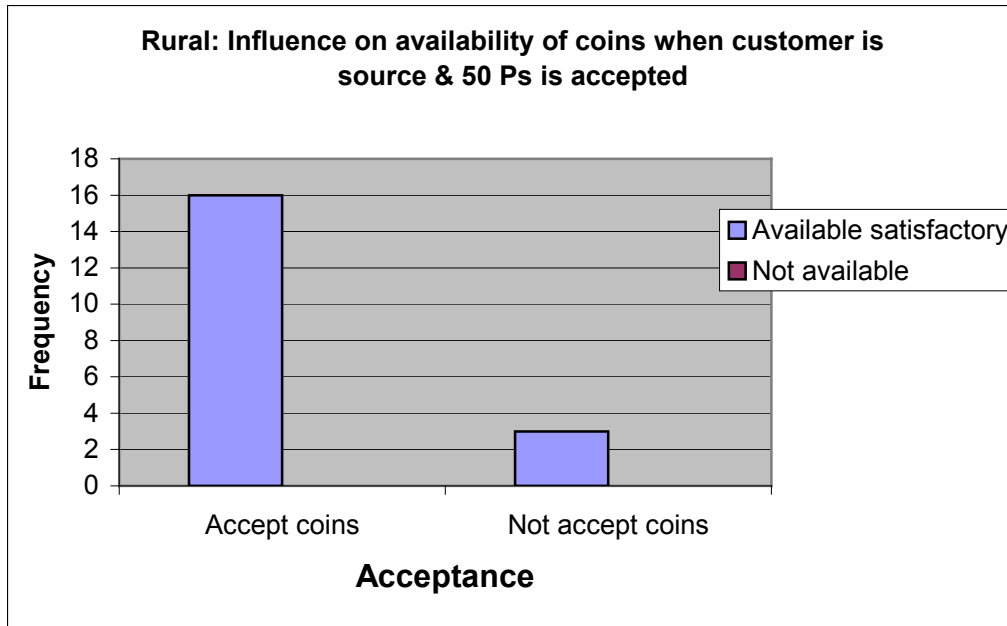


**Chart 4.11: Rural: Influence on availability of coins when customer is the source of coins & 25 Ps coins accepted**



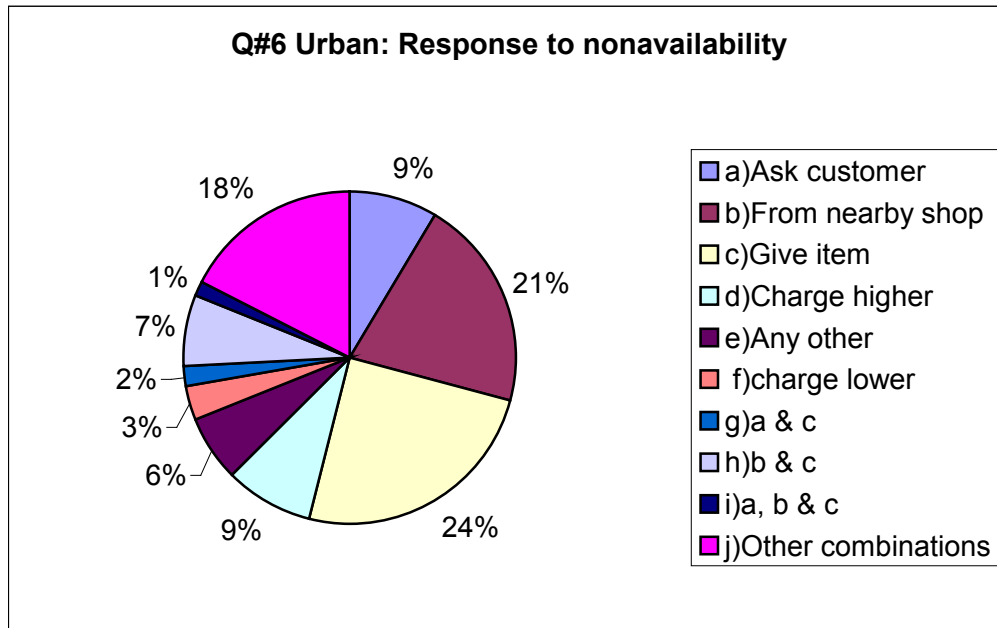


**Chart 4.12: Rural: Influence on availability of coins when customer is the source of coins & 50 Ps coins accepted**

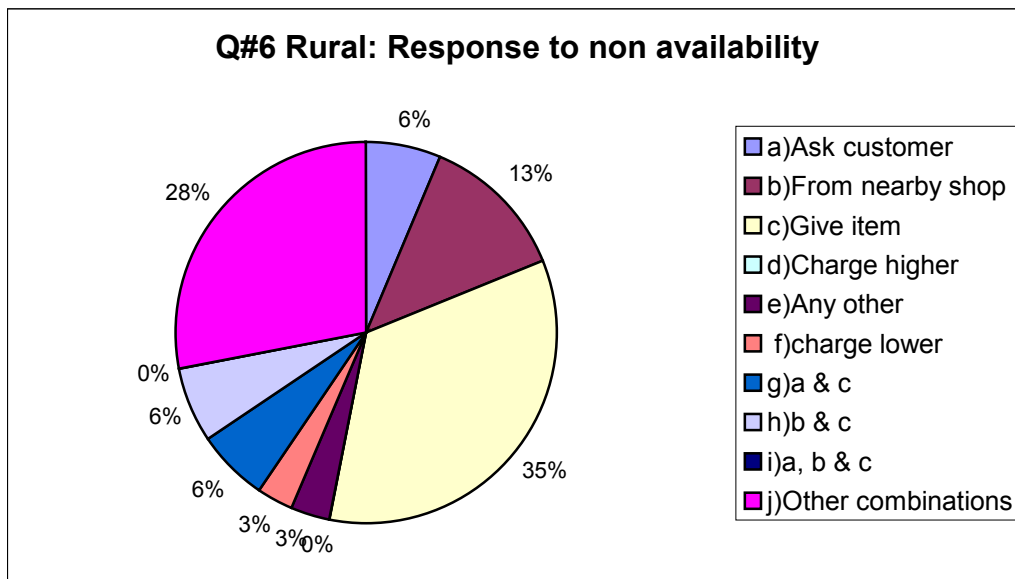


Behavior when coin change is not available: In about one-fourth of the cases the traders give an item (24 %). They get change from nearby shop in 21% of the cases and in 9 % of the cases they ask the customers. 9 % of the traders indicate that they charge more and only 3 % indicate that they charge lower (Chart 4.13). In the case of rural area the trade does not charge higher but prefers to give an item (35 %) (Chart 4.14). These indicate that the non-availability of coin change benefits the trader.

**Chart 4.13: Urban: Response to non-availability**



**Chart 4.14: Rural: Response to non-availability**



Comparison of Customer and trade response: The customers' experience (Q#7-Customer) both in the urban and the rural area is that the trade charges more.

Some of the traders in the urban area admit that they charge more but the trader in rural area deny that they charge more. The traders both in the urban and rural area indicate that they give an item instead of coin change. The occurrence of substituting an item for coin change is reasonably in agreement between the customer and trader. The response bias of the trader could be the reason for the difference in the aspect of “trader charging more”. The trader charging less is however almost similar with low percentages of 2% by customer and 3% by trader in urban and 3 % each in rural (Tables 4.3 & 4.4). Clearly the trader is not a loser when the coin change is not available.

**Table 4.3: Urban: Comparison of Customer experience & Trade Behavior when coin change is not available with trader**

| Sl.No. | Customer Experience        | %  | Sl. No. | Trade behavior      | %  |
|--------|----------------------------|----|---------|---------------------|----|
| 1      | Charges More               | 26 | 1       | Gives Item          | 24 |
| 2      | Gives Item                 | 21 | 2       | Asks Nearby Shop    | 21 |
| 3      | Charges More or Gives item | 15 | 3       | Asks Customer       | 9  |
| 4      | Ask Customer or Give item  | 7  | 4       | Charges More        | 9  |
| 5      | Ask Customer               | 5  | 5       | Nearby Shop or Item | 7  |

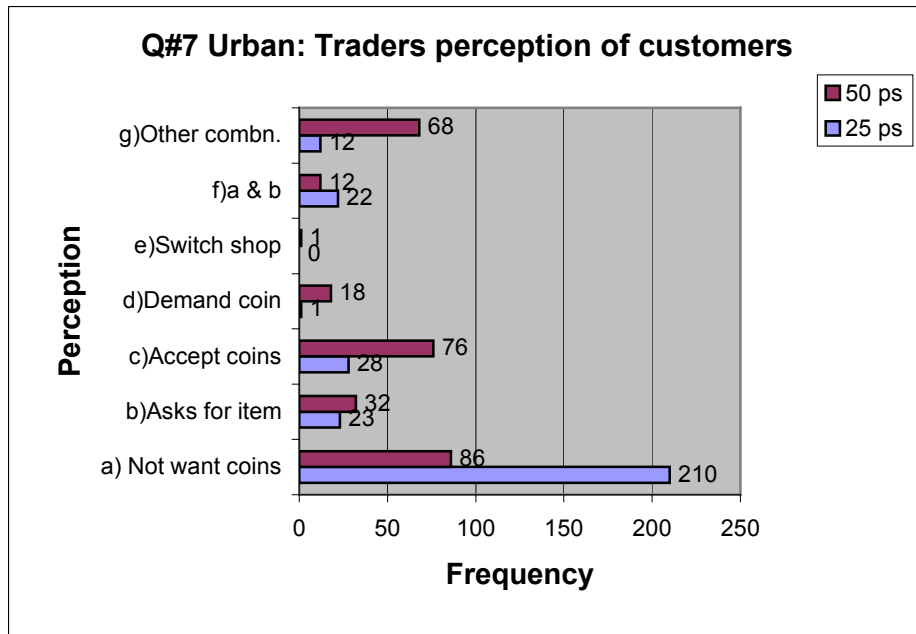
**Table 4.4: Rural: Comparison of Customer experience & Trade Behavior when coin change is not available with trader**

| Sl.No. | Customer Experience        | %  | Sl. No. | Trade behavior            | %  |
|--------|----------------------------|----|---------|---------------------------|----|
| 1      | Gives Item                 | 38 | 1       | Gives Item                | 35 |
| 2      | Charges more               | 26 | 2       | Asks Nearby Shop          | 13 |
| 3      | Charges More or Gives item | 22 | 3       | Asks Customer             | 6  |
| 4      | Ask Customer or Give item  | 14 | 4       | Ask customer or give item | 6  |
| 5      | Ask Customer               | 8  | 5       | Nearby Shop or Item       | 6  |

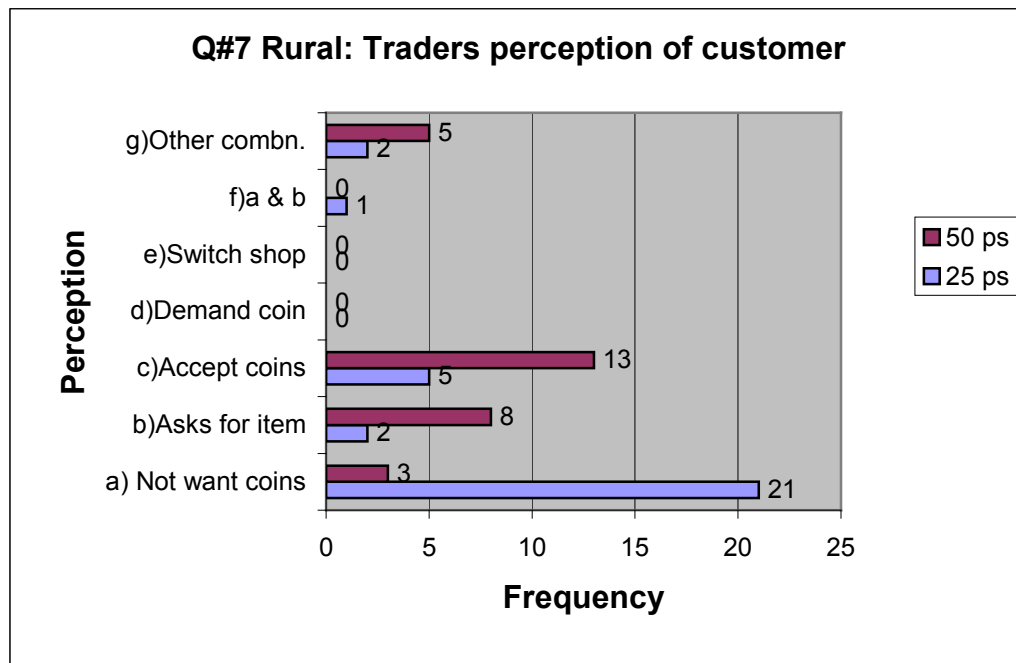
### Consumer response to coin change

71 % of trader in the urban area and 68 % of the traders in the rural area suggest that the customer does not want 25 Ps coins. 10 % of traders in urban area and 16% of the traders in rural area indicate that the customers accept 25 Ps coin change. Only one trader from the urban area indicated that customers demand 25 Ps coin change. In the case of 50 Ps coins 29 % of the traders in urban area and 10 % of the traders in the rural area indicate that the customer does not want 50 Ps. 26 % of the traders in the urban area and 45 % of the traders in the rural area indicate that the customer accepts coin change if given. Only 6 % of the traders in urban area indicate that customers demand 50 Ps coin change (Charts 4.15 & 4.16). The trader justifies not giving 25 Ps coin change on the customer not accepting it.

**Chart 4.15: Urban: Traders perception of customer**



**Chart 4.16: Rural: Traders perception of customer**



Comparison of trader and customer perspective: The response of the customer (Q#8-Customer) to trader not giving correct coin change of 25 Ps or 50 Ps is “to do nothing” and this is true in about half the cases (47 % in urban & 41 % in rural). In urban area about a third of the customers are interested in transacting in correct coin change [customer demands change (21 %), gives change (9%) or switch shops (4%)]. In rural area 39 % of the customers are interested in transacting in correct coin change [customer demands change (26 %), gives change (8%) or switch shops (5%)]. The trader view and the customer view on “the need of the customer for small denomination coin change” differ. A significant percentage of customers demand small coin change. Also the passive nature of the customer is possibly interpreted as not wanting small denomination coin change.

As already inferred earlier (Q#10-Customer), there is no one most important reason for the reluctance to demand coin change. The inability to use coin change in other transaction is indicated as a reason by 20 % of the urban and 28 % of the rural respondents. This is partly supported by the trade behavior, as 9 %

(Q#6-Customer: 4%+5%) of the traders in urban area and 15 % (Q#6-Customer 5%+10%) of the traders in the rural area refuse to accept coin change. Also the trade behavior of giving an item (29 % in urban & 22 % in rural: Q#6-Customer) discourages the use of coin and therefore limits the relevance of coins to customers. Costs are also an important reason for the passive behavior of customers. The physical costs of carrying coin change (14 % in urban & 7 % in rural) and the time and effort involved in asking for small coin change (10 % in urban & 5 % in rural) are the reasons in almost one fourth of the cases in the urban area. The social costs are also a reason that 12 % of the respondents in urban area and 15 % of the respondents in the rural area do not demand coin change. Not wanting to displease trader by demanding coin change (5 % in urban & 10 % in rural) and not wanting to make an issue in front of others (5 % in urban & 3 % in rural) and both these reasons combined (2 % in urban & 2 % in rural) are the social costs that prevent some customers from demanding coin change.

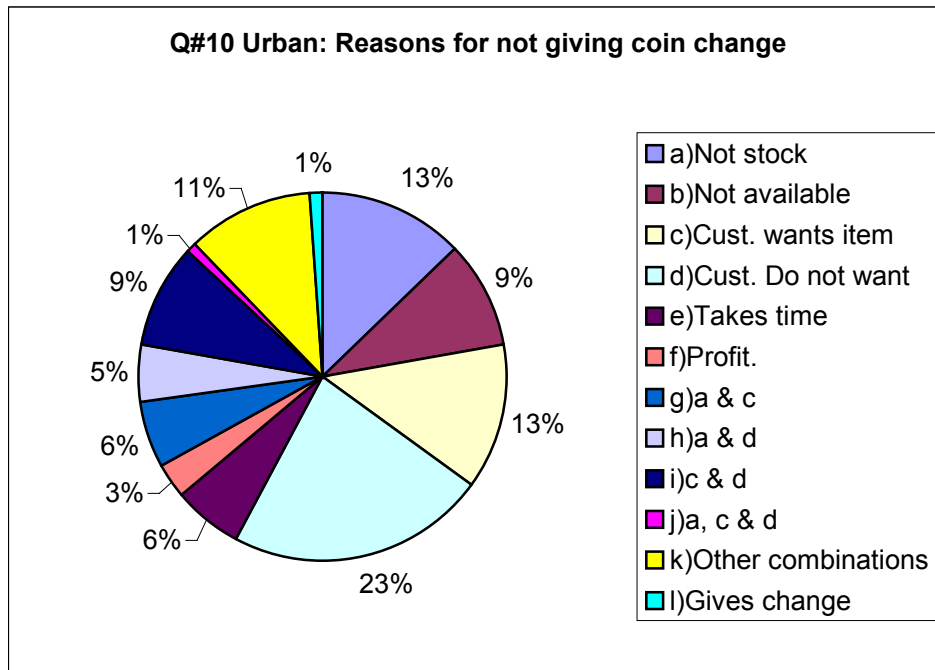
The traders interpret the reluctance of some customers to incur costs of carrying and counting as “most customers not wanting coin change”. The resulting non-use of small denomination coins feed into the customer behavior of not wanting coin change, as the small denomination coins cannot be used. This makes it more difficult even for those who otherwise would demand coin change from the trade and also the social costs hinder many of these customers from demanding coin change.

### **Reason for trade response**

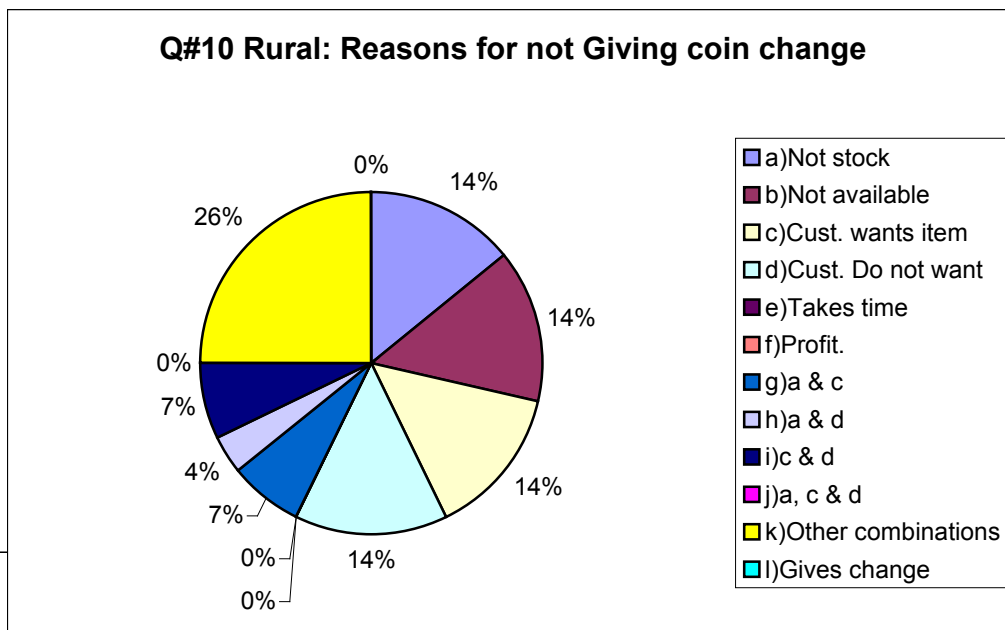
Reason for not giving coin change: The trader attributes the action of not giving small denomination coin change to customer behavior: customer behavior of not wanting small denomination coins (23 % in urban & 14 % in rural), Customer wanting an item instead of coin change (13 % in urban & 14 % in rural), and both these reasons (9 % in urban & 7 % in rural). The trader in the urban area attributes the reason for not providing coin change solely to self, only about one-fifth of the time and the trader in the rural area about one-seventh of the time.

The reasons attributed to self include “the traders does not stock small denomination coins” (13 % in urban & 14 % in rural) and counting and giving takes time (6 % in urban and 0 % in rural). The trader blames the non-availability in the market of small denomination coins also as a reason for not providing small denomination coin change (9 % in urban & 14 % in rural) (Charts 4.17 & 4.18).

**Chart 4.17: Urban: Reasons for not giving coin change**

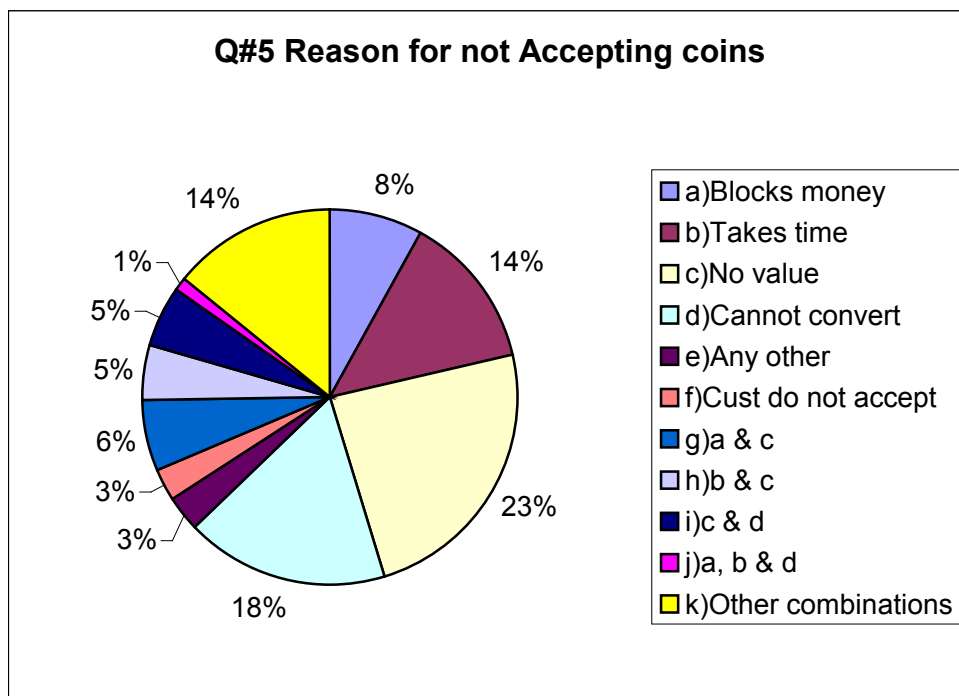


**Chart 4.18: Rural: Reasons for not giving coin change**



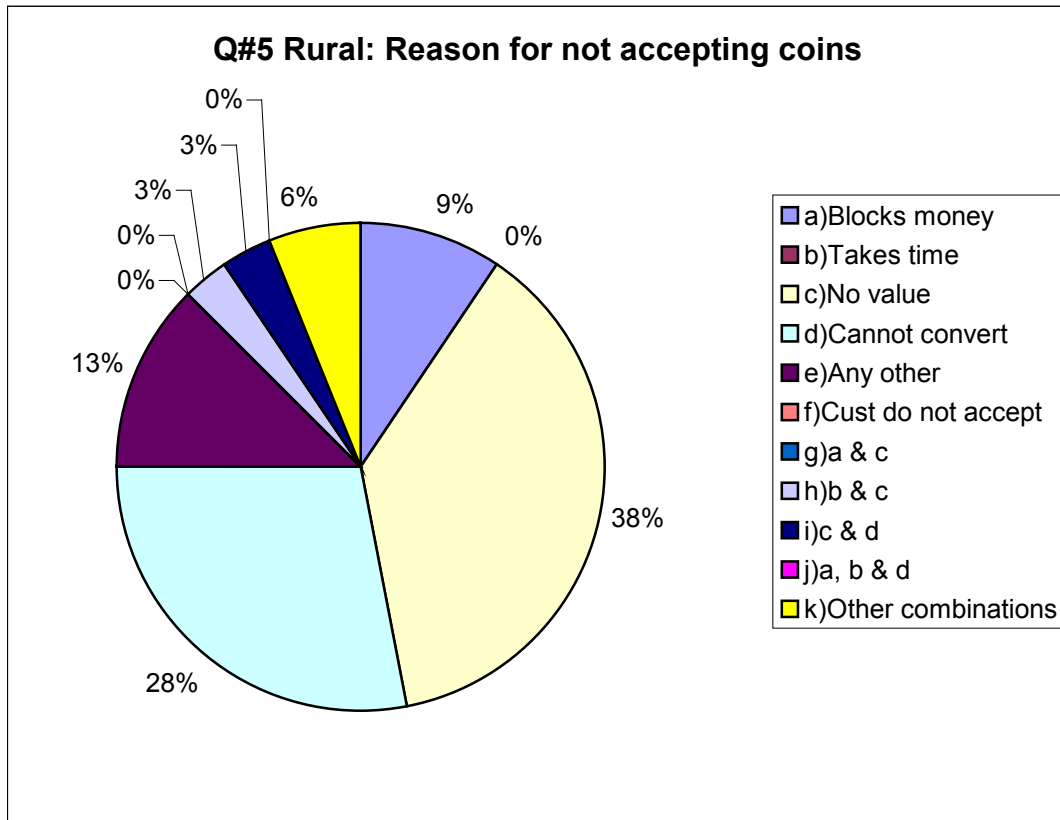
Reason for not accepting coin change: The major reasons for not accepting coin change are indicated by the trader as not having value (23 % in urban & 38 % in rural), no place where the small denomination coins can be converted (18 % in urban & 28 % in rural) and both these as reasons (5 % in urban & 3 % in rural). Cost to the trader for not accepting small denomination coins is indicated by about a fifth of the traders in urban but less in rural; counting and giving takes time is indicated by 14 % in urban but is not a reason in rural area. 8 % of traders in urban area and 9 % in rural area indicate stocking of coins block money (Charts 4.19 & 4.20).

**Chart 4.19: Urban: Reason for not accepting coins**





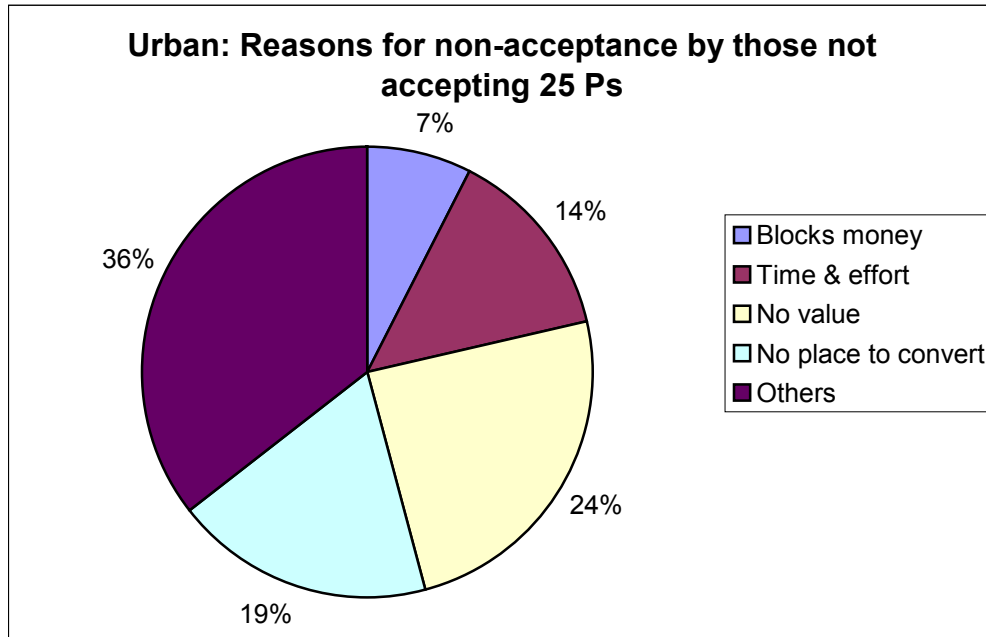
**Chart 4.20: Rural: Reason for not accepting coins**



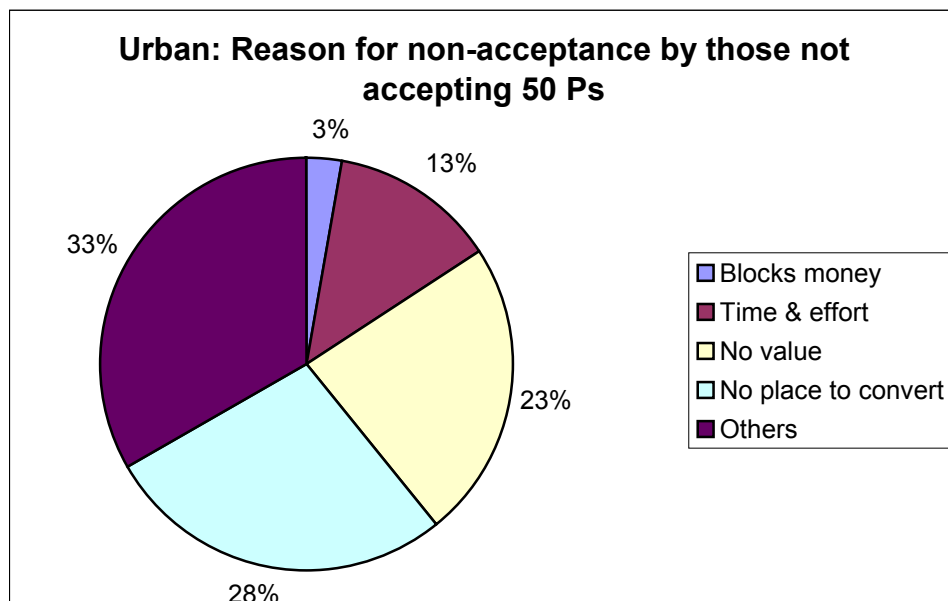
Variation in the reason for not accepting coin change according to behavior

Traders who do not accept small denomination coins do so as they do not have a place to convert the coins and this is all the more so with traders in rural areas. An equally important reason indicated is that the small denomination coins have no value. A less important reason is the time and effort required to count and give coin change. This is present only in the urban and not in the rural areas (Charts 4.21. 4.22, 4.23 & 4.24).

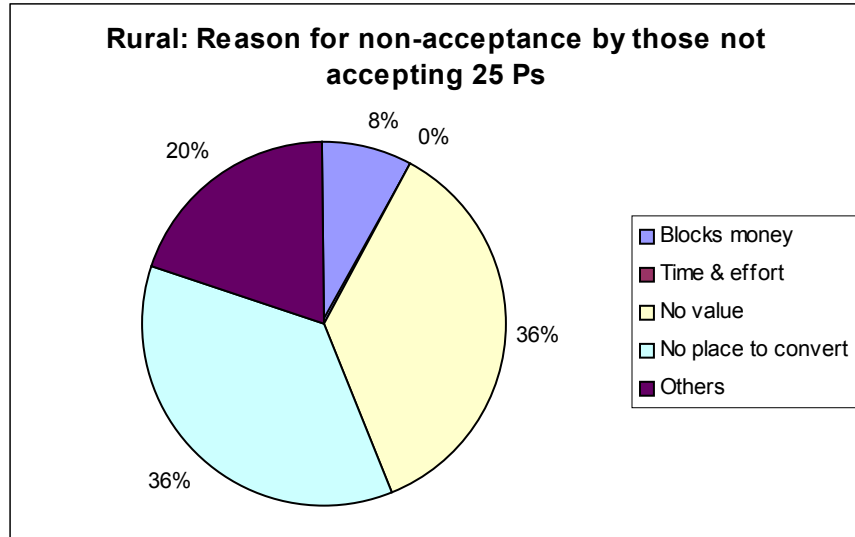
**Chart 4.21: Urban: Reasons for non-acceptance by those not accepting 25 Ps coins**



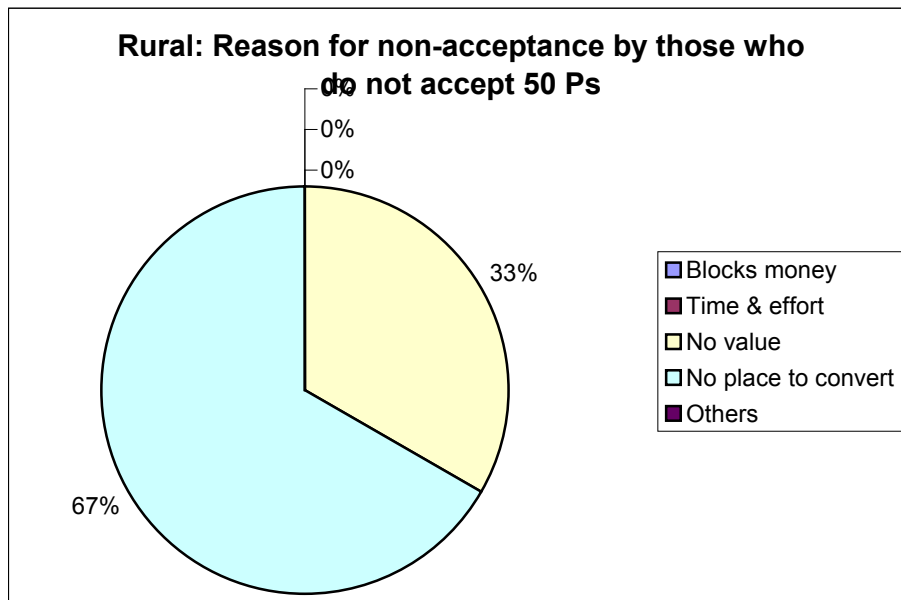
**Chart 4.22: Urban: Reasons for non-acceptance by those not accepting 50 Ps coins**



**Chart 4.23: Rural: Reasons for non-acceptance by those not accepting 25 Ps coins**



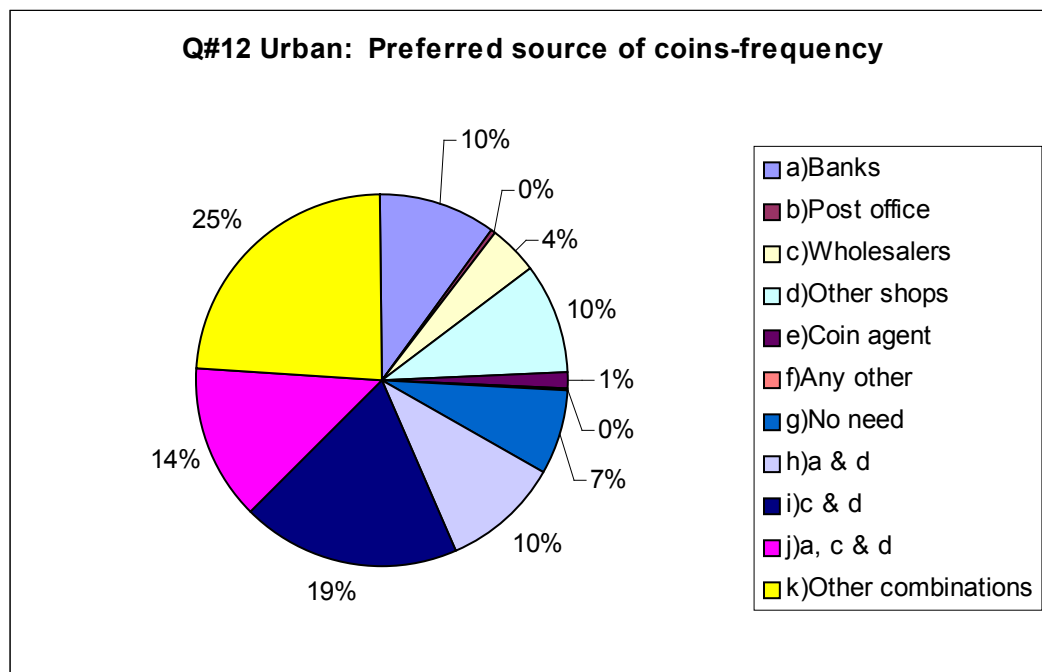
**Chart 4.24: Rural: Reasons for non-acceptance by those not accepting 50 Ps coins**



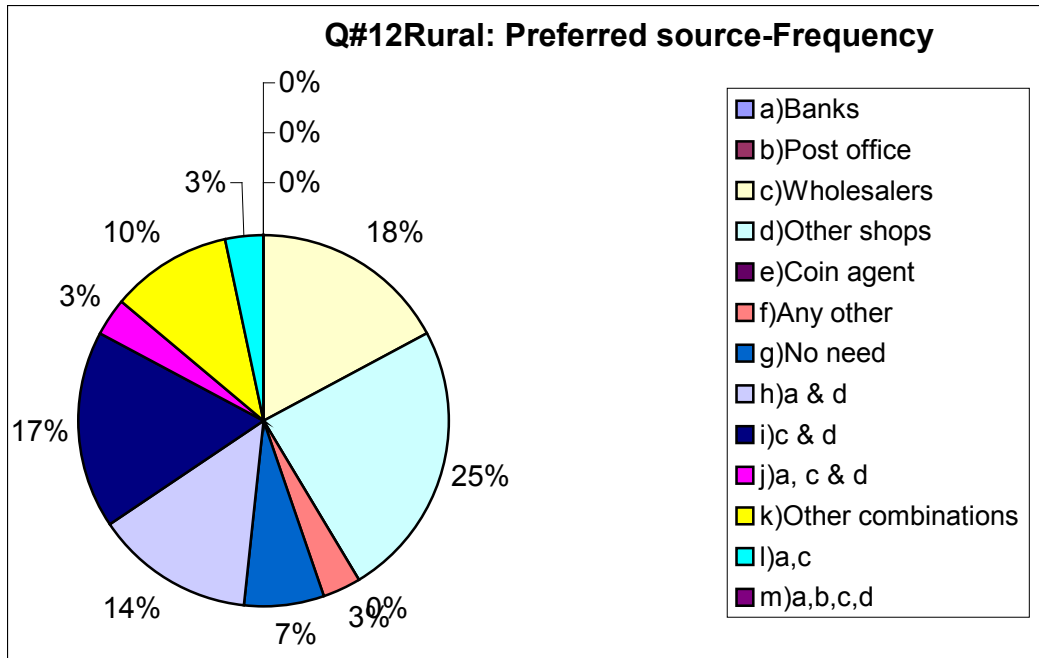
**Preferred source of coins**

The most preferred source of coins (Rank 1) is the paan shop and if the first two ranks are taken then too the most preferred source is the paan Shop. This is true in urban and rural area. If the first rank is taken the second preferred source is the Bank in urban area and if the first two ranks are taken into account the second preferred source is the wholesaler. In rural area the second most frequently preferred source is the wholesaler. This is irrespective of whether only the first rank is taken or the first two ranks are taken. Analyzing the frequency in addition to the ranks indicate that the preferred source for the traders is the wholesaler or other shops (33 % in urban & 60 % in rural). This suggests that convenience and obtaining coins along with their transactions are important aspects that influence the preference for the source of coins.

**Chart 4.25: Urban: Preferred source of coins-frequency**



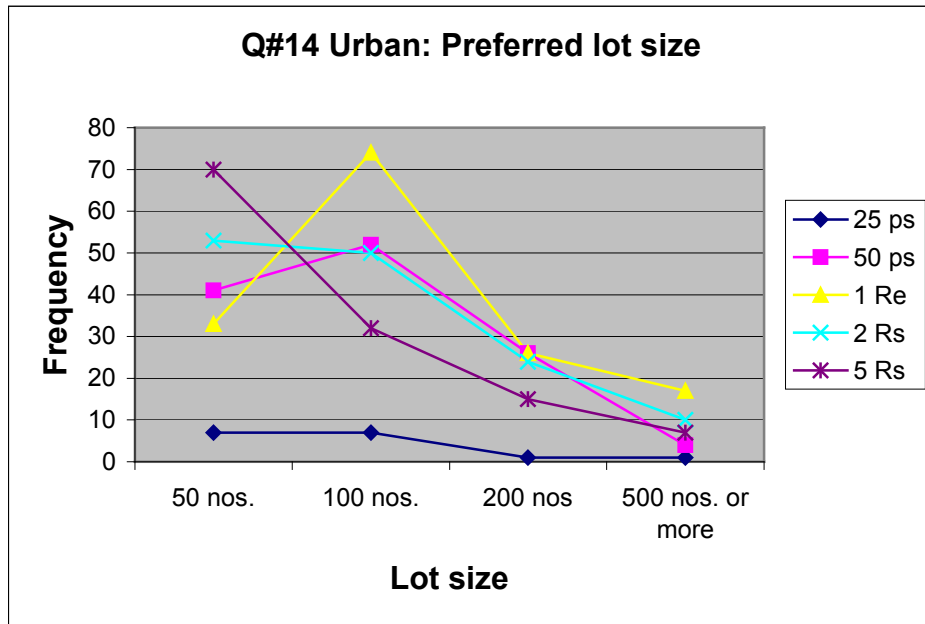
**Chart 4.26: Rural: Preferred source of coins-frequency**



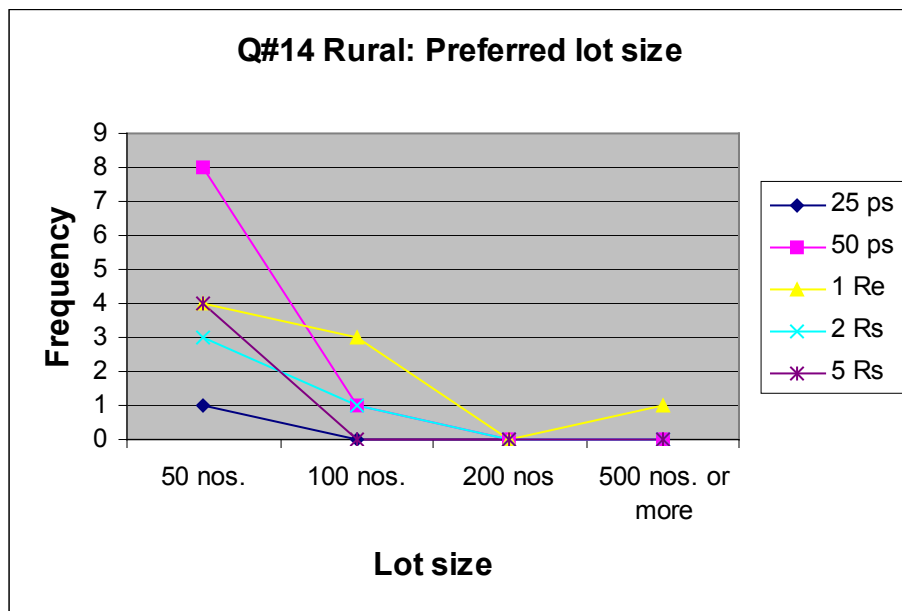
**Procurement of coins**

Many traders indicate that they do not need coins (33 % in urban & 53 % in rural) while 27 % in urban and 22 % in rural indicate that they prefer getting coins daily. In urban area the preferred lot size for 25 Ps coins is 50 numbers while for 50 Ps and for 1 Re. the preferred lot size is 100 numbers. In the case of Rs 2 and Rs 5 there is preference for lot size of 50 and of 100 (chart 4.27). In the case of rural area the preferred lot size across denominations is 50 Nos (Chart 4.28)

**Chart 4.27: Urban: Preferred lot size**



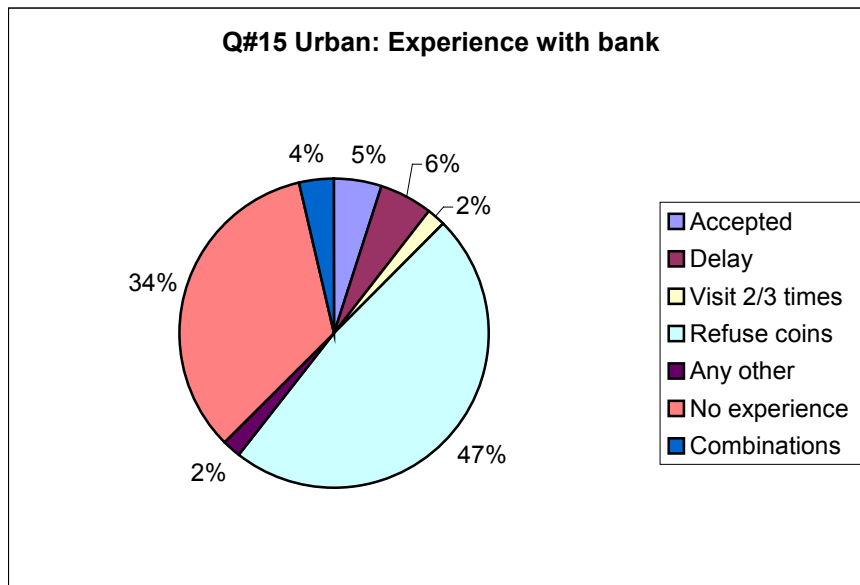
**Chart 4.28: Rural: Preferred lot size**



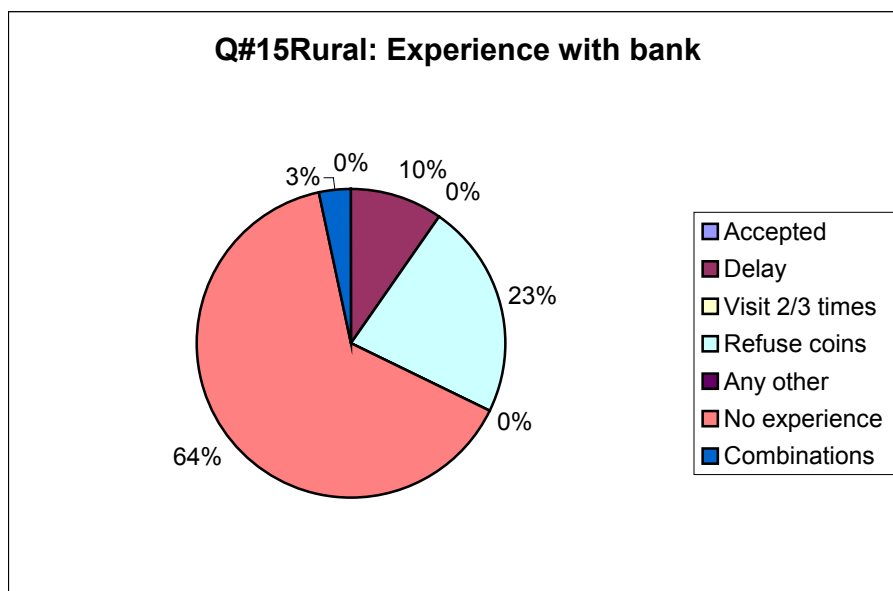
### Experience with bank

A large number of traders have no experience with bank. 34% of the urban traders and 64% of the rural traders have had no experience with banks for depositing coins (Chart 4.29). Many traders indicated that banks refused to accept coins. This is indicated by the traders and therefore is analyzed further. Refusal by banks to accept coins was 23 % for traders in rural area (Chart 4.30).

**Chart 4.29: Urban: Experience with bank**



**Chart 4.30: Rural: Experience with bank**



Relating non-acceptance of coins and experience with bank: Analysis of the reason for non-acceptance of coins by trade and the experience of traders with banks is performed. 11% of the traders indicated that banks refused to accept coins and gave the reason for the traders' non-acceptance of coins to be "coins cannot be converted". 26% of the traders who did not accept coins for the reason that there was no place to convert coins had no experience with banks in depositing coins (table 4.5).

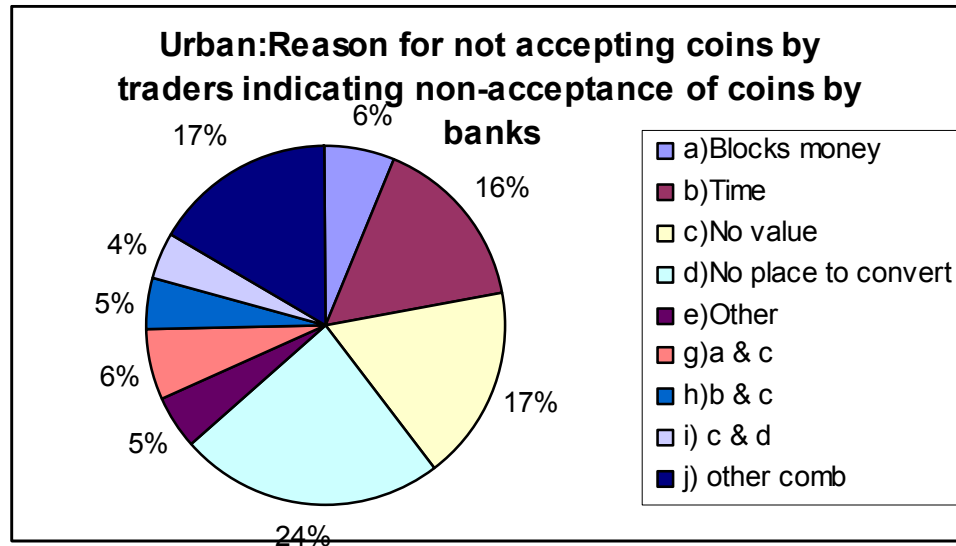
**Table 4.5:Urban: Behavior of banks and reason for not accepting coins**

| Q#5-15                                  | Behavior of banks |      |                  |               |        |       |
|---|-------------------|------|------------------|---------------|--------|-------|
| Reason for not accepting coins by trade | Accepted          | Wait | Refuse to accept | No experience | Others | Total |
| a) Blocks money                         | 2                 | 0    | 9                | 11            | 2      | 24    |
| b) Time                                 | 1                 | 0    | 23               | 12            | 5      | 41    |
| c) No value                             | 4                 | 4    | 25               | 33            | 5      | 71    |
| d) No place to convert                  | 0                 | 3    | 34               | 14            | 2      | 53    |
| e) Other                                | 2                 | 0    | 7                | 7             | 1      | 17    |
| g) a & c                                | 5                 | 2    | 9                | 2             | 1      | 19    |
| h) b & c                                | 1                 | 1    | 7                | 4             | 1      | 14    |
| i) c & d                                | 0                 | 2    | 6                | 6             | 2      | 16    |
| j) Other comb                           | 0                 | 5    | 24               | 13            | 4      | 46    |
| <b>Total</b>                            | 15                | 17   | 144              | 102           | 23     | 301   |

Of those who indicated that banks refused to accept coins only 24% did not accept coins, as they could not convert coins. 76% or more traders i.e. more than 3/4<sup>th</sup> indicated "time involved" or "no value" as the reason for non-acceptance of coins (Chart 4.31)



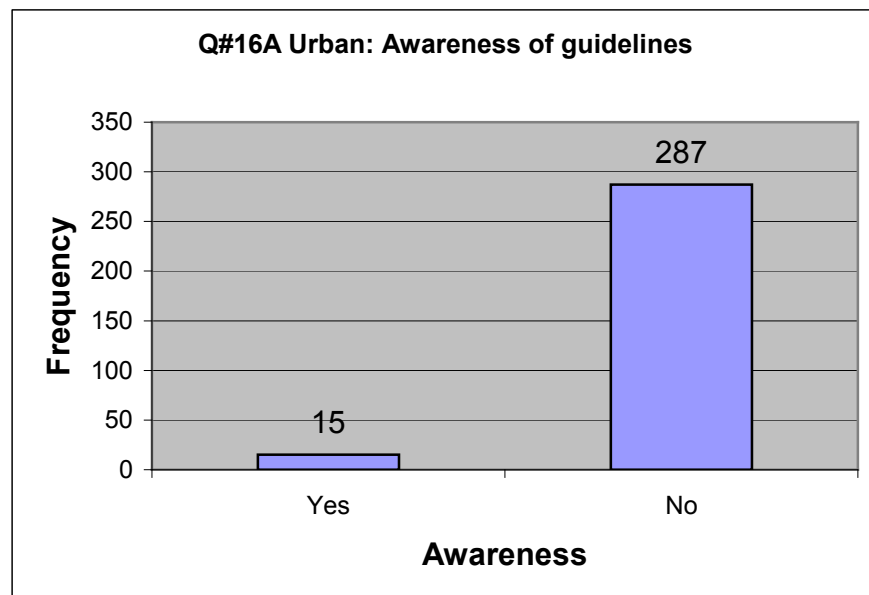
**Chart 4.31: Urban: Reason for not accepting coins by traders who indicate banks as refusing to accept coins**



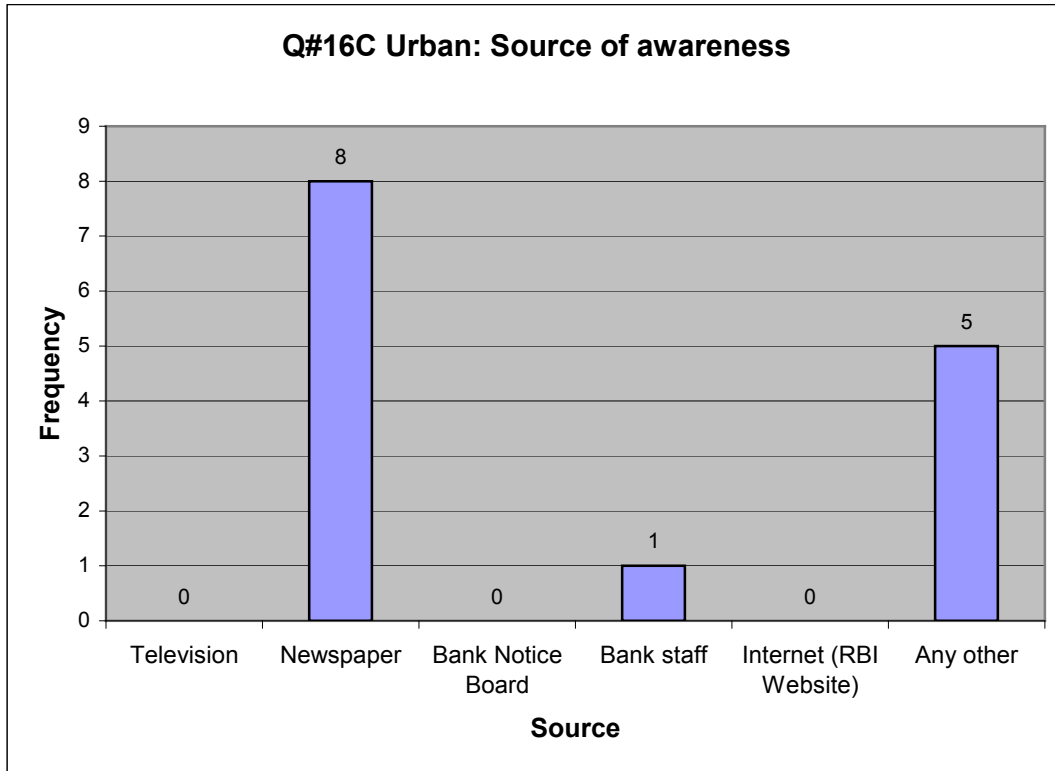
**Awareness and source of awareness of RBI guidelines**

5 % of the urban traders indicated that they were aware of the RBI guidelines on coins and more than half of those aware of the guidelines got the information from newspaper (Charts 4.32 & 4.33). Awareness of guideline is almost non-existent in rural area with only one of the traders indicating awareness. The source for this trader is the newspaper.

**Chart 4.32: Urban: Awareness of guidelines**



**Chart 4.33: Urban: Source of awareness**



## 5. ANALYSIS OF DATA FROM BANKS

### Distribution of respondent banks

On an average five banks were surveyed in each of the five urban locations and one in each of the five rural locations within a state. The distribution of banks surveyed across the three states is given in Table 5.1

**Table 5.1: Distribution of respondent banks**

| Sl. No. | State         | Location |       | Total |
|---------|---------------|----------|-------|-------|
|         |               | Urban    | Rural |       |
| 1       | Bihar         | 25       | 5     | 30    |
| 2       | Uttar Pradesh | 26       | 6     | 32    |
| 3       | West Bengal   | 25       | 5     | 30    |
| 4.      | Total         | 76       | 16    | 92    |

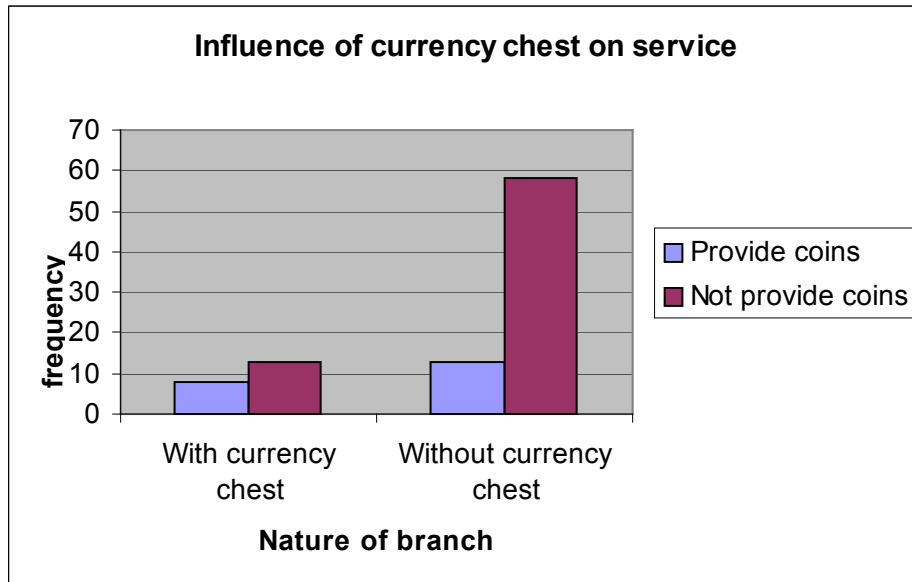
### Service level of Banks in providing coin change

The methodology used to identify the service quality was experience in obtaining coin change across the counter. The survey indicated that 23 % of the banks provide coin change. There is only a small variation between the urban and rural banks with slightly better service in the rural branches.

### Currency chest and service level

23 % of the branches surveyed had currency chest. 38 % of the banks with currency chest provided coins across the counter while 18 % of the banks without currency chest provided coins across the counter (Chart 5.1).

**Chart 5.1: Influence of currency chest on service**



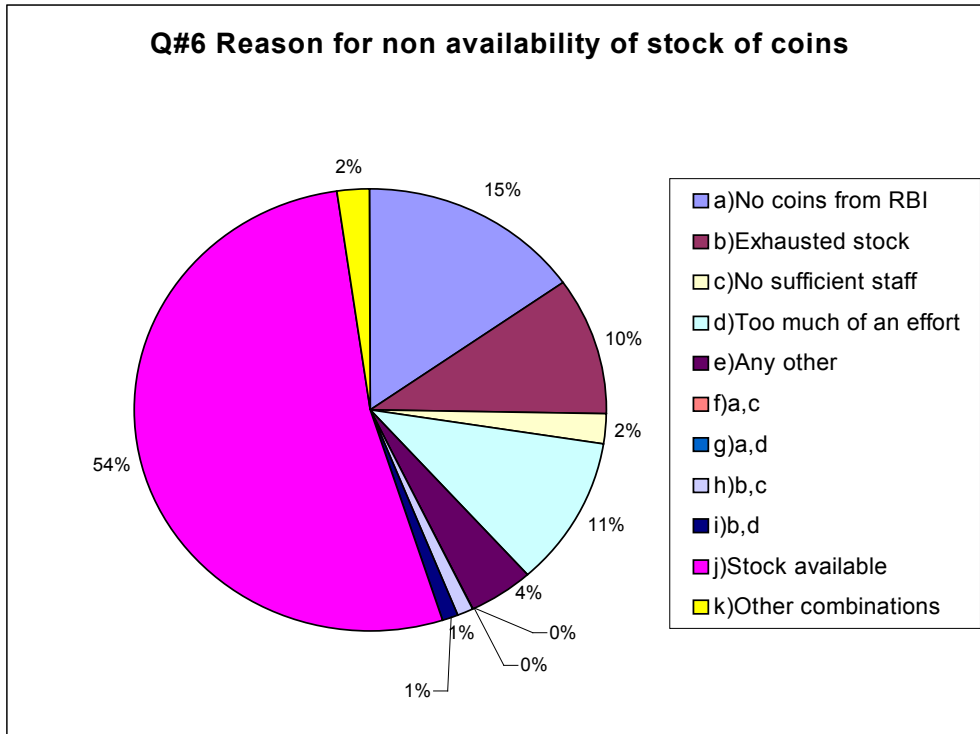
**Stock of coins with banks**

49 % of the bank branches stated that they had adequate stock of coins.

Reason for inadequate stock of coin

Many banks indicate that they had adequate stock of coins. The reason given by the remaining banks is that they do not get coins from RBI or the Banks with currency chest or it is too much of an effort to stock coins or that they had exhausted the stock of coins (Chart 5.2).

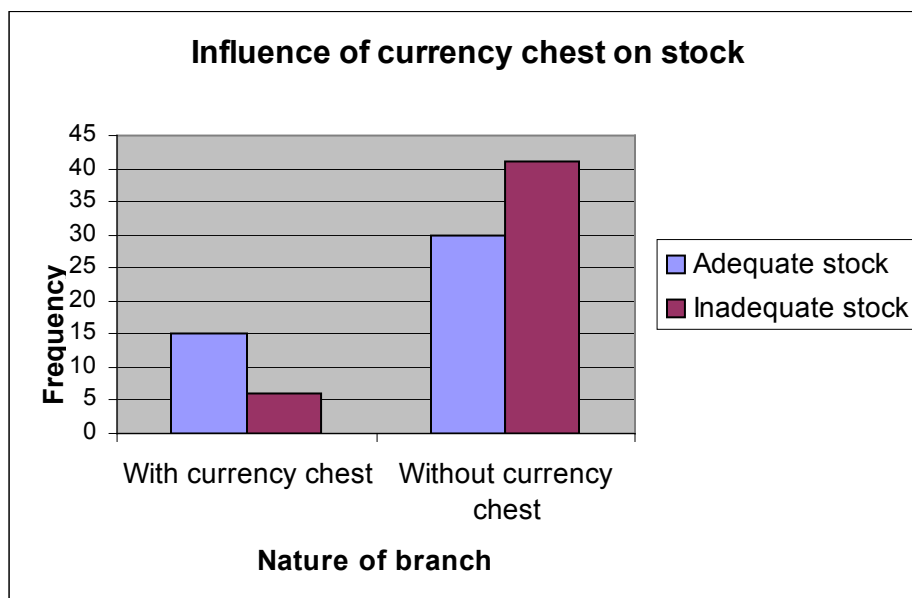
**Chart 5.2: Reason for non-availability of stock of coins**



Branches with currency chest having adequate stock of coins

71 % of banks with currency chest had adequate stock of coins. 42 % of banks without currency chest had adequate stock of coins (5.3).

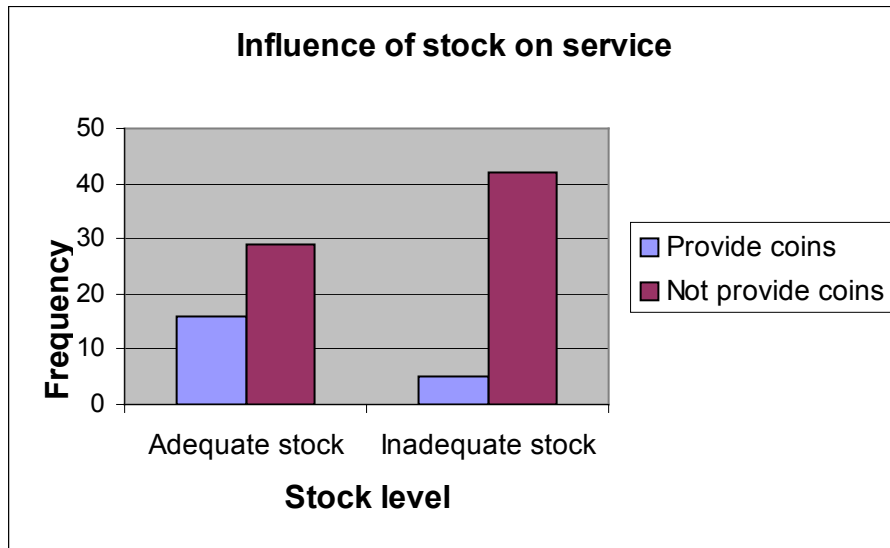
**Chart 5.3: Influence of currency chest on stock**



Branches stating adequate stock of coins providing coin change

36 % of the banks indicating adequate stock of coins provide coins across the counter. 11 % of the banks that stated having inadequate stock of coins provided coins across the counter (Chart 5.4).

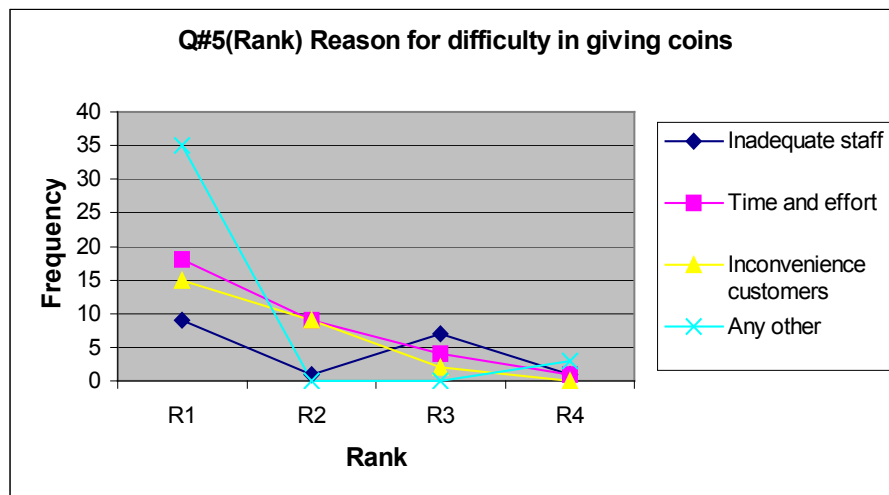
**Chart 5.4: Influence of stock on service**



**Reason for not giving coins**

The important reason for not giving coins by banks is the time and effort involved. The second important reason indicated is that it inconveniences other customers. Inadequate staff is cited as important reason by only few banks (Chart 5.5).

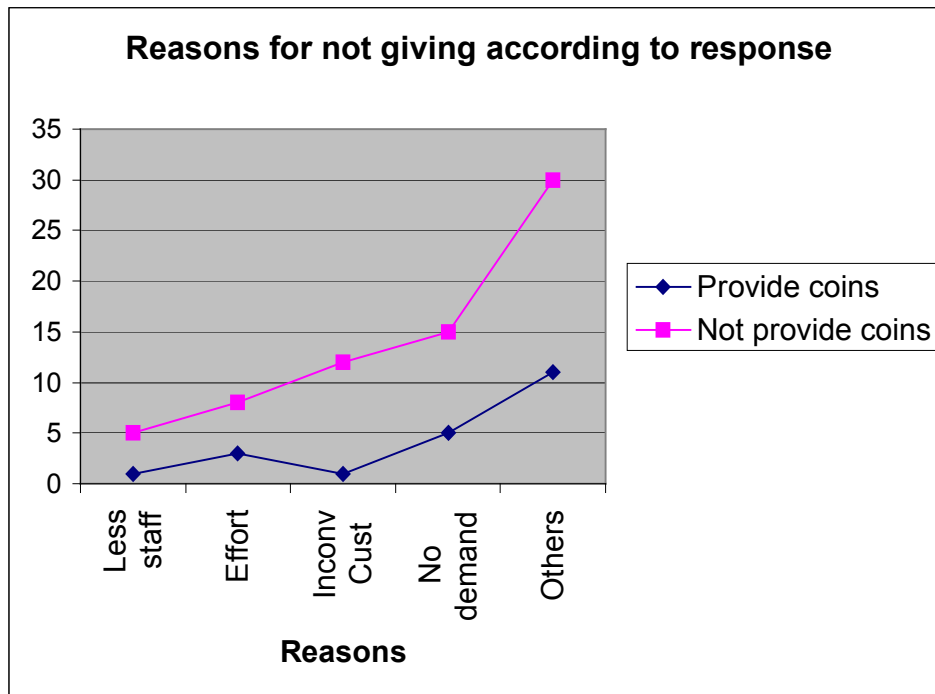
**Chart 5.5: Reason for difficulty in giving coins**



Relating behavior of not providing coin change with reason for difficulty in giving coin

Inadequate demand for coins from public and causing inconvenience to other customers are cited as the important reasons for the difficulty in giving coin change. The effort involved in counting and giving coins is cited as an important reason for the difficulty in giving coin change, by banks that provided coins (Chart 5.6).

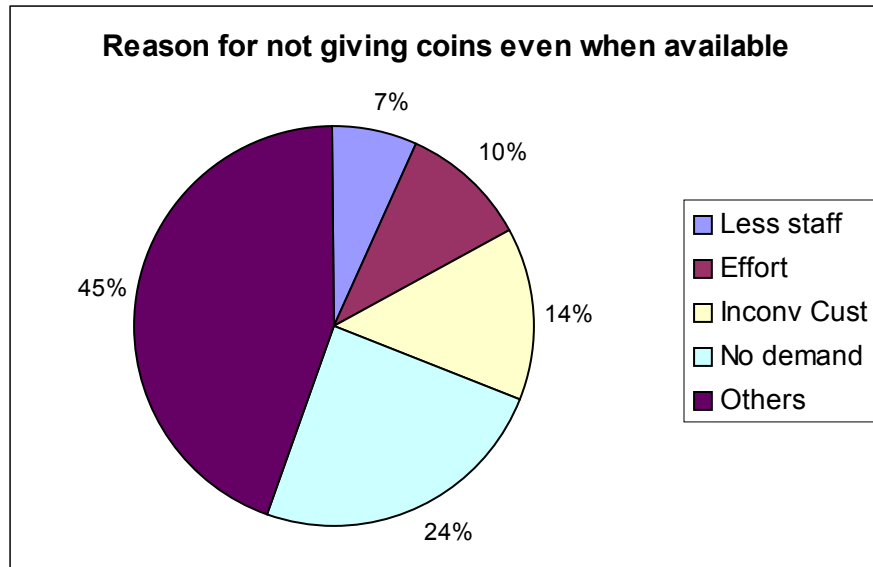
**Chart 5.6: Reasons for not giving coins according to response**



Reason for difficulty in providing coins by banks that did not give coins though stock was available

The lack of demand for coins is indicated as the important reason by the banks that had adequate stock of coins but still did not provide coins across the counter. Coins were not given as it inconveniences other customers. The third frequently stated reason is the time and effort involved in giving coins (Chart 5.7)

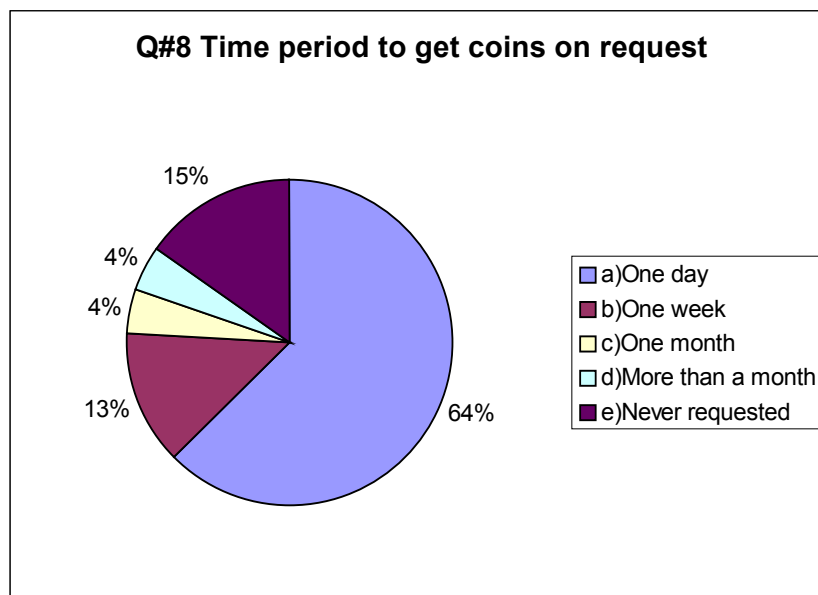
**Chart 5.7: Reason for not giving coins even when coins were available.**



**Time required to get coins from RBI**

Banks get coins from RBI/Bank on request within one day or at the most within one week. But most banks do not request for coins at all (Chart 5.8).

**Chart 5.8: Time period to get coins on request**

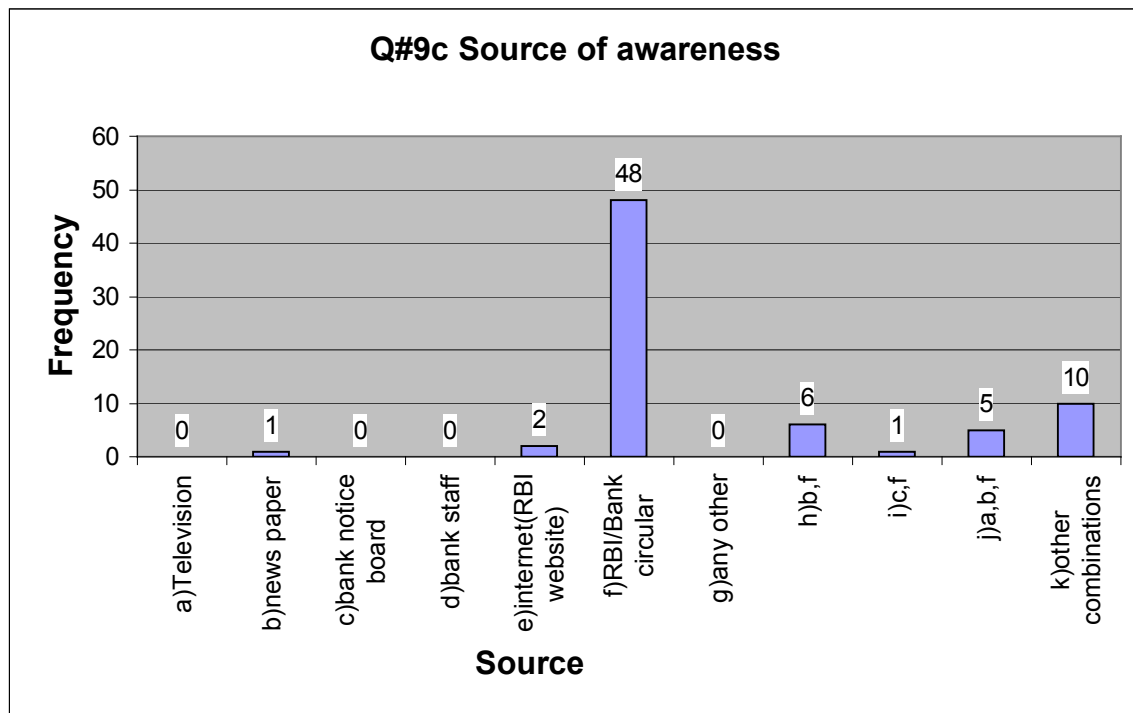




### Awareness of RBI guidelines

87 % of the banks indicate that they are aware of the RBI guidelines on small denomination coins. 7.5 % of these banks however could not state any of the guidelines. The others stated these at different levels of accuracy. 81 % of the 80 % who had indicated awareness of guidelines were able to state the guideline that banks need to accept and give coins. The source of information on the guidelines was bank circulars (Chart 5.9).

Chart 5.9: Source of awareness



## 6: NEED AND USE BEHAVIOUR FOR SMALL DENOMINATION COINS IN BIHAR

### Distribution of Respondents by location in Bihar

The distribution of respondents in the state of Bihar for Customers and for traders both in urban and rural areas is given in table 6.1.

**Table 6.1: Distribution of Respondents by location in Bihar**

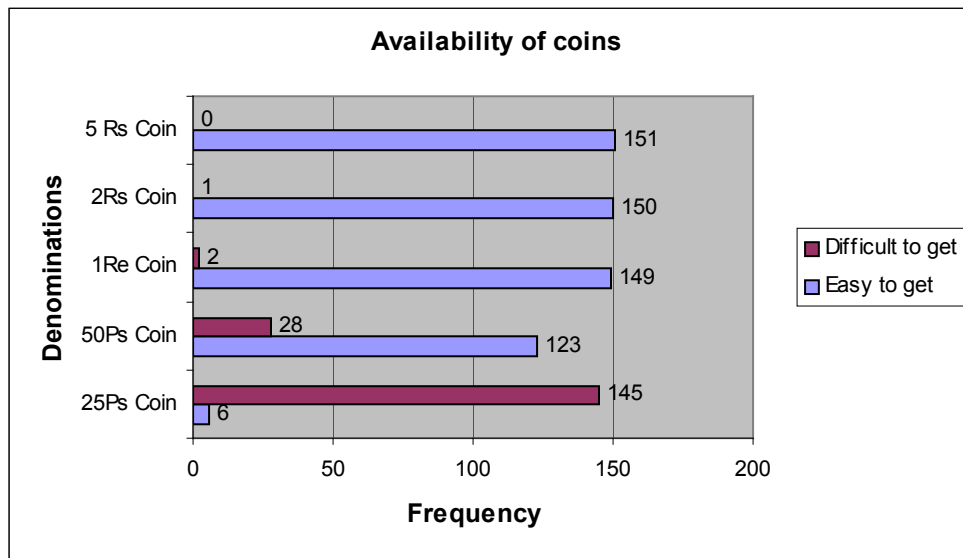
| Location/Village name     | Customers  |           | Trade      |           |
|---------------------------|------------|-----------|------------|-----------|
|                           | Urban      | Rural     | Urban      | Rural     |
| Samastipur/Kushyari       | 31         | 10        | 20         | 2         |
| Patna/Fatua               | 30         | 10        | 19         | 2         |
| Nalanda/Noorsarai         | 30         | 10        | 20         | 2         |
| Katihar/Bastaul           | 30         | 10        | 21         | 2         |
| Muzaffarpur/Ram-purjaipal | 30         | 10        | 20         | 2         |
| <b>Total</b>              | <b>151</b> | <b>50</b> | <b>100</b> | <b>10</b> |

### A: NEED AND USE BEHAVIOR AMONG CUSTOMERS

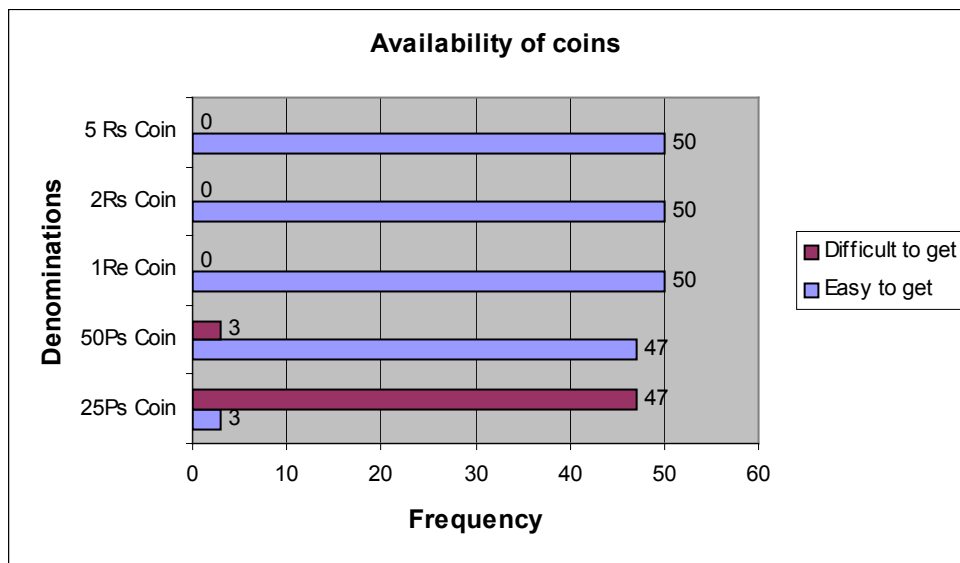
#### Availability of coins

In urban area 96% of respondents indicate difficulty in availability of 25 paise (Ps). 18% of respondents indicate difficulty in the availability of 50 Ps. The other denomination coins are easily available (Chart 6.1). In rural area 92% of the respondents indicate difficulty in the availability of 25 paise but the other denominations are available (Chart 6.2).

**Chart 6.1: Urban: Availability of coins**



**Chart 6.2: Rural: Availability of coins**

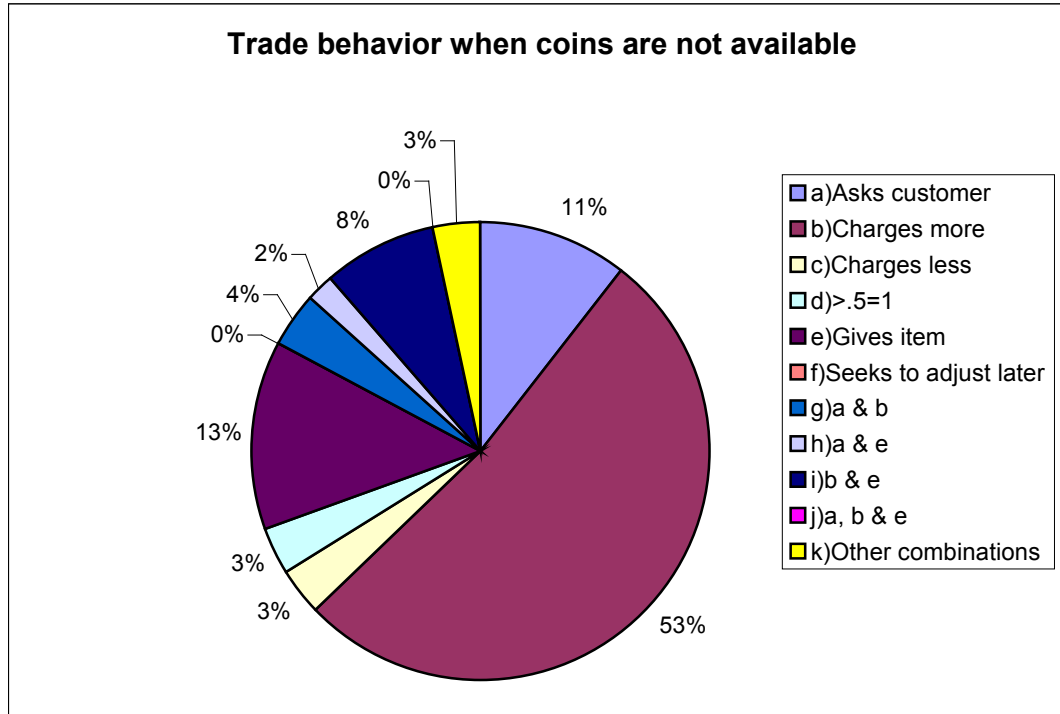


**Customer Experience when trade does not have coin change**

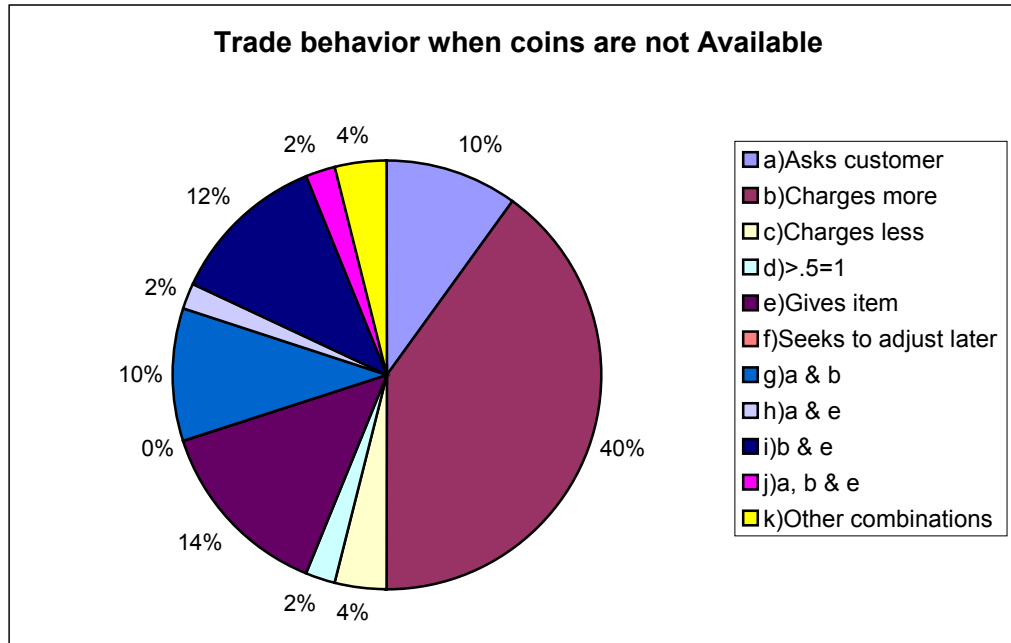
In the urban area 53% of the customers indicated that the traders round off to a higher denomination if coins are not available. Only 11% indicated that the traders ask the customer to give correct coin change. 13% indicated that the traders gave a substitute item (Chart 6.3). The pattern was similar in rural areas

with 40% of the traders charging more, 10% asking for change, and 14% giving a substitute item (Chart 6.4).

**Chart 6.3: Urban: Trade behavior when coins are not available**



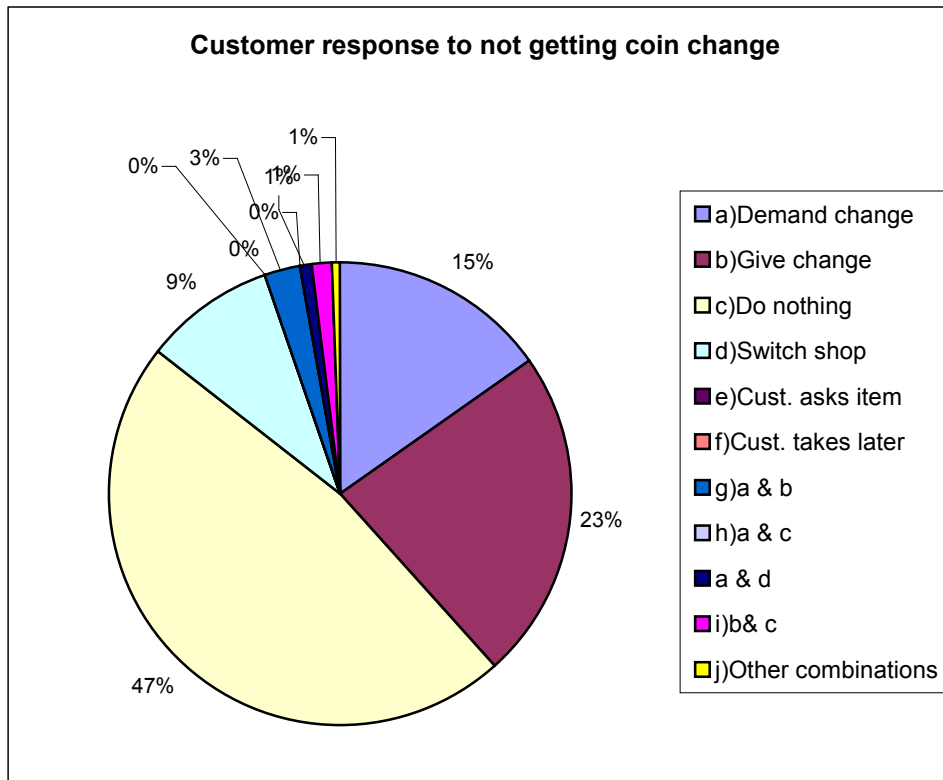
**Chart 6.4: Rural: Trade behavior when coins are not available**



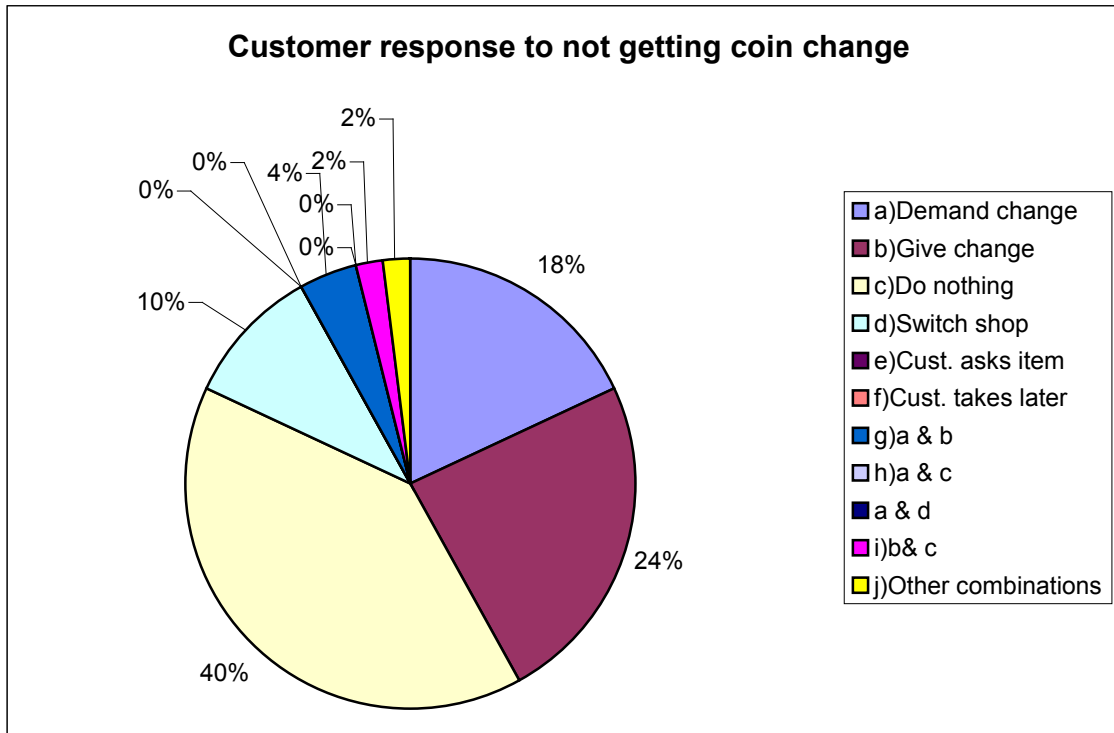
**Customer Response to trade Behavior**

In the urban area 47% of the customers “do nothing” when shopkeepers did not give coin change, 23% of the customers give correct coin change and only 15% demand coin change from shopkeeper (Chart 6.5). The pattern was similar in the rural area with 40% not doing anything, 24% of customers giving change and 18% demanding coin change (Chart 6.6).

**Chart 6.5: Urban: Customer response to not getting coin change**



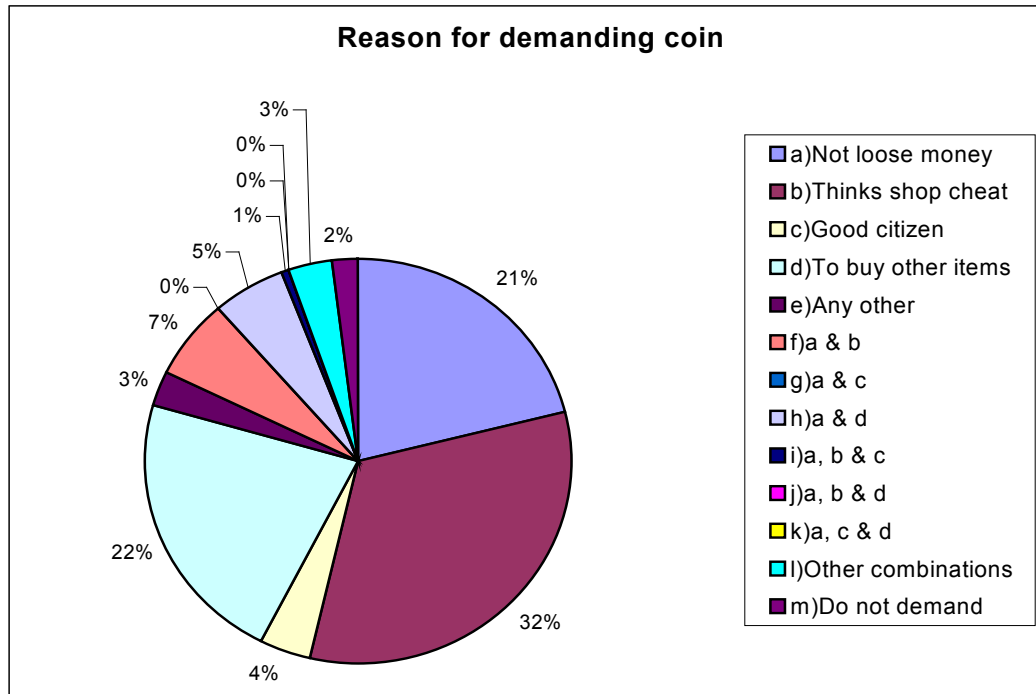
**Chart 6.6: Rural: Customer response to not getting coin change**



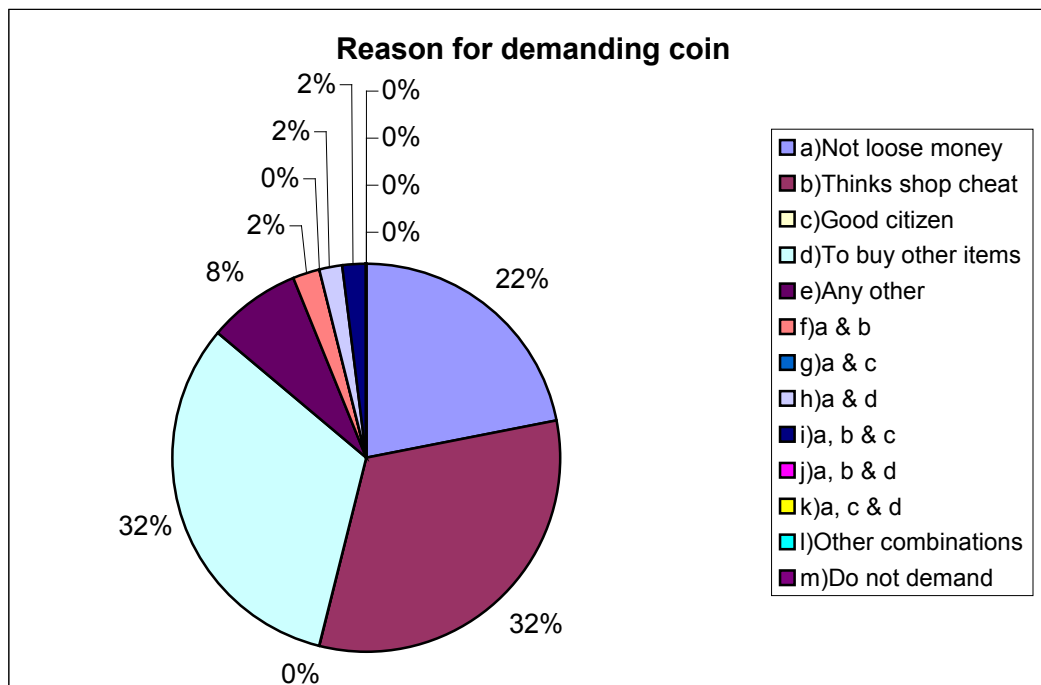
**Customer Motivation for Behavior in respect of small denomination coins**

In urban area 32 % of the customers who demand coin change do so because they feel that shopkeeper is intentionally cheating by not giving coin change, 22 % demand coins as they need for other transactions and 21 % demand coins as they do not want to loose money (Chart 6.7). The reasons for demanding coin change by 32% of the rural customers is because they think the traders cheat and another 32% demand coins to use for other transactions. 22% of the rural customers do not want to loose money and so demand coin change (Chart 6.8).

**Chart 6.7: Urban: Reason for demanding coin**



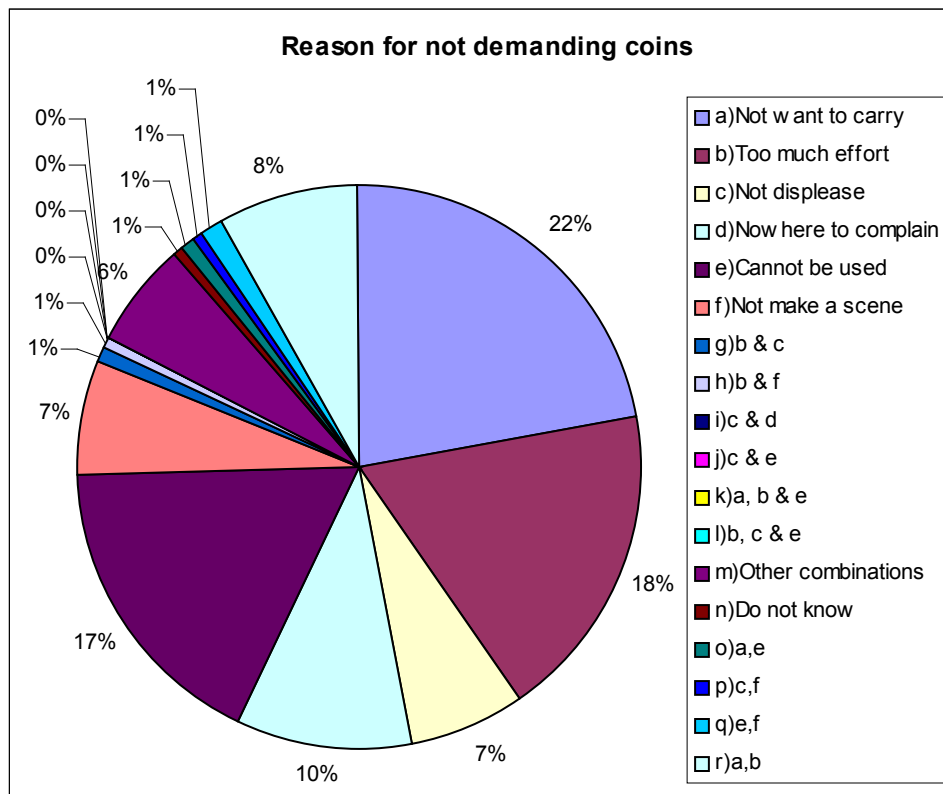
**Chart 6.8: Rural: Reason for demanding coin**



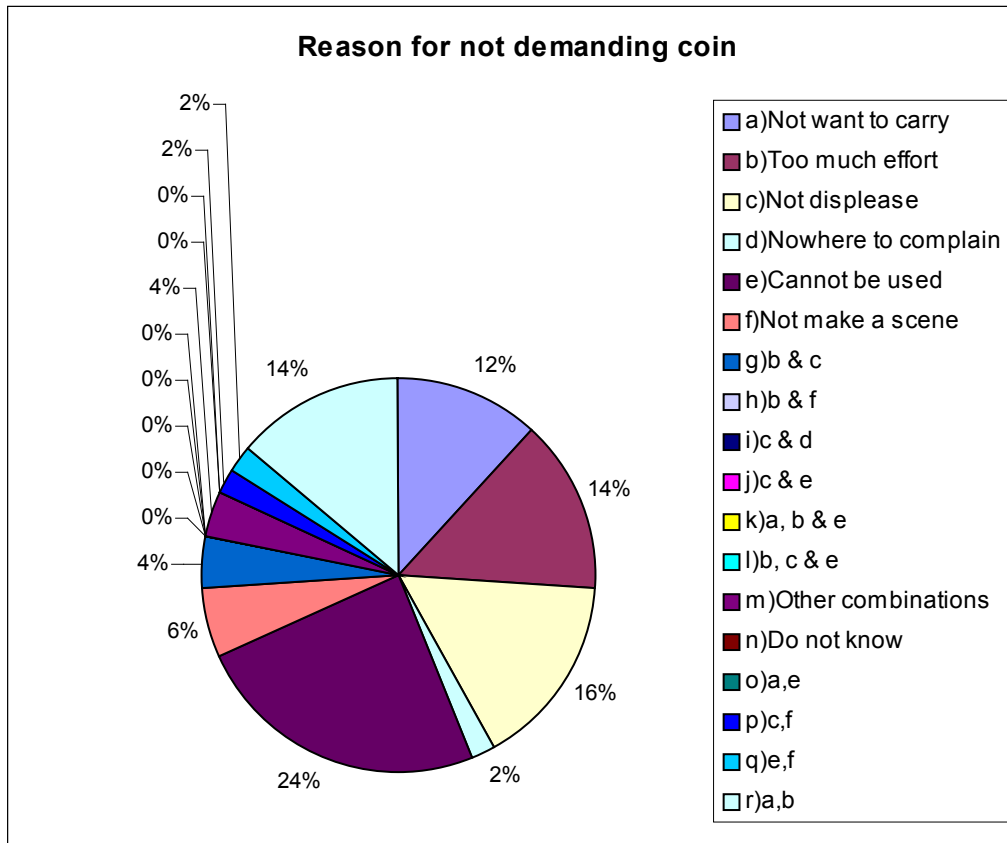


In urban area 22 % of the customers who do not demand coin change do so because they do not want to carry coin change in their pockets, 18 % do not want to spend time in asking for small coin change and 17 % as the coins cannot be used elsewhere (Chart 6.9). In rural area the most important reason for not demanding coin change is because they do not find it useful (24 %), 12% are not interested in carrying change and 14% do not want to spend time and effort. One other important reason for not demanding coin change is not want to make shopkeeper unhappy (16%) (Chart 6.10).

**Chart 6.9: Urban: Reason for not demanding coins**

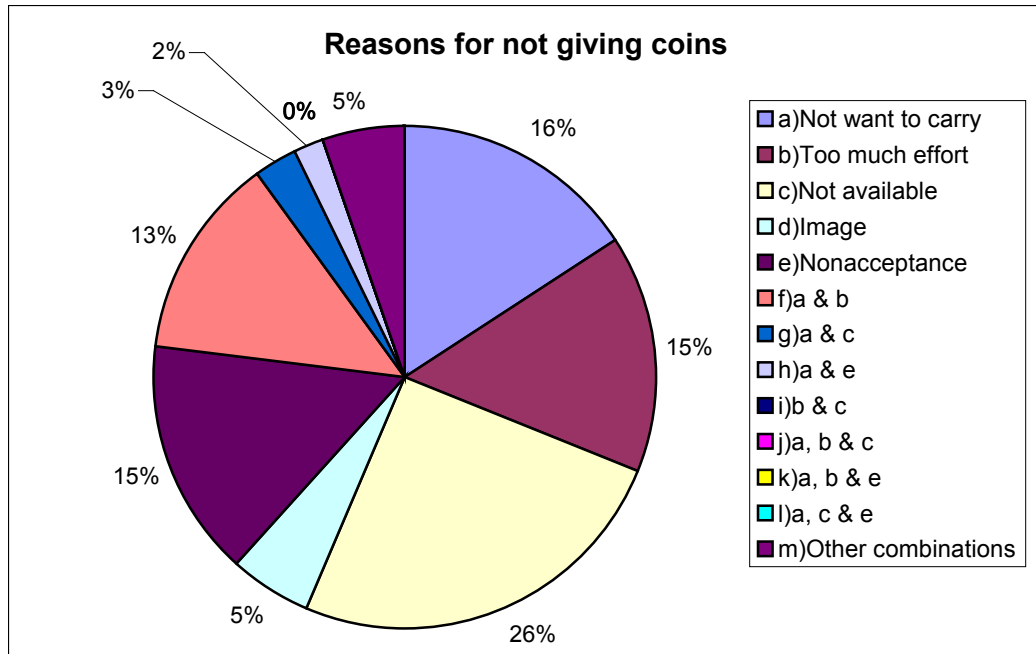


**Chart 6.10: Rural: Reason for not demanding coins**

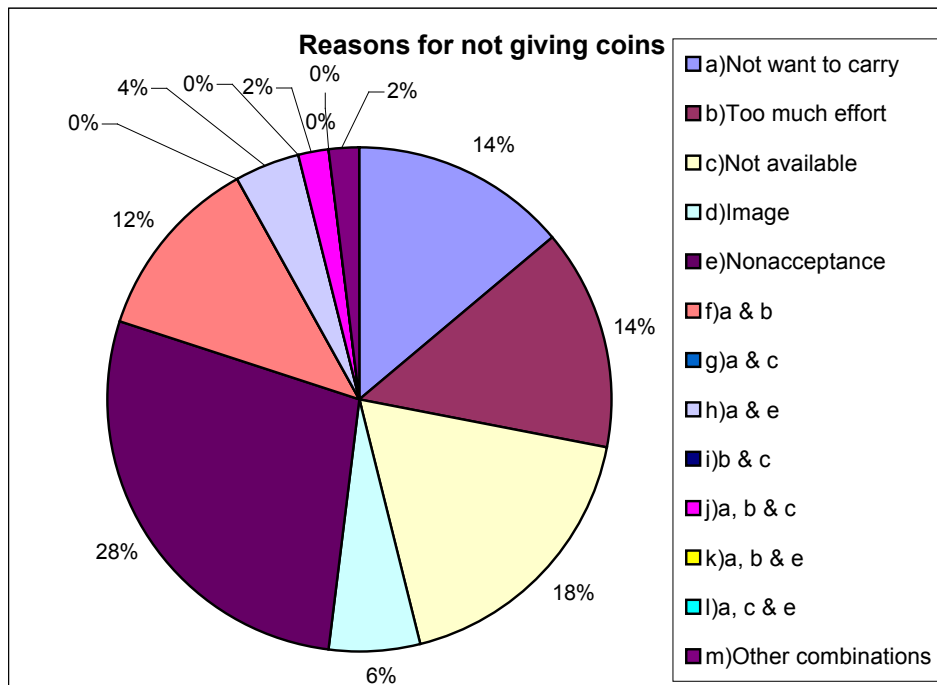


Customers do not give correct coin change because coins are not easily available (26% in urban area and 18 % in rural area), they do not want to carry coins (16% in urban and 14 % in rural), they feel that shopkeeper refuses to accept small coins (15% in urban and 28 % in rural) and they also feel that it is too much of an effort to ask coin change (15 % in urban and 14 % in rural) (Charts 6.11 and 6.12).

**Chart 6.11: Urban: Reasons for not giving coins**



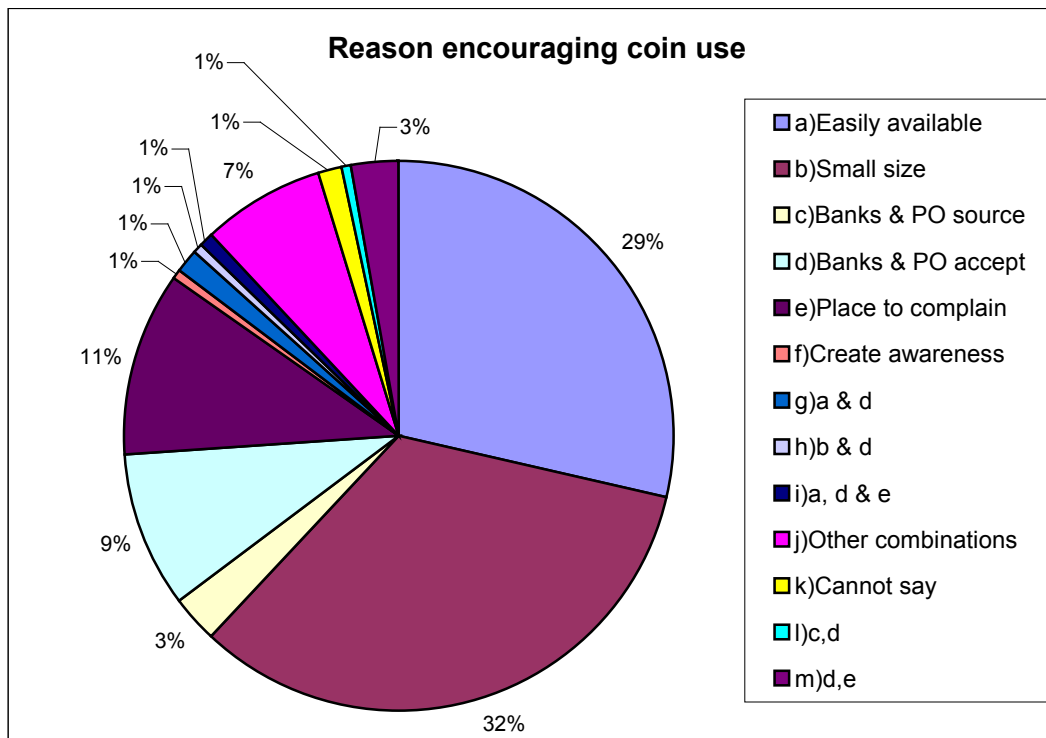
**Chart 6.12: Rural: Reasons for not giving coins**



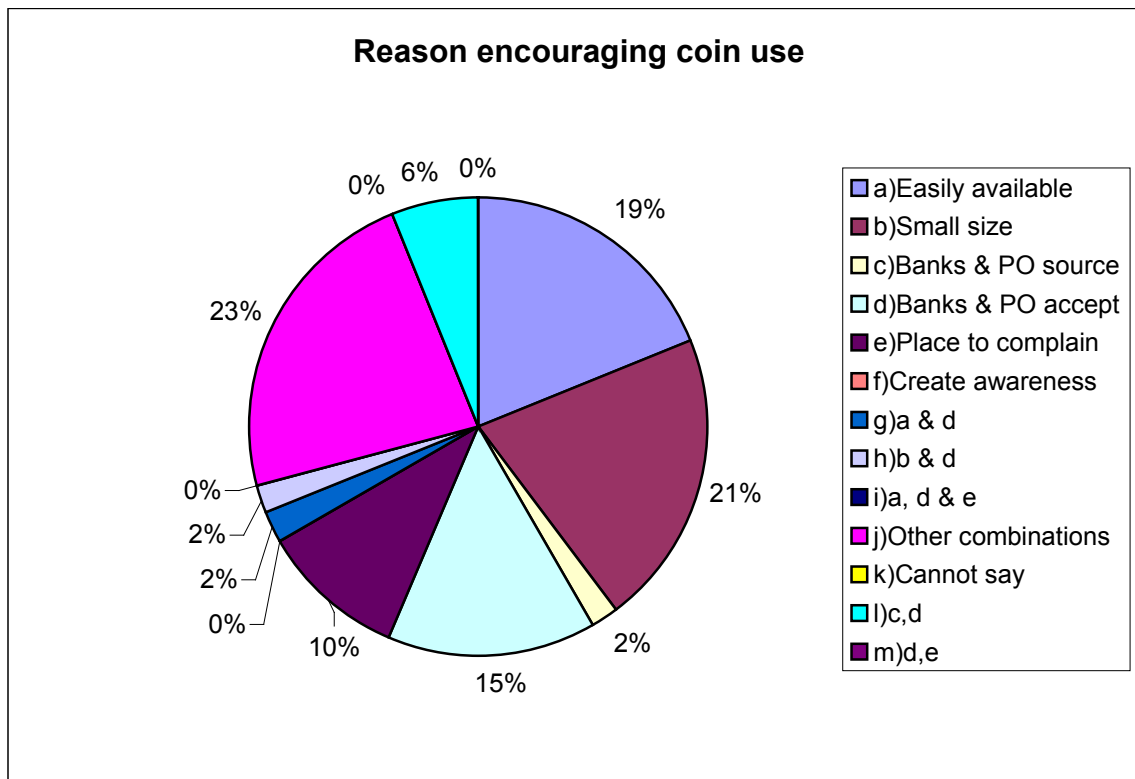
### Suggestion to encourage use of coins

In urban area the suggestions given by most customers to increase coin usage are to reduce the size and weight of the coins (32%), to make coins easily available (29%), make banks and post offices to accept coins (9%), to make available a place for complaining (11%) (Chart 6.13). The pattern is true for rural area also with 21% suggesting reduction in size, 19% to make coins easily available, 15% to make banks and post office to accept coins and 10% a place to complain (Chart 6.14).

**Chart 6.13: Urban: Reason encouraging coin use**



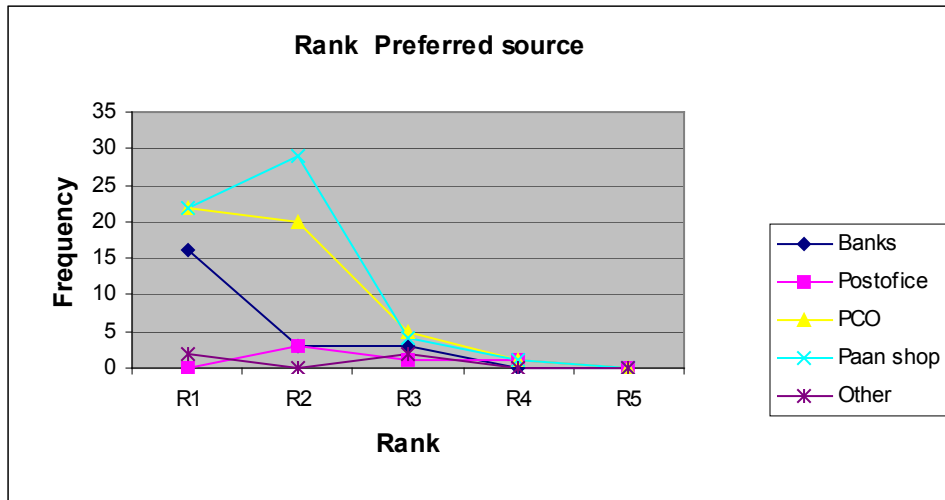
**Chart 6.14: Rural: Reason encouraging coin use**



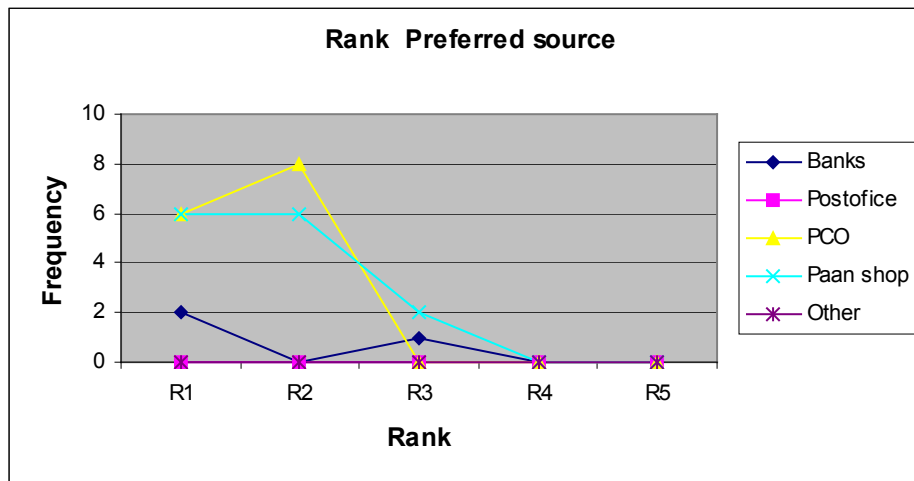
**Preferred source of coins**

In urban area most customers preferred Paan shop as the source for getting coins followed by PCO and banks (Chart 6.15). The pattern is similar in rural areas (Chart 6.16).

**Chart 6.15: Urban: Preferred source**



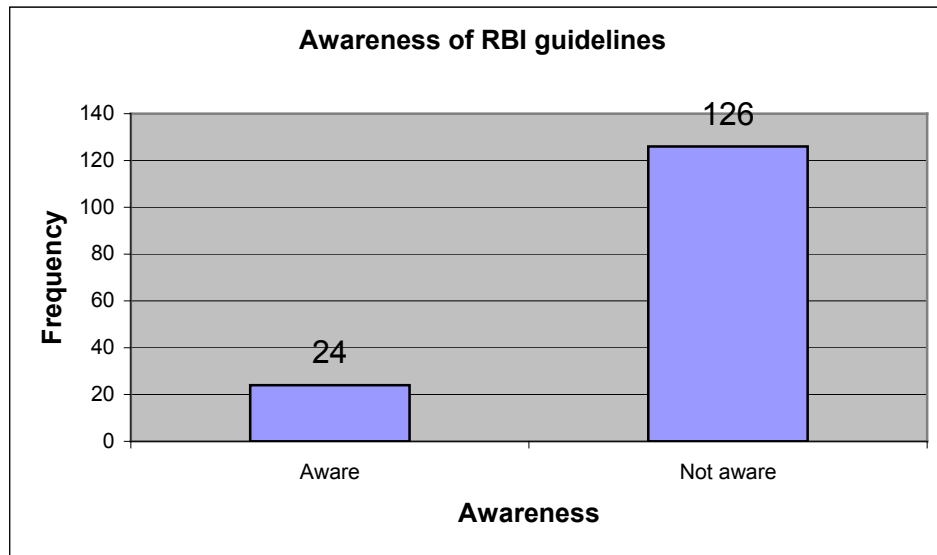
**Chart 6.16: Rural: Preferred source**



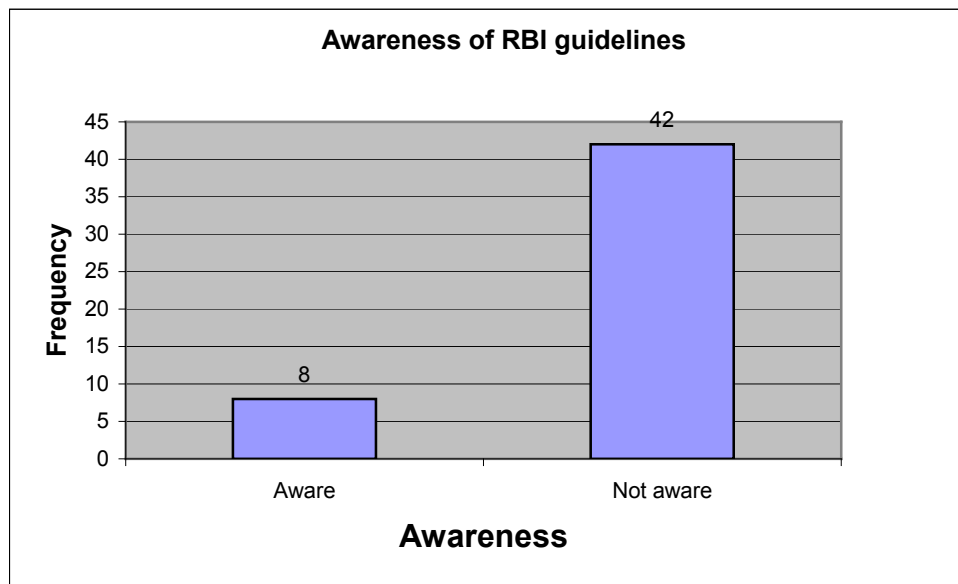
### Awareness and source of awareness of RBI guidelines

Both in urban and in rural area the awareness of guidelines is 16% (Charts 6.17 and Chart 6.18). The respondents aware of RBI guidelines got to know the guidelines from newspapers (Charts 6.19 and Chart 6.20).

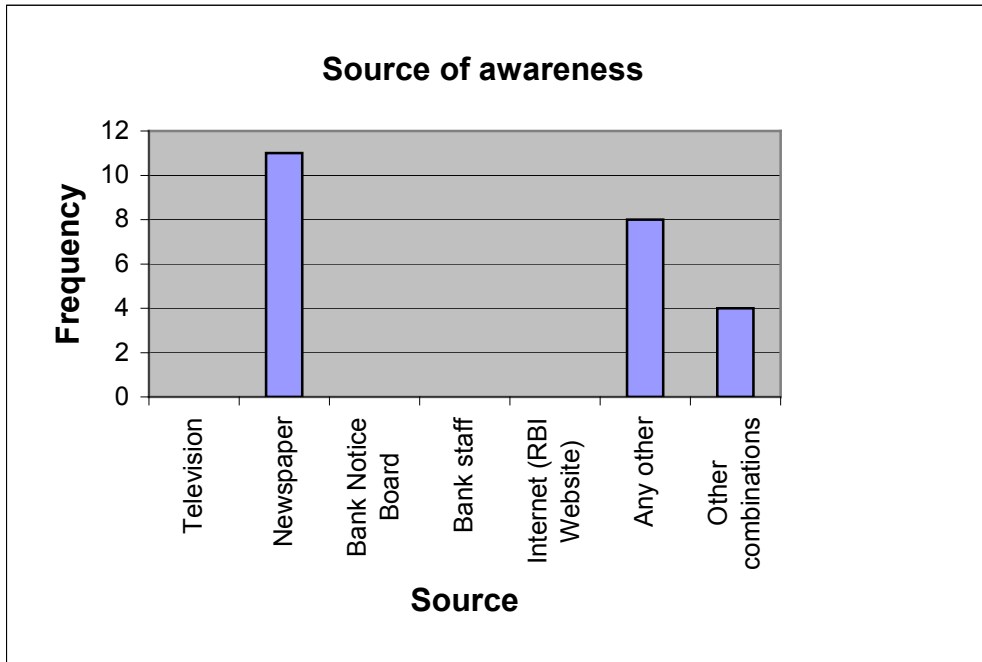
**Chart 6.17: Urban: Awareness of guidelines**



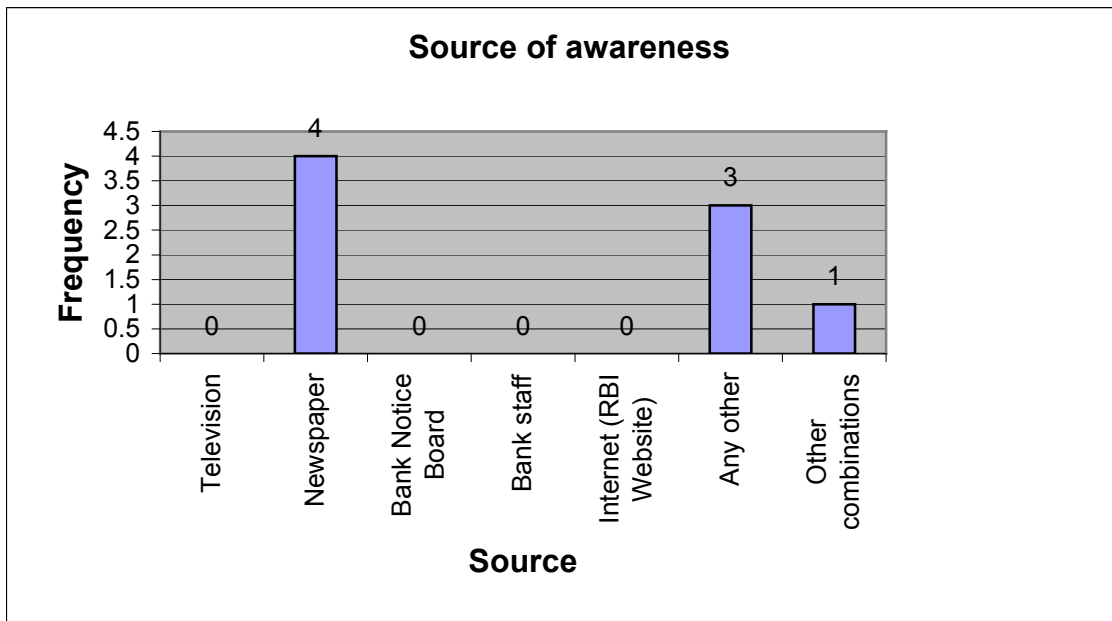
**Chart 6.18: Rural: Awareness of guidelines**



**Chart 6.19: Urban: Source of awareness**



**Chart 6.20: Rural: Source of awareness**

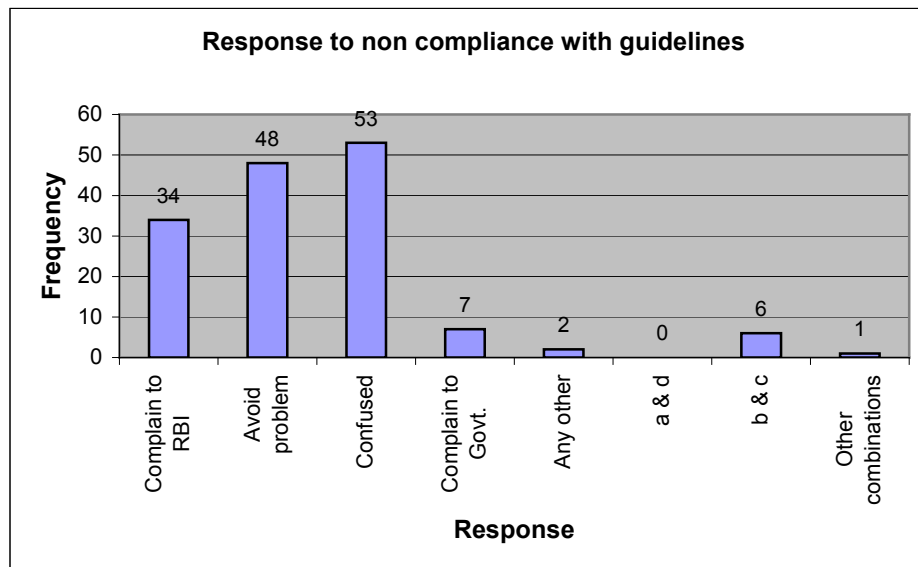




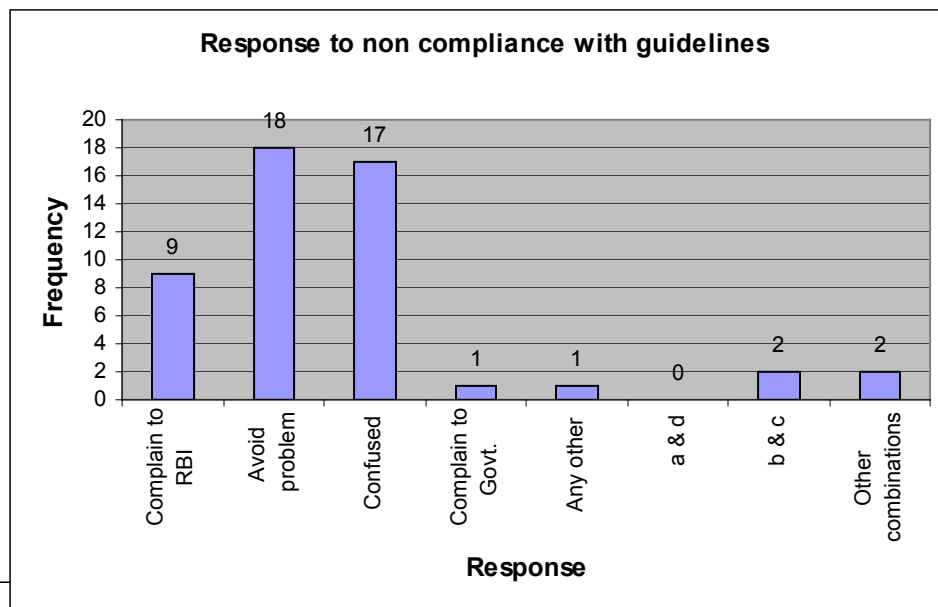
### Customer Persistence on RBI guidelines

Customers in urban and rural areas do not do anything when the traders do not follow RBI guidelines, as they do not want to get into any problem (32% in urban and 36% in rural). The customers do nothing because they do not know what to do (35% in urban and 34% in rural). Some customers are willing to complain to RBI (22.6% in urban and 18% in rural) (Charts 6.21 & 6.22).

**Chart 6.21: Urban: Response to non compliance with guidelines**



**Chart 6.22: Rural: Response to non compliance with guidelines**

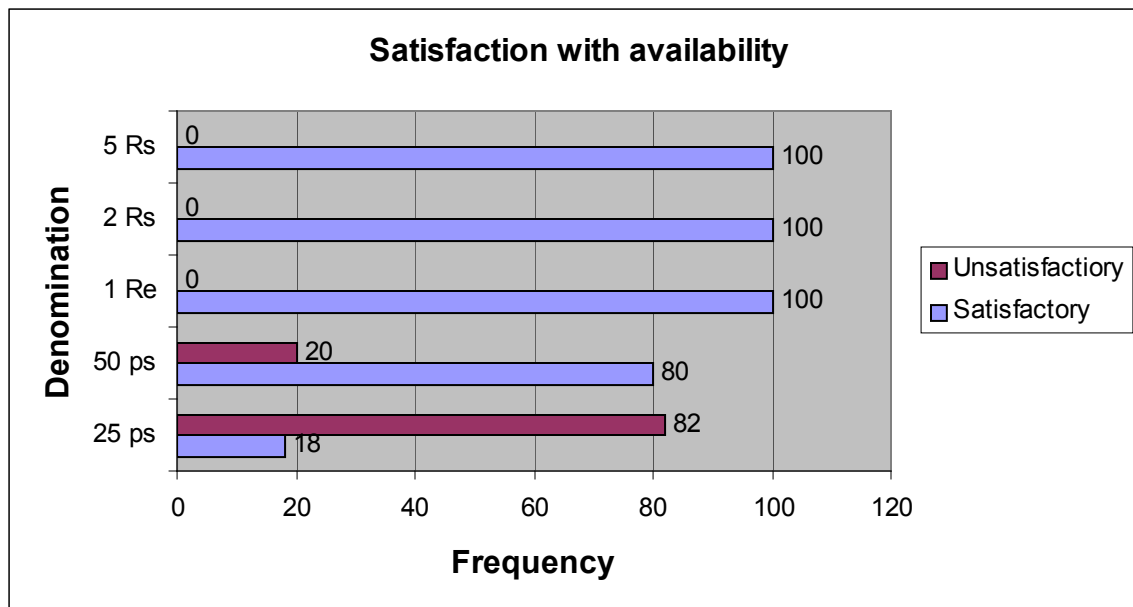


## B: NEED AND USE BEHAVIOR AMONG TRADE

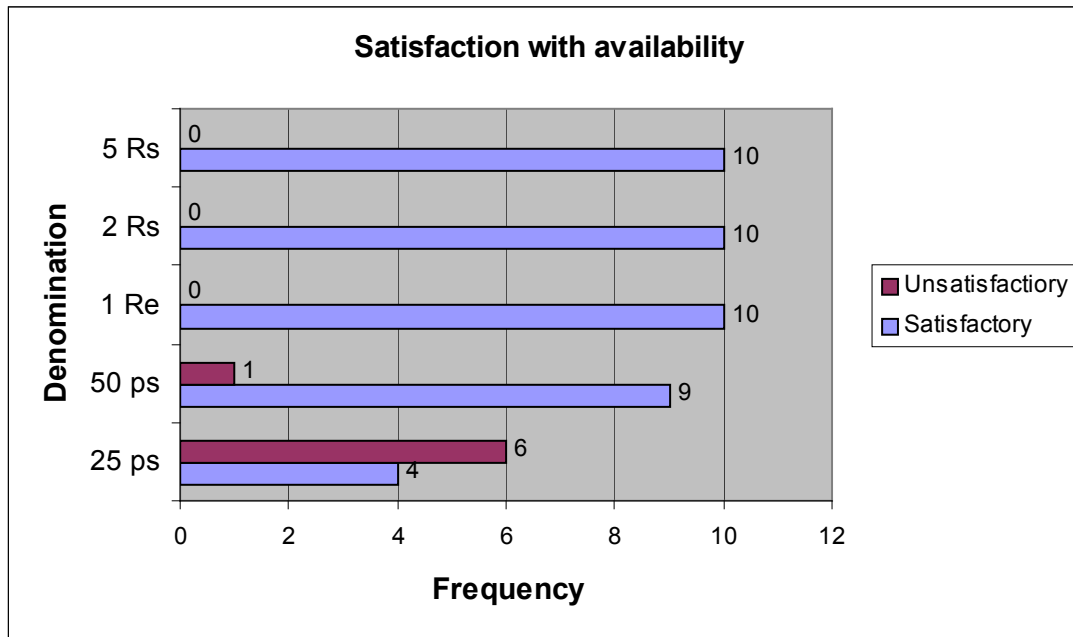
### Availability of coins

In urban area 82 % of the traders are not satisfied with the availability of 25 Ps and 20 % are not satisfied with the availability of 50 Ps. The urban traders are satisfied with the availability of other denominations (Chart 6.23). In rural area 60 % of the traders are not satisfied with the availability of 25 Ps coins. They are satisfied with the availability of all other denomination of coins (Chart 6.24).

**Chart 6.23: Urban: Satisfaction with availability**

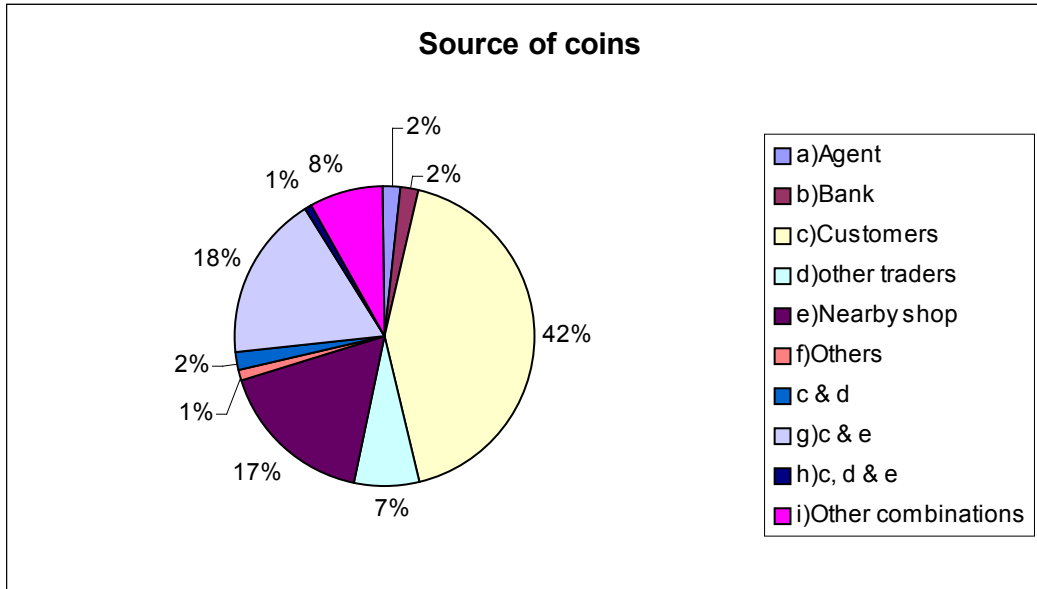


**Chart 6.24: Rural: Satisfaction with availability**

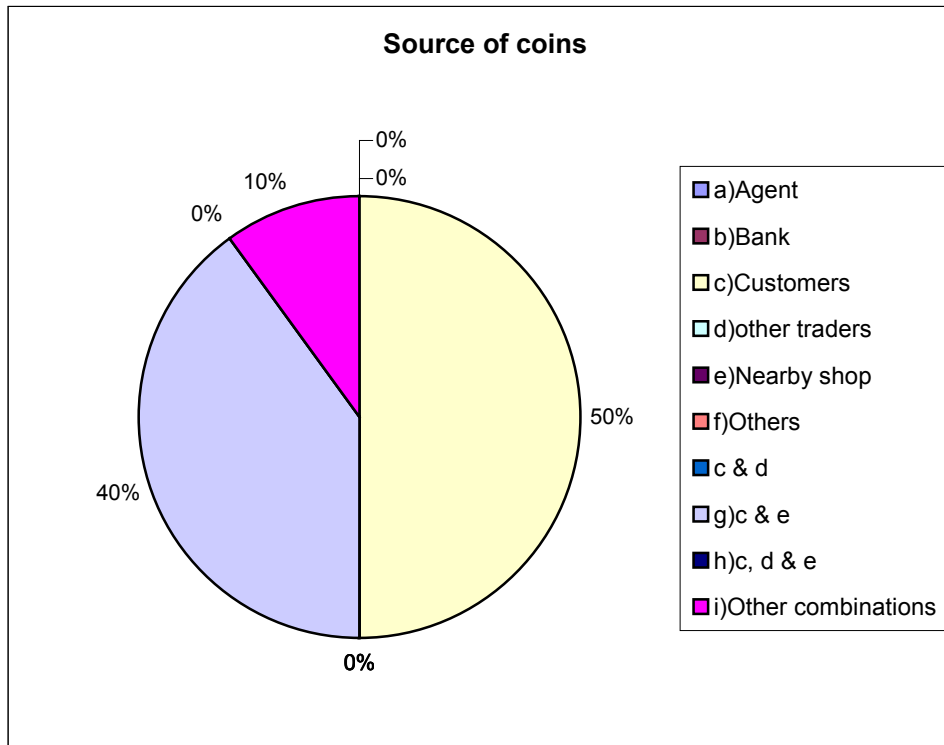


In urban area most of the traders get the coin change from customers itself (42%), some traders get coins from nearby shops (17%) or from other traders and wholesalers (7%) (Chart 6.25). In rural area 50% of traders get coin change from customers. In the rural area, 40 % of the traders use customers and also nearby shop as the source for coins (Chart 6.26).

**Chart 6.25: Urban: Source of coins**

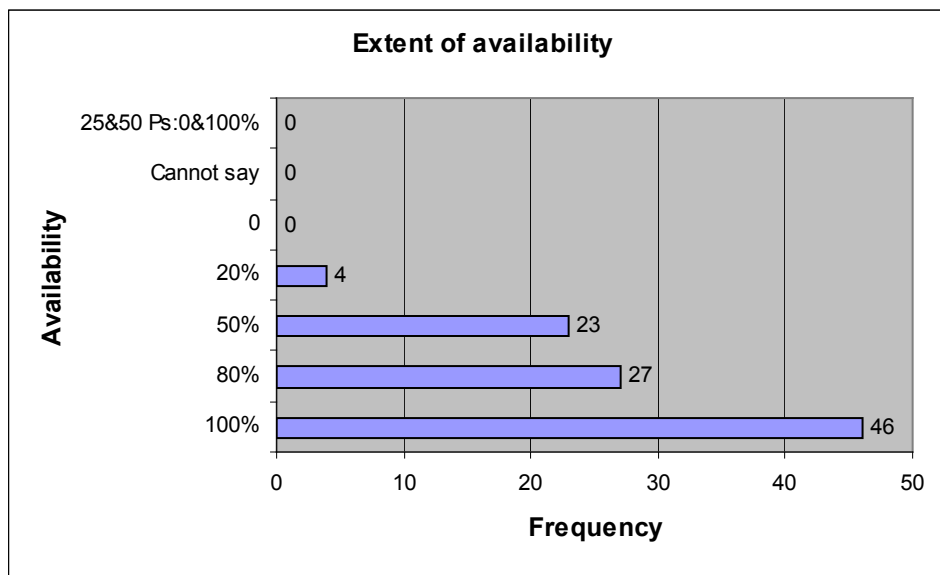


**Chart 6.26: Rural: source of coins**

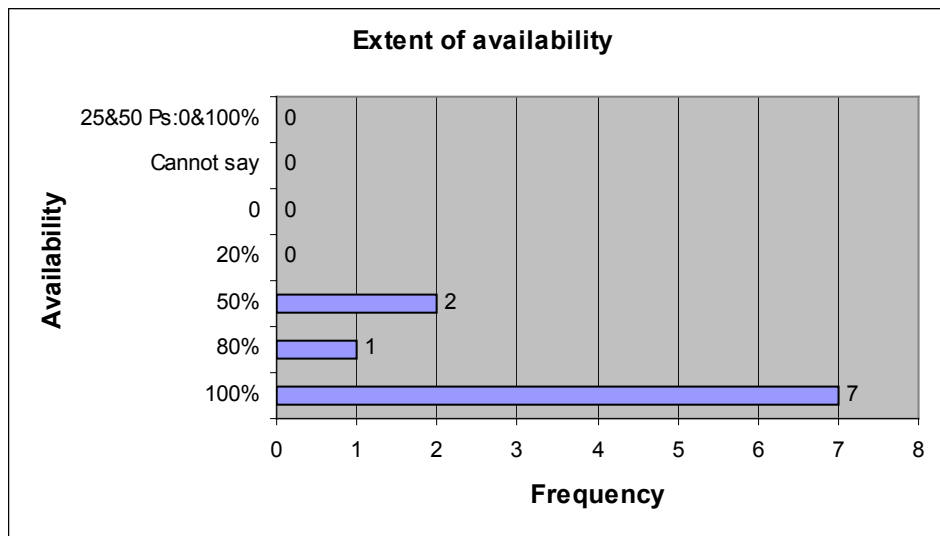


46% of the traders in the urban area are able to give coin change to all their customers and in rural area 70 % of the traders are able to give coin change to all their customers (Charts 6.27 & 6.28).

**Chart 6.27: Urban: Extent of availability**



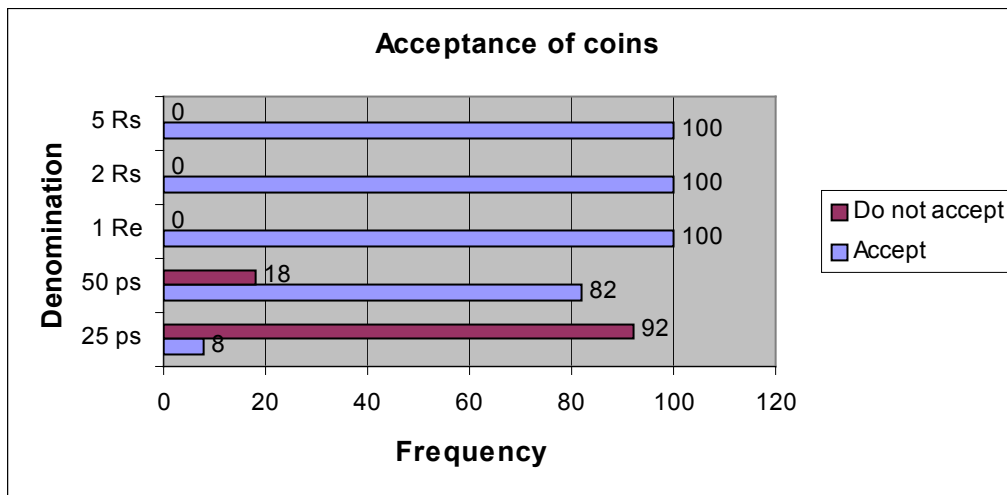
**Chart 6.28: Rural: Extent of availability**



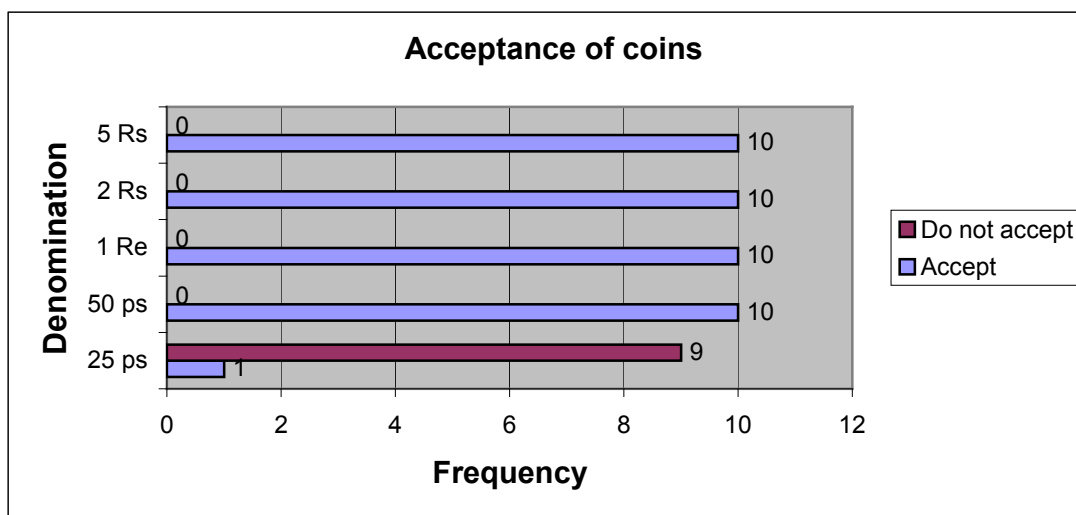
### Trade Behavior in use of coins

In urban area 25 Ps. is not accepted according to 92% of the traders. 50 Ps. coins are accepted by 82% of the traders. The other denominations are well accepted (Chart 6.29). In rural area 25 Ps is not accepted according to 90% of the traders but all other denominations are accepted.

**Chart 6.29: Urban: Acceptance of coins**

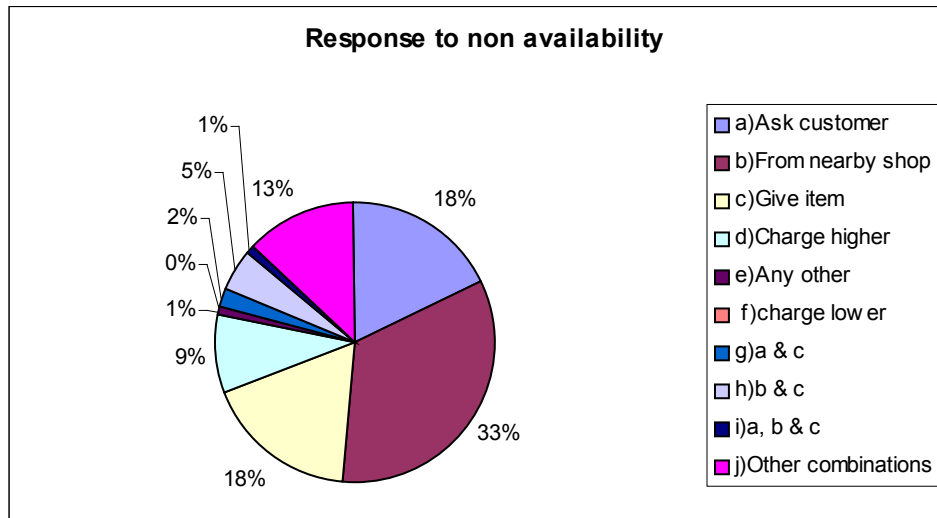


**Chart 6.30: Rural: Acceptance of coins**

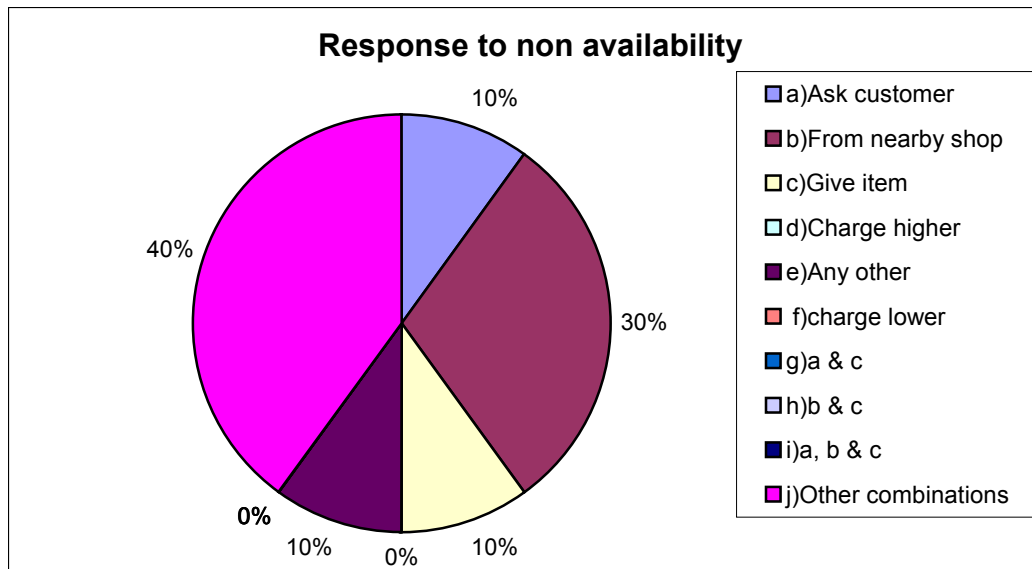


When coins are not available most traders get coins from nearby shop (Urban 33% and rural 30 %). Many traders give a substitute item (18% in urban and 10 % in rural) or ask their customers to give correct coin change (18% in urban and 10 % in rural) (Charts 6.31 & 6.32).

**Chart 6.31: Urban: Response to non availability**



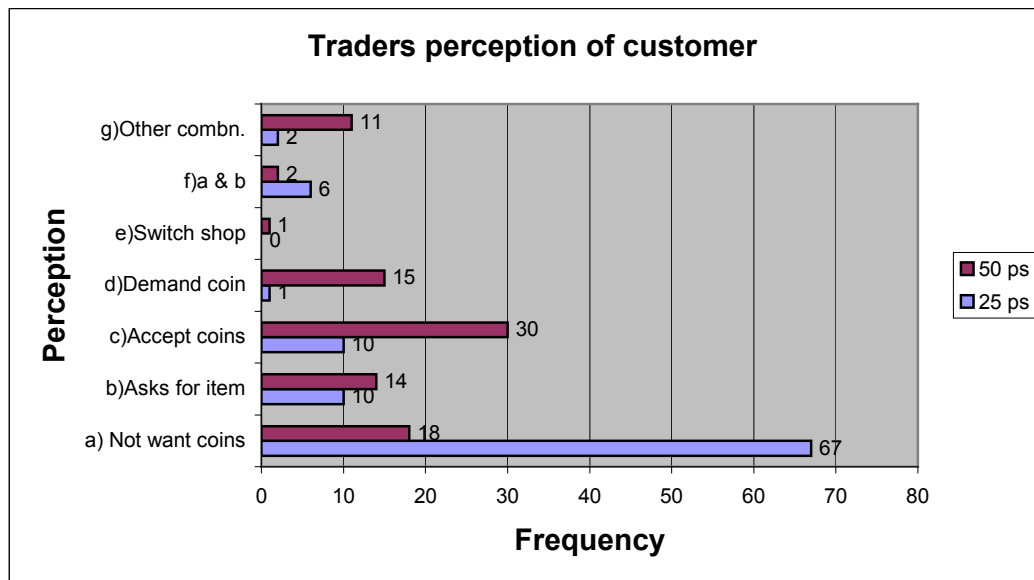
**Chart 6.32: Rural: Response to non-availability**



**Consumer response to coin change**

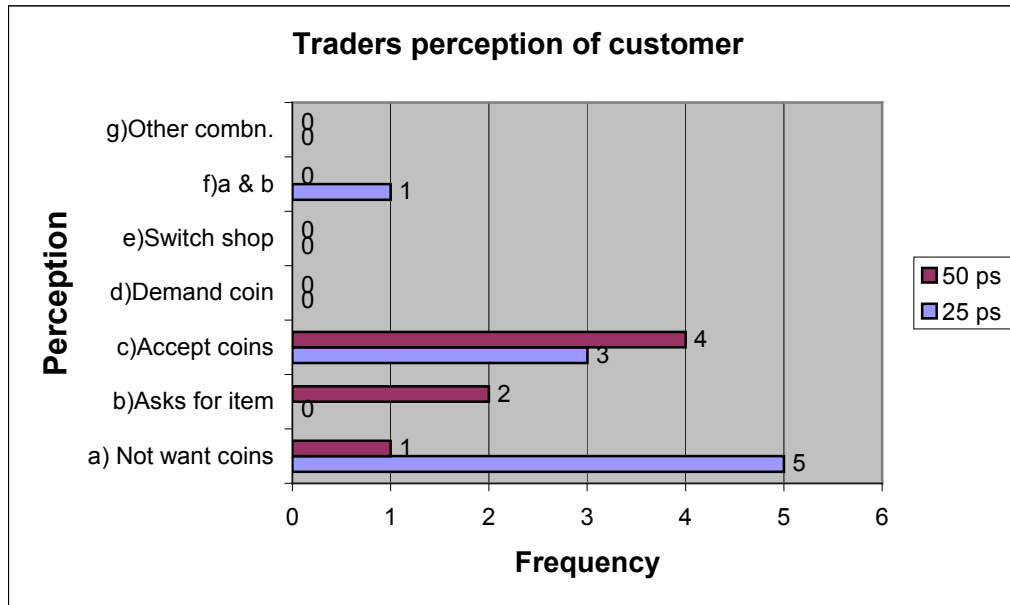
Traders suggest that most of the customers do not want to take 25 Ps but that the customers accept 50 Ps. This is indicated for both the urban and rural areas (Charts 6.33 & 6.34).

**Chart 6.33: Urban: Traders perception of customer**





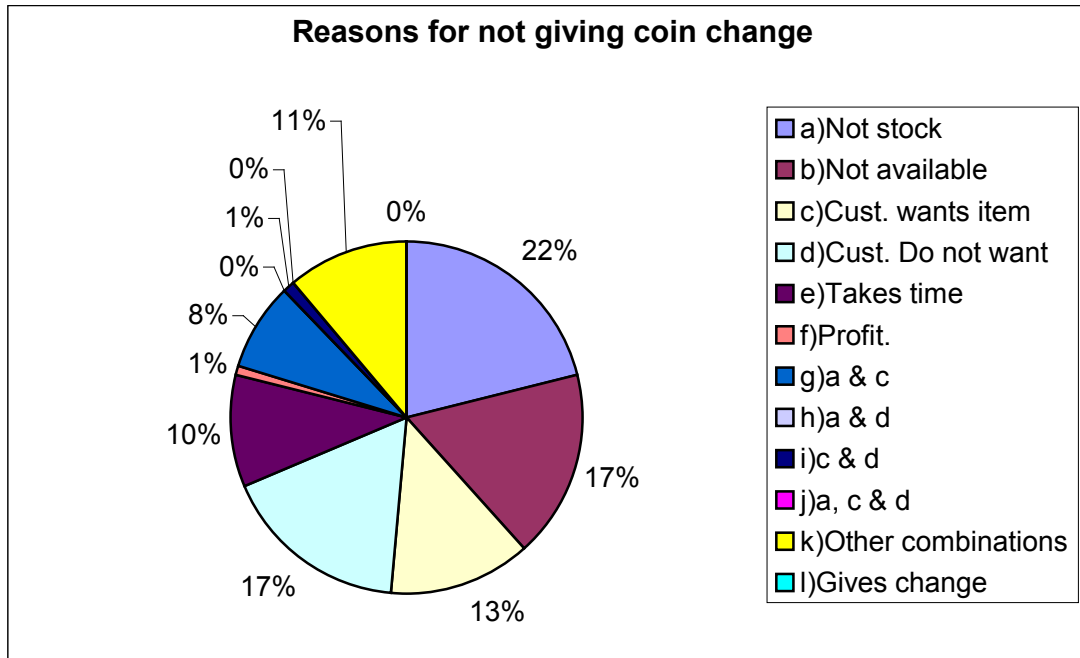
**Chart 6.34: Rural: Traders perception of customer**



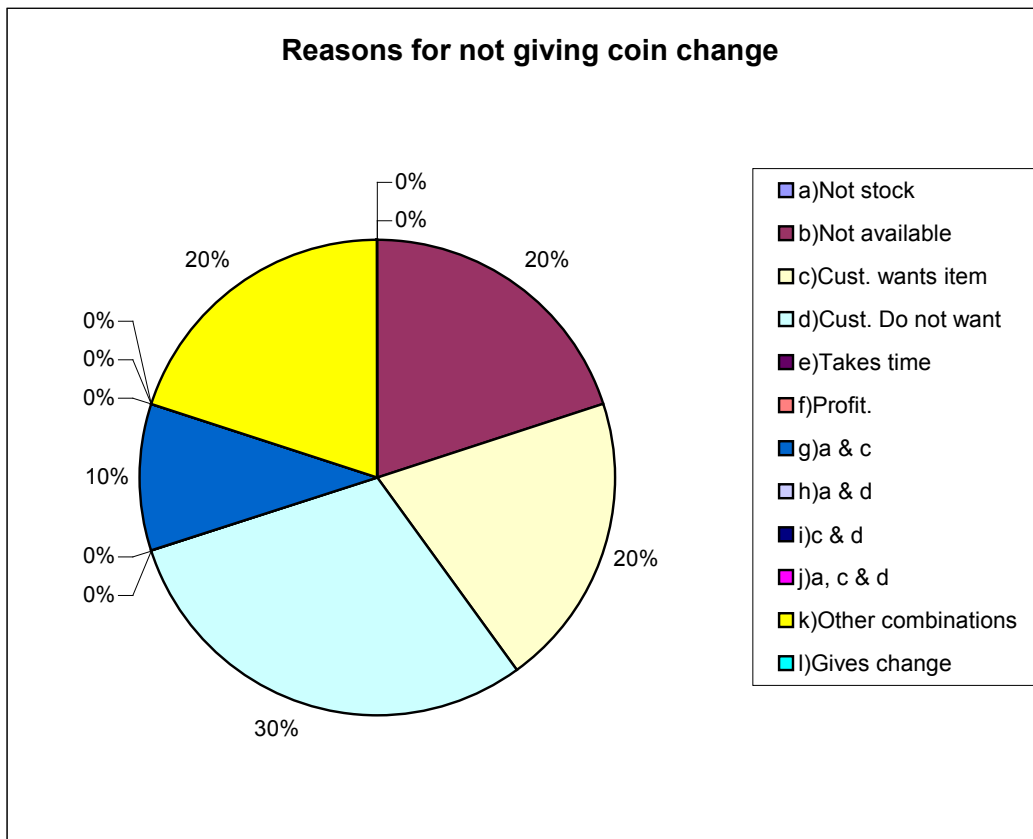
**Reason for trade response**

In urban area 22 % traders do not give coin change as they do not stock coins 17 % traders do not give as customers do not want coins and 17 % because of non availability of coins (17%) (Chart 6.35). Traders in rural area do not give coin change as customers do not want them (30%), customers prefer a substitute item (20%), and because of non availability of coins (20%) (Chart 6.36).

**Chart 6.35: Urban: Reasons for not giving coin change**

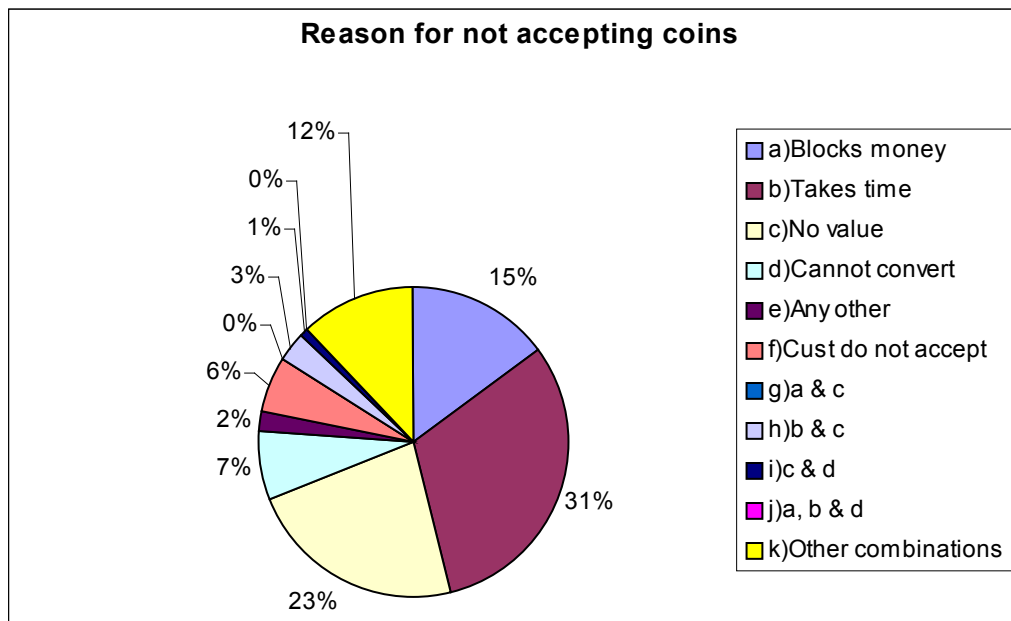


**Chart 6.36: Rural: Reasons for not giving coin change**

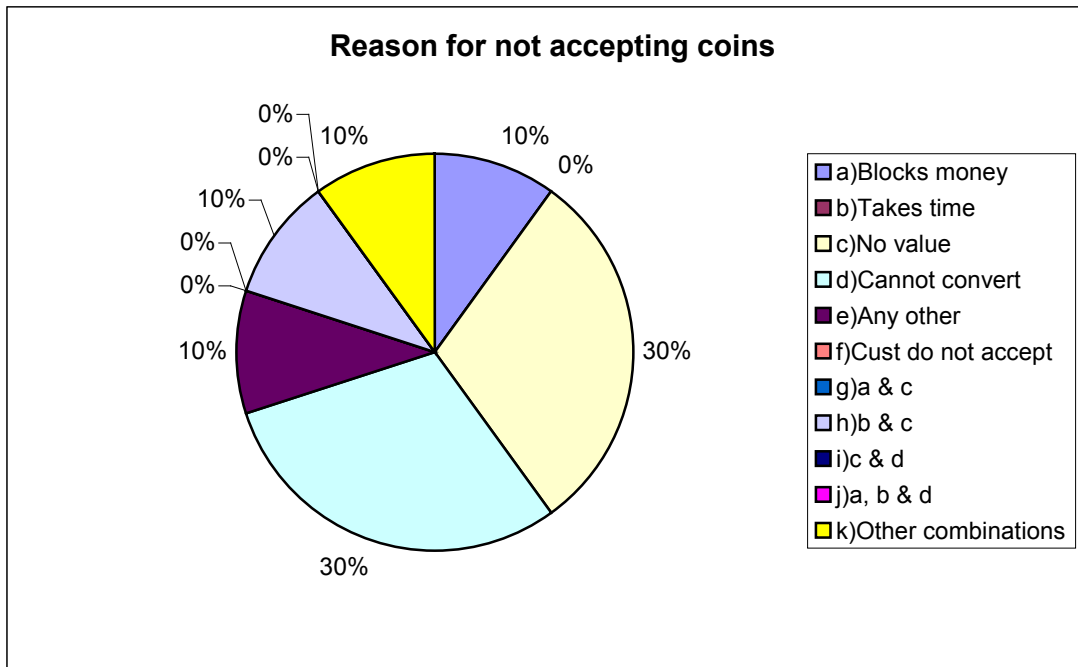


In urban area the reason why traders do not accept small coins is because it takes time and effort in counting and giving coins (31%), because coins do not have value in the market (23%), and also stocking coins blocks money (15%) (Chart 6.37). The reason for traders in rural area not accepting coins is that coins do not have value (30%), and because they are not easily converted. (30%) (Chart 6.38).

**Chart 6.37: Urban: Reasons for not accepting coins**



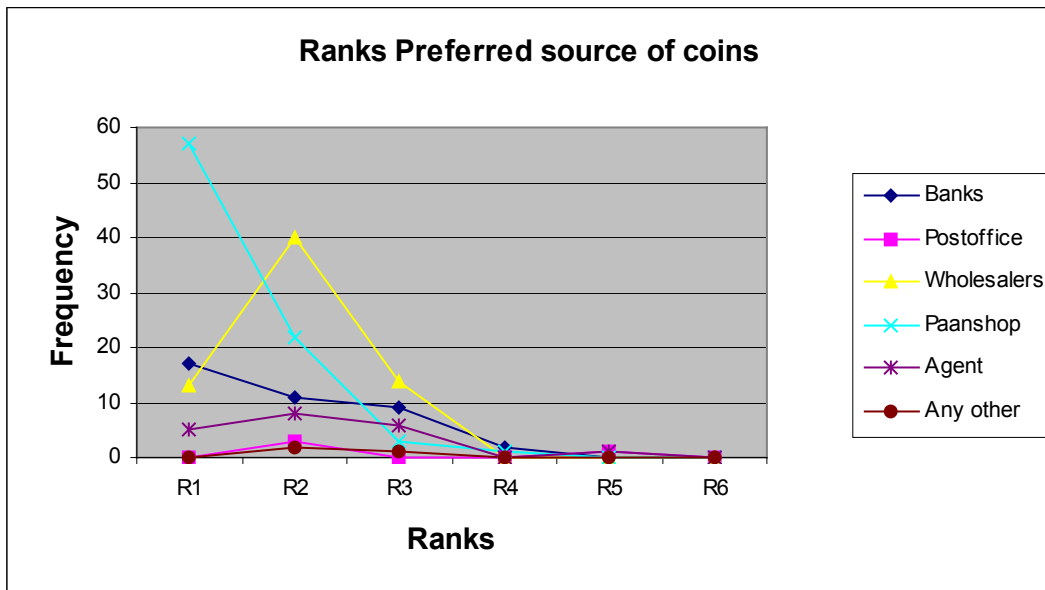
**Chart 6.38: Rural: Reason for not accepting coins**



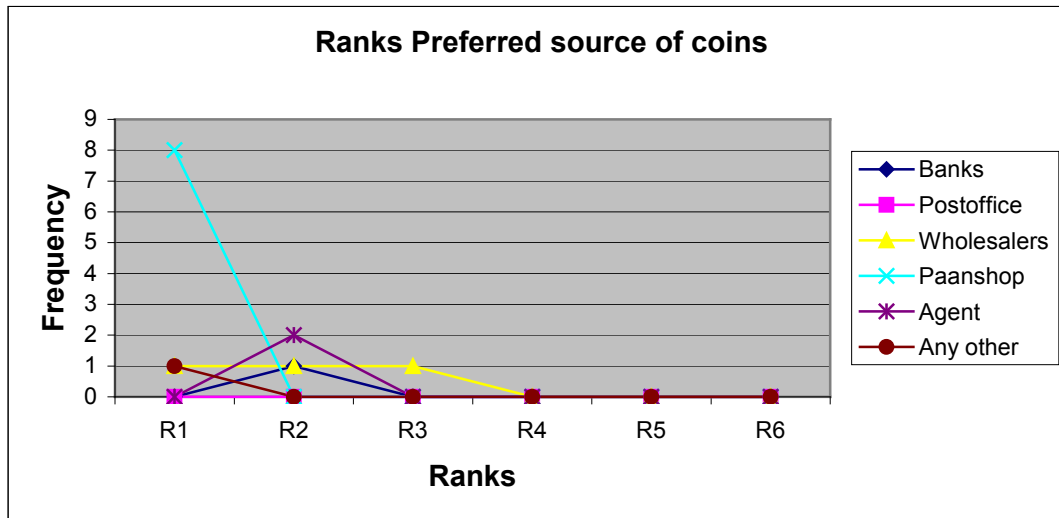
**Preferred source of coins**

In urban area traders prefer Paan shop as the source for coins followed by wholesalers and banks. In rural area the traders prefer mostly paan shop as the source for coins.

**Chart 6.39: Urban: Preferred source of coins**



**Chart 6.40: Rural: Preferred source of coins**



**Procurement of Coins**

In urban area the traders prefer lot size of 100 coins for 50 Ps, 1 Re and 2 Rs coins and for 5 Rs coin it is 50 coins. In rural the preferred lot size is 50 coins for 50 Ps., 1 Re, 2 Rs and 5 Rs coins (Charts 6.41 & 6.42).

Chart 6.41: Urban: Preferred lot size

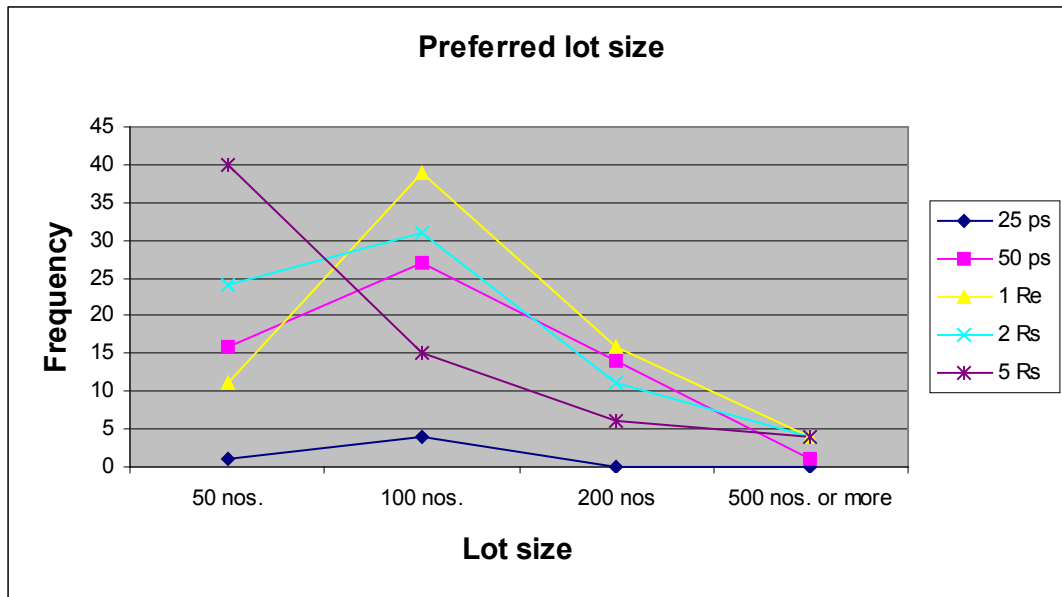
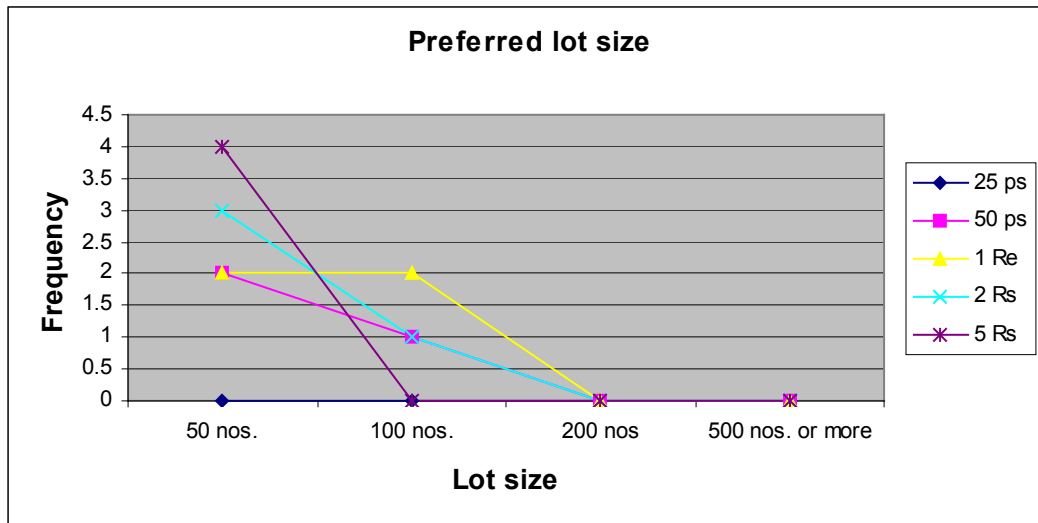


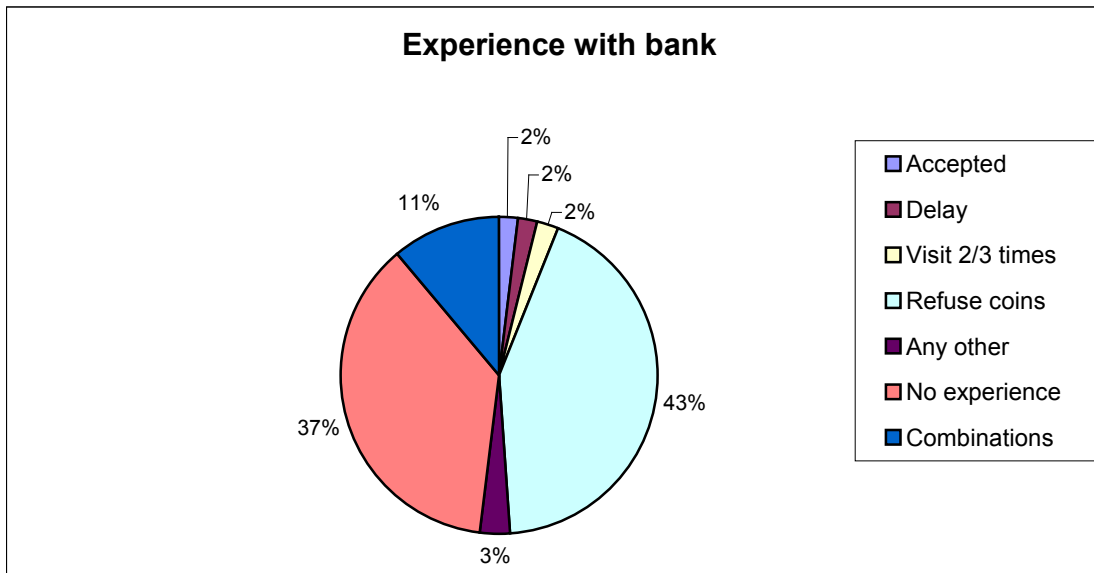
Chart 6.42: Rural: Preferred lot size



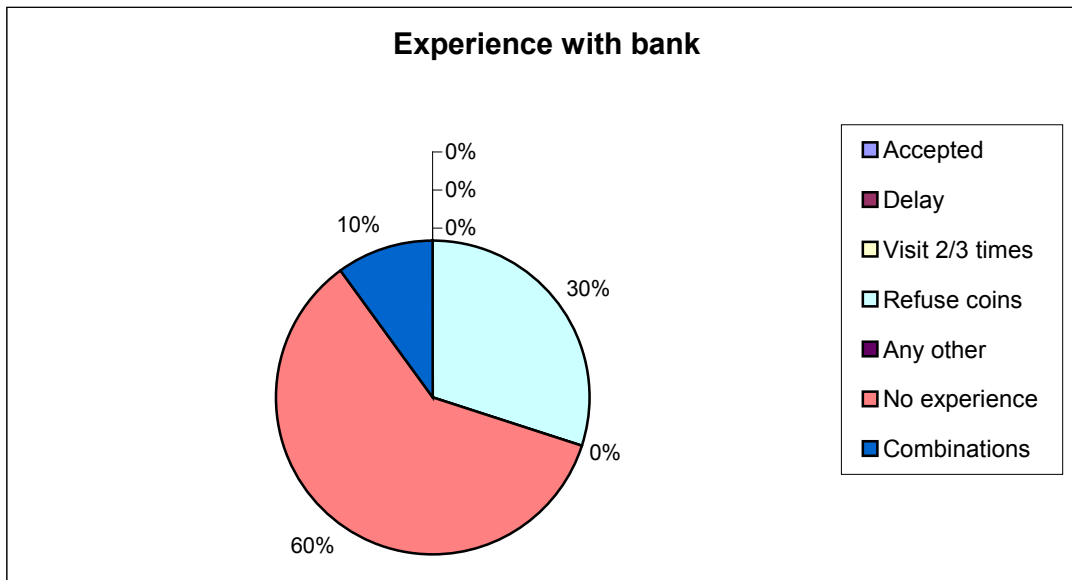
### Experience with Banks

In urban area 43% of traders indicate that banks refused to accept coins and 37% of the traders had not visited banks to deposit coins (Chart 6.43). In rural area 30% of traders indicate that banks refused to accept coins and 60% of traders had not been to banks for depositing coins (Chart 6.44).

**Chart 6.43: Urban: Experience with bank**



**Chart 6.44: Rural: Experience with bank**

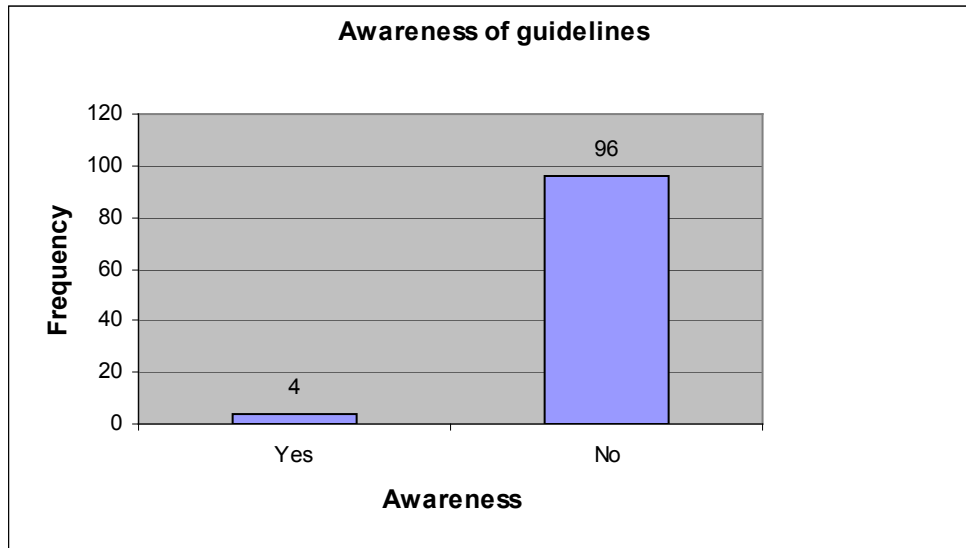


**Awareness and Source of awareness of RBI guidelines**

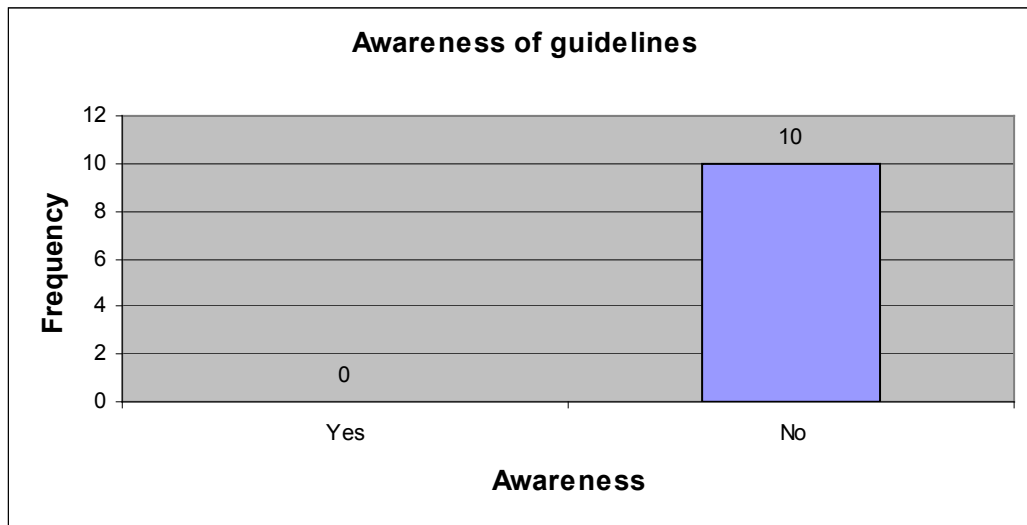
In urban area only 4 traders out of 100 are aware of RBI guidelines and in rural area not even a single trader is aware of RBI guidelines (Charts 6.45 & 6.46).



**Chart 6.45: Urban: Awareness of guidelines**

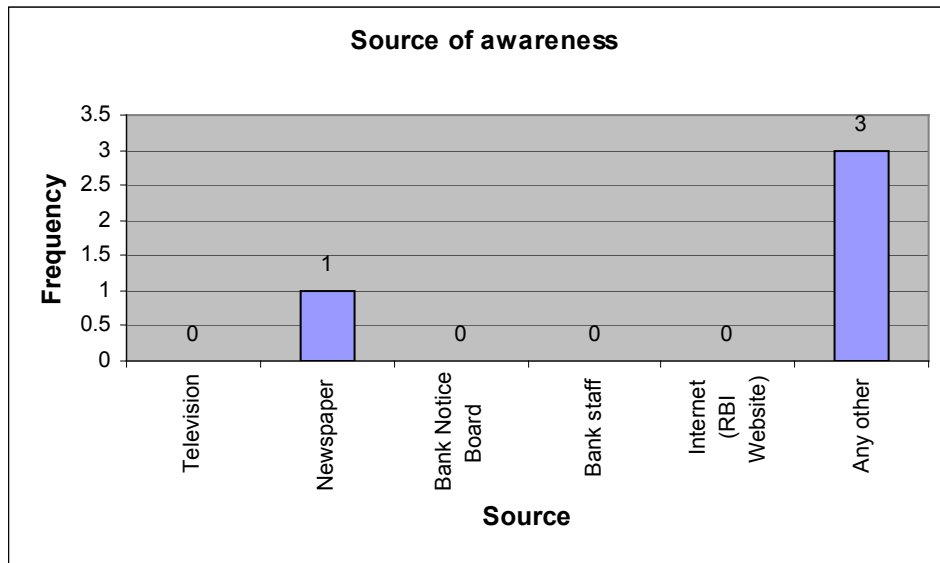


**Chart 6.46: Rural: Awareness of guidelines**



Newspapers were the source of awareness of RBI guidelines for traders in the urban area.

**Chart 6.47: Urban: Source of awareness**



## 7: NEED AND USE BEHAVIOR FOR SMALL DENOMINATION COINS IN UTTAR PRADESH

### Distribution of Respondents by location in Uttar Pradesh

The distribution of respondents in the state of Uttar Pradesh for Customers and for traders both in urban and rural areas is given in table 7.1.

**Table 7.1: Distribution of Respondents by location in Uttar Pradesh**

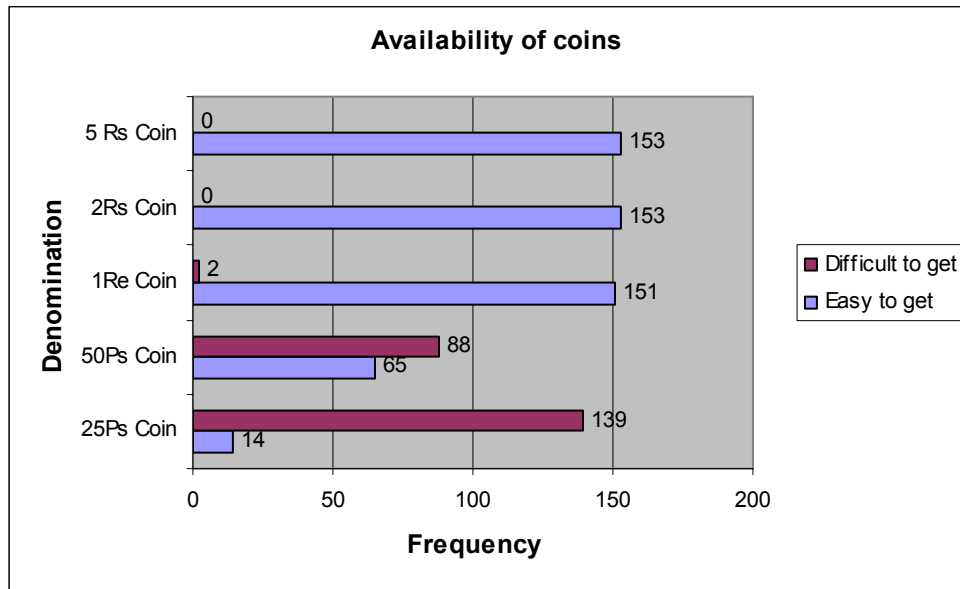
| Location/Village name | Customers  |           | Traders    |           |
|-----------------------|------------|-----------|------------|-----------|
|                       | Urban      | Rural     | Urban      | Rural     |
| Lucknow/Dasholi       | 31         | 11        | 21         | 2         |
| Kanpur/Mitha          | 30         | 11        | 20         | 2         |
| Varanasi/Goshila      | 31         | 11        | 20         | 2         |
| Bareilly/Jead         | 31         | 10        | 20         | 2         |
| Aligarh/Hajipur       | 30         | 12        | 21         | 4         |
| <b>TOTAL</b>          | <b>153</b> | <b>55</b> | <b>102</b> | <b>12</b> |

### A: NEED AND USE BEHAVIOR AMONG CUSTOMERS

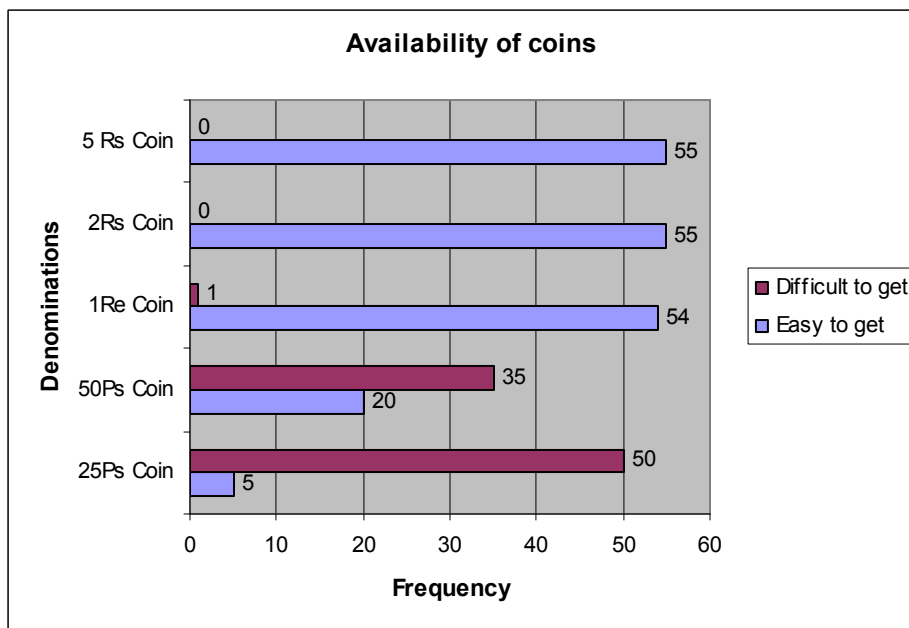
#### Availability of coins

Availability of 25 Ps coin is low in urban area (9 %). The availability of 50 Ps coins are better with 42 % of the urban respondents indicating availability. The other denominations are easily available (Chart 7.1). The pattern is true in rural areas with availability of 25 Ps at 9 % and 50 Ps at 36 %.( Chart 7.2).

**Chart 7.1: Urban: Availability of coins**



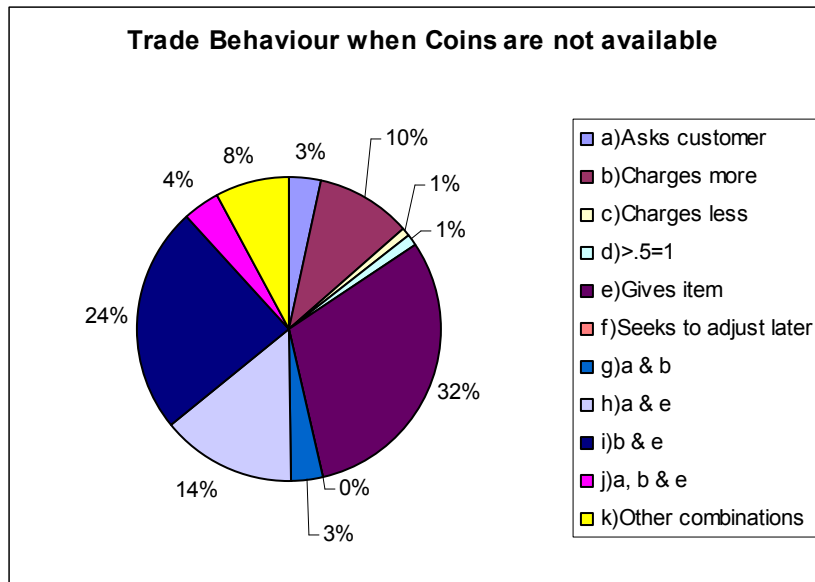
**Chart 7.2: Rural: Availability of coins**



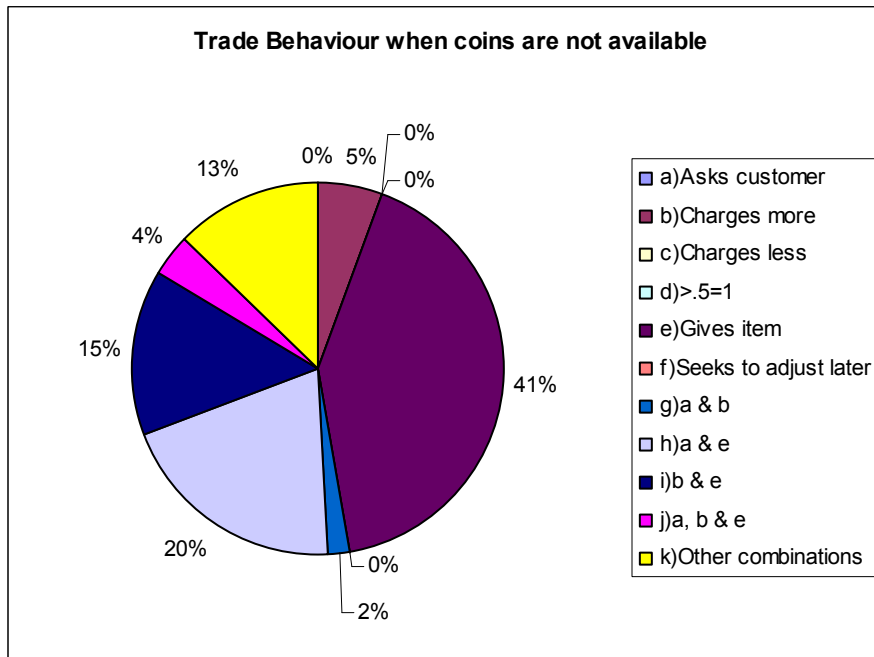
**Customers experience when trader does not have coin change**

In urban area 32% of the customers indicated that the give a substitute item and 24% indicated that the traders either charged more or gave an item instead of coin change (Chart 7.3). In rural area 41% of customers indicated that the traders gave a substitute item and 20% customers indicated that the traders asked customer to give correct coin change or gave a substitute item (Chart 7.4).

**Chart 7.3: Urban: Trade behavior when coins are not available.**



**Chart 7.4: Rural: Trade behavior when coins are not available.**

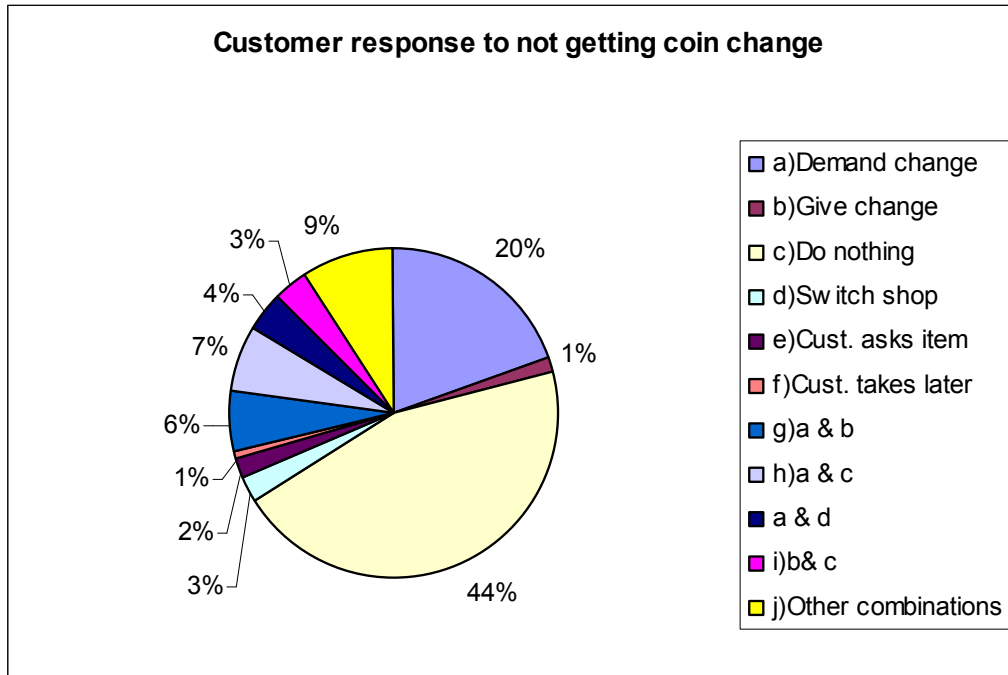


**Customer response to trade behavior**

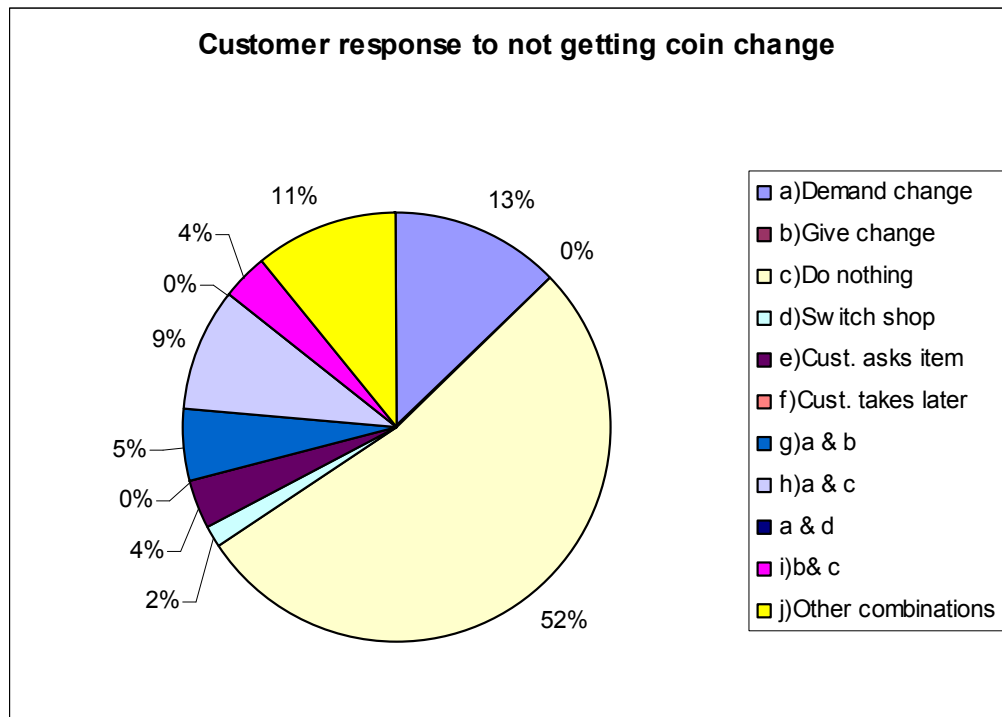
In urban area 20% of the customers said that they demand coin change when traders did not give coin change and 44% of customers said that they “do nothing” when traders did not give coin change (Chart 7.5). In rural area only

13% of customers said that they demand coin change and 52% of customers said that they “do nothing” (Chart 7.6).

**Chart 7.5: Urban: Customer response to not getting coin change**



**Chart 7.6: Rural: Customer response to not getting coin change**



**Customer Motivations for behavior in respect of small denomination coins**

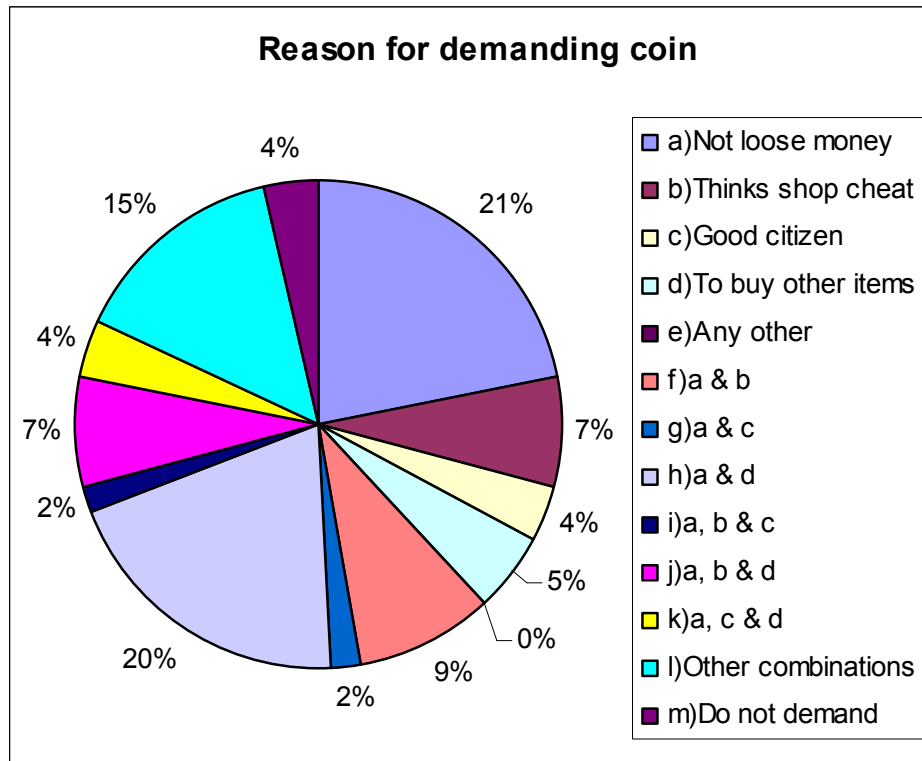
In urban area the customers who demand coin change do so because they do not want to loose money (29%) and to use the coins in some other transaction (14%) (Chart 7.7). In rural area 21 % of the customers demand coin as they do not want to loose money (Chart 7.8). In urban and rural areas 7 % of the customers demand coins as they think that the shopkeeper is cheating by not giving change intentionally.

Chart 7.7: Urban: Reason for demanding coins



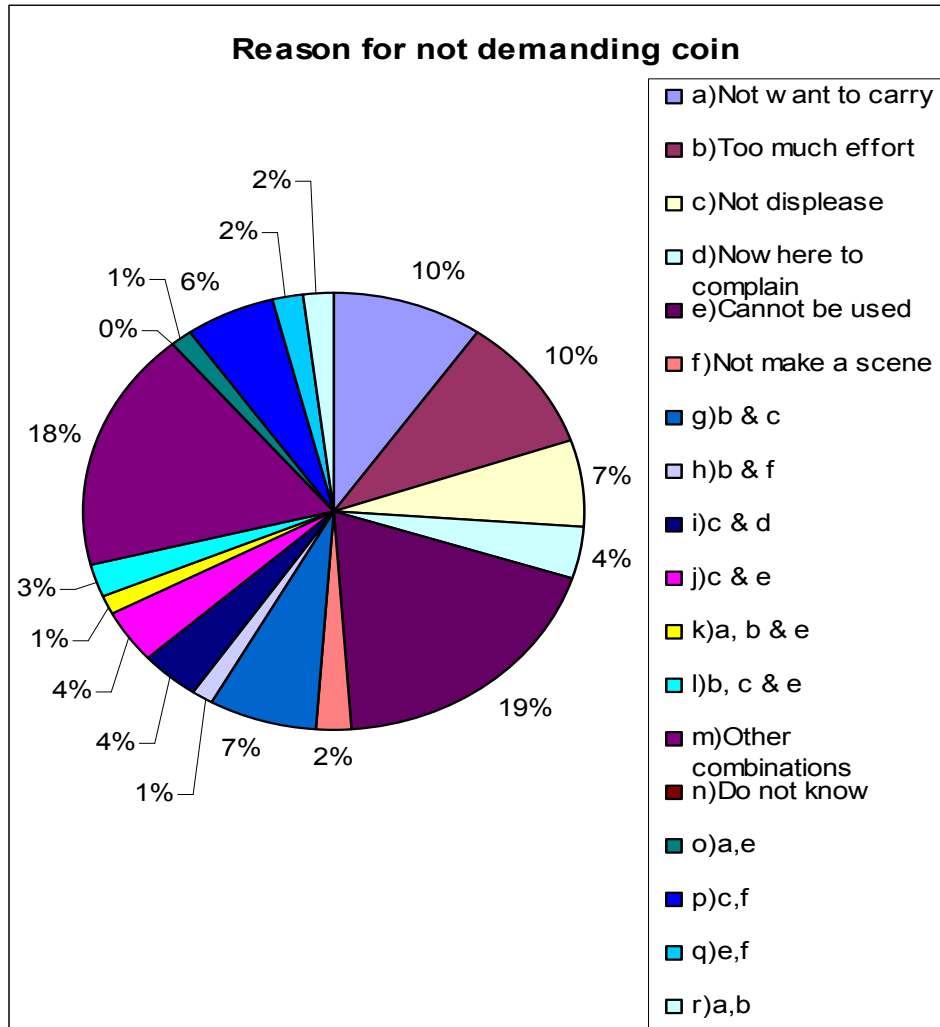


**Chart 7.8: Rural: Reason for demanding coins**

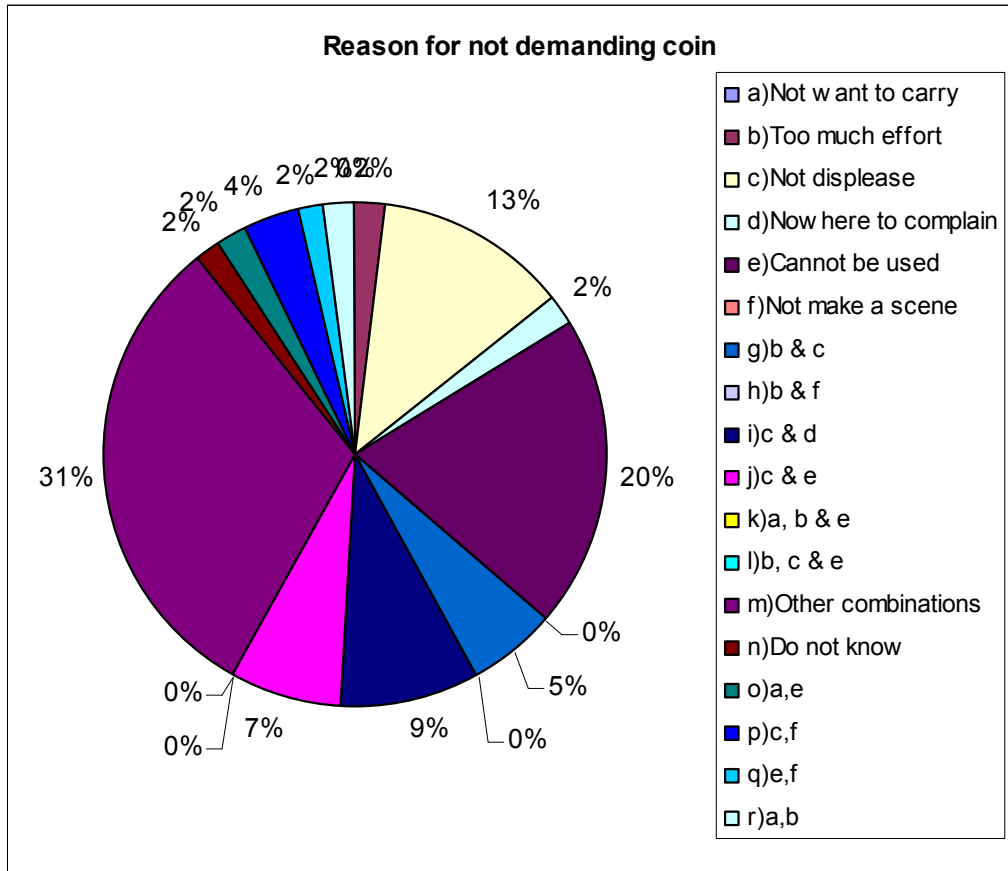


In urban and rural areas the customers do not demand coins as these cannot be used elsewhere (19 % in urban and 20 % in rural). Customers in urban area do not demand coin change also because they do not want to carry coin change in their pockets (10%) and because it is too much of an effort spending time in asking for small coin change (10%) (Chart 7.9). In rural area customers do not demand also not to make the shopkeeper unhappy by asking coin change (13%) (Chart 7.10).

**Chart 7.9: Urban: Reason for not demanding coins**

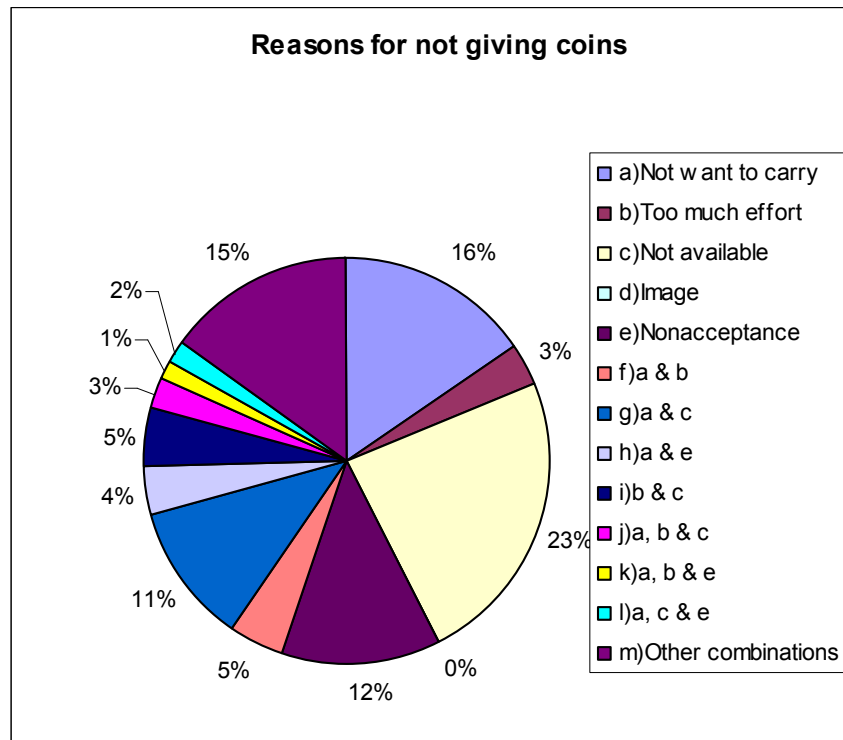


**Chart 7.10: Rural: Reason for not demanding coins**

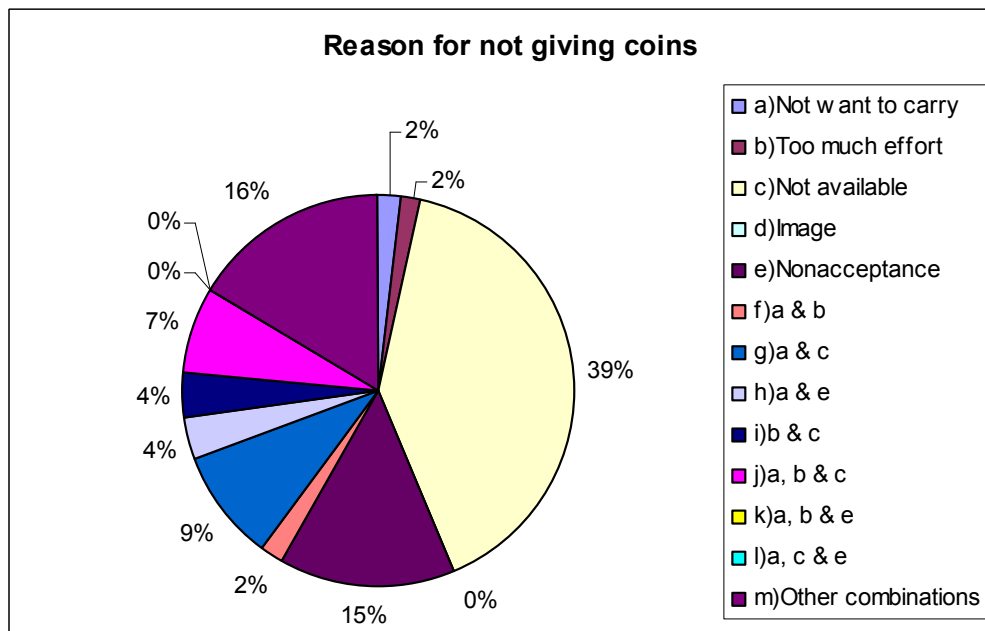


In urban area customers do not give correct coin change as coins are not easily available (23%), do not want to carry coins (16%) and because shopkeeper refuses to accept small coins (12%) (Chart 7.11). In rural area the customers do not give coin change as these are not easily available (39 %) and because shops refuse to accept (15 %) (Chart 7.12).

**Chart 7.11: Urban: Reason for not giving coins**



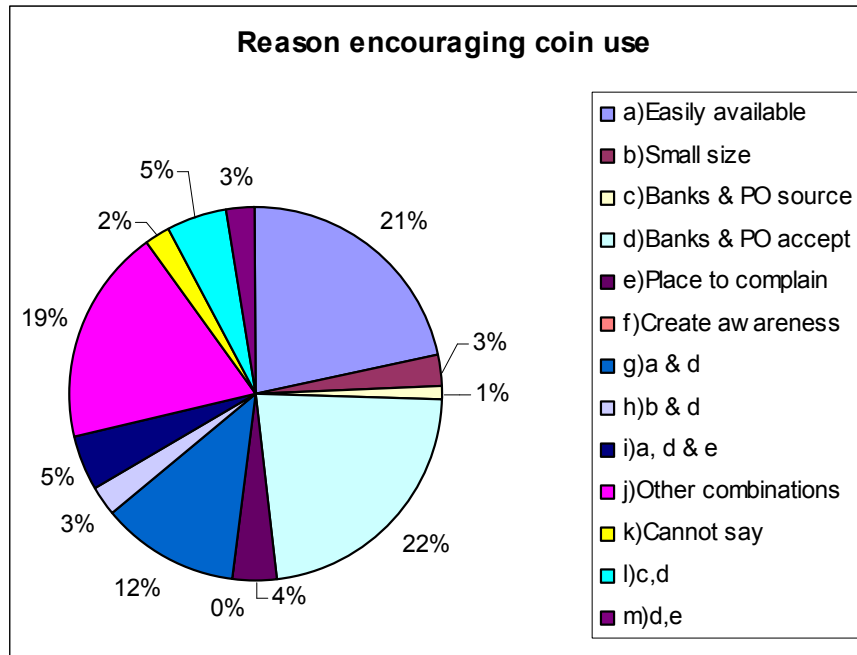
**Chart 7.12: Rural: Reason for not giving coins**



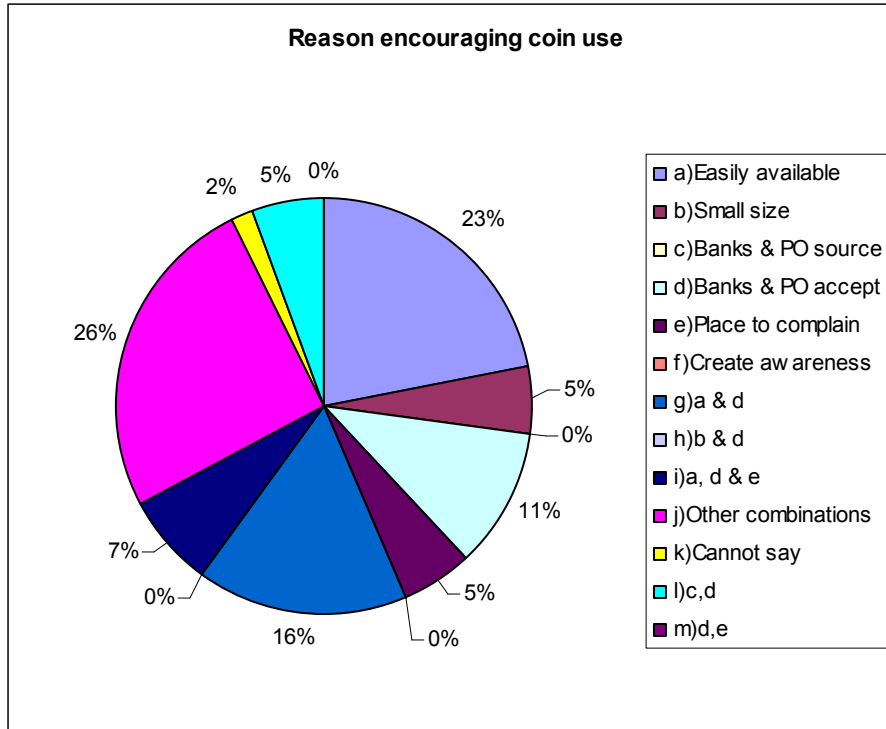
### Suggestions to encourage coin use

In urban area the suggestions given by most customers to increase coin usage are to make coins easily available (21%) and make banks and post offices to accept small coins (22%) (Chart 7.13). The same suggestion are also made by customers in rural area ( 23% and 11% respectively) (Chart 7.14).

**Chart 7.13: Urban: Reason encouraging coin use**



**Chart 7.14: Rural: Reason encouraging coin use**



**Preferred source of coins**

In urban area most respondents preferred paan shop as the source for getting coins followed by banks and in rural area preference was for paan shop (Charts 7.15 & 7.16)

Chart 7.15: Urban: Preferred source

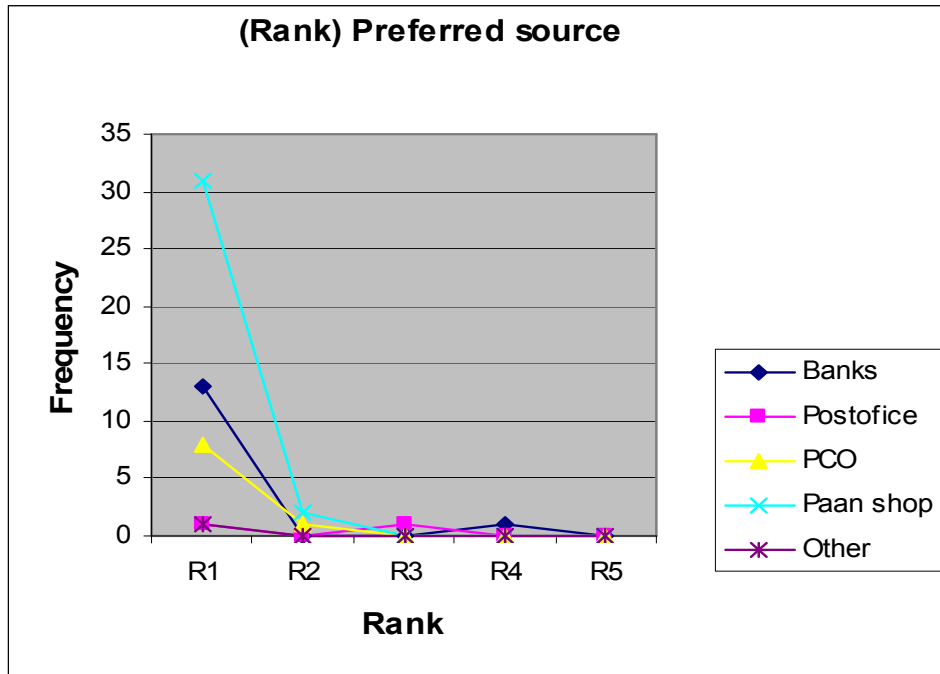
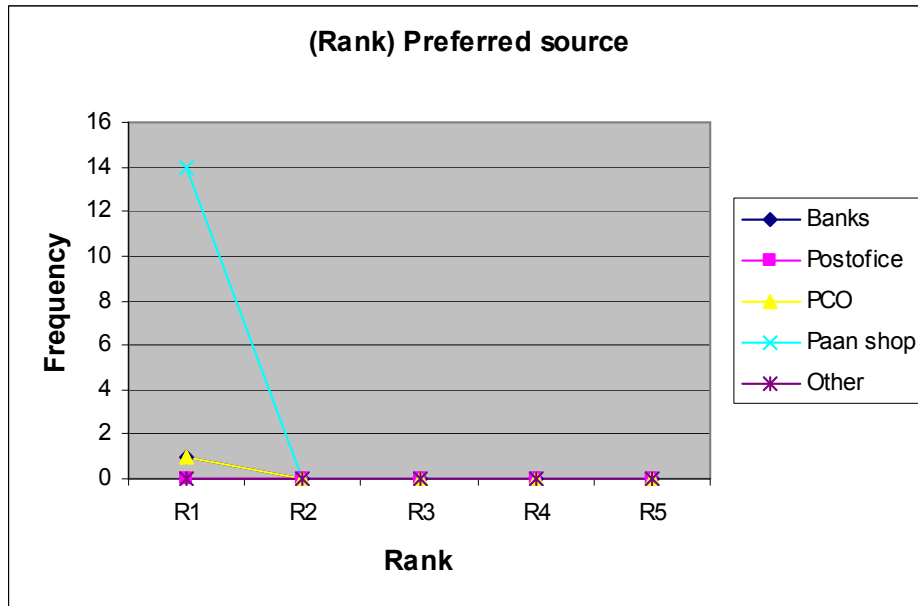


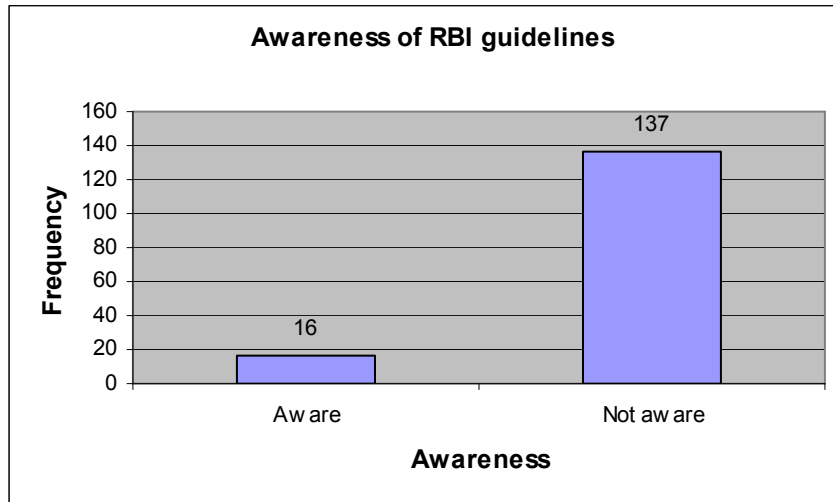
Chart 7.16: Rural: Preferred source



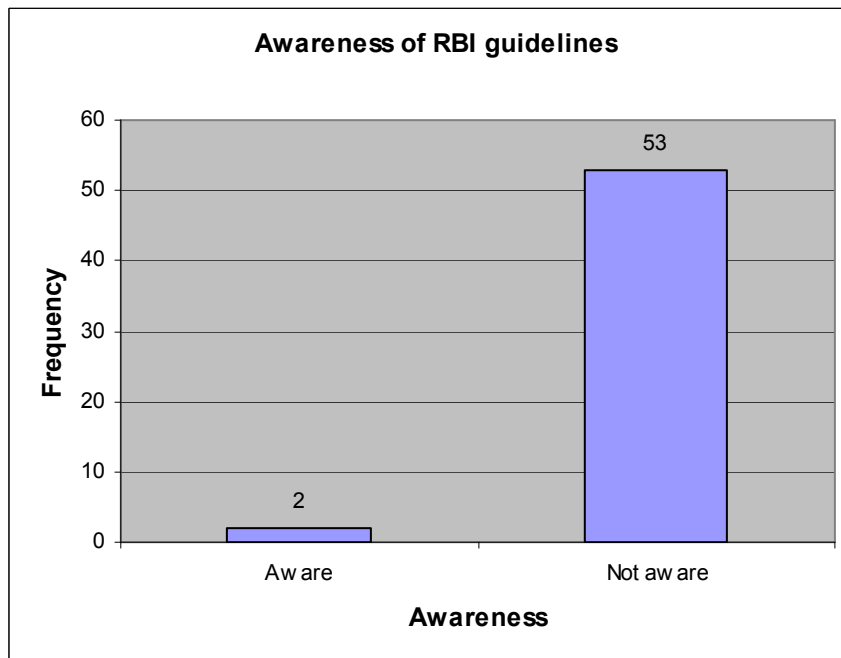
### Awareness and source of awareness of RBI Guidelines

In urban area the awareness of RBI guidelines is 10% (Chart 7.17) and in rural the awareness is only 3% (Chart 7.18).

**Chart 7.17: Urban: Awareness of RBI guidelines**



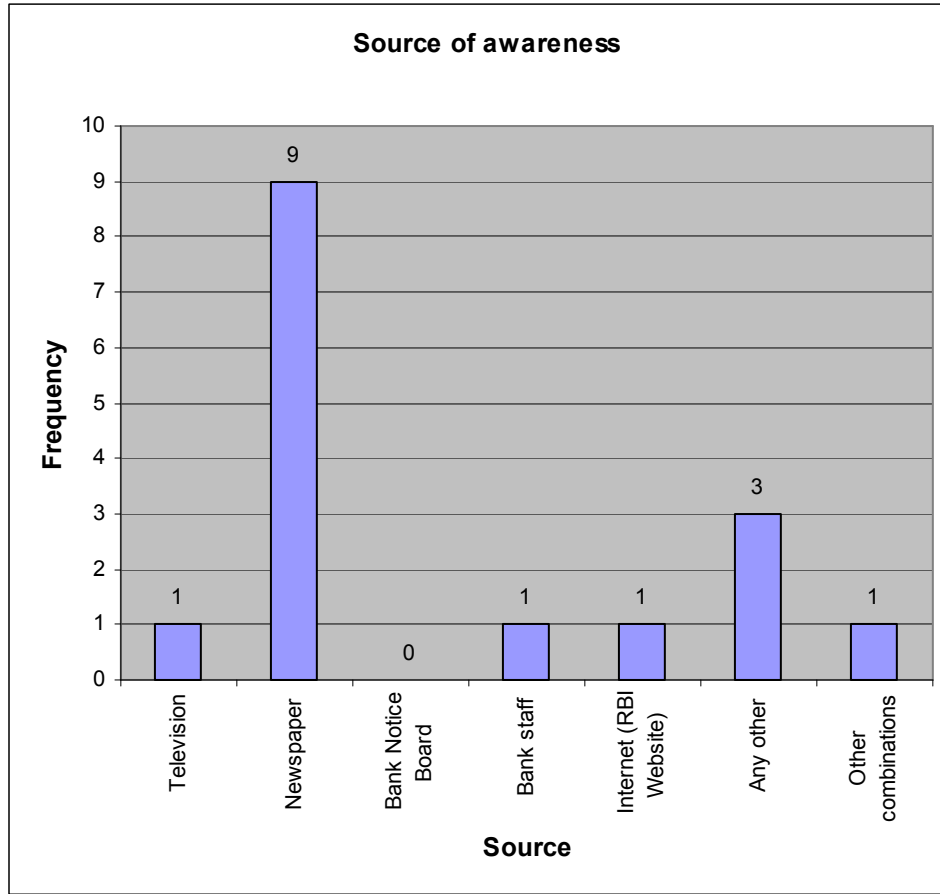
**Chart 7.18: Rural: Awareness of RBI guidelines**



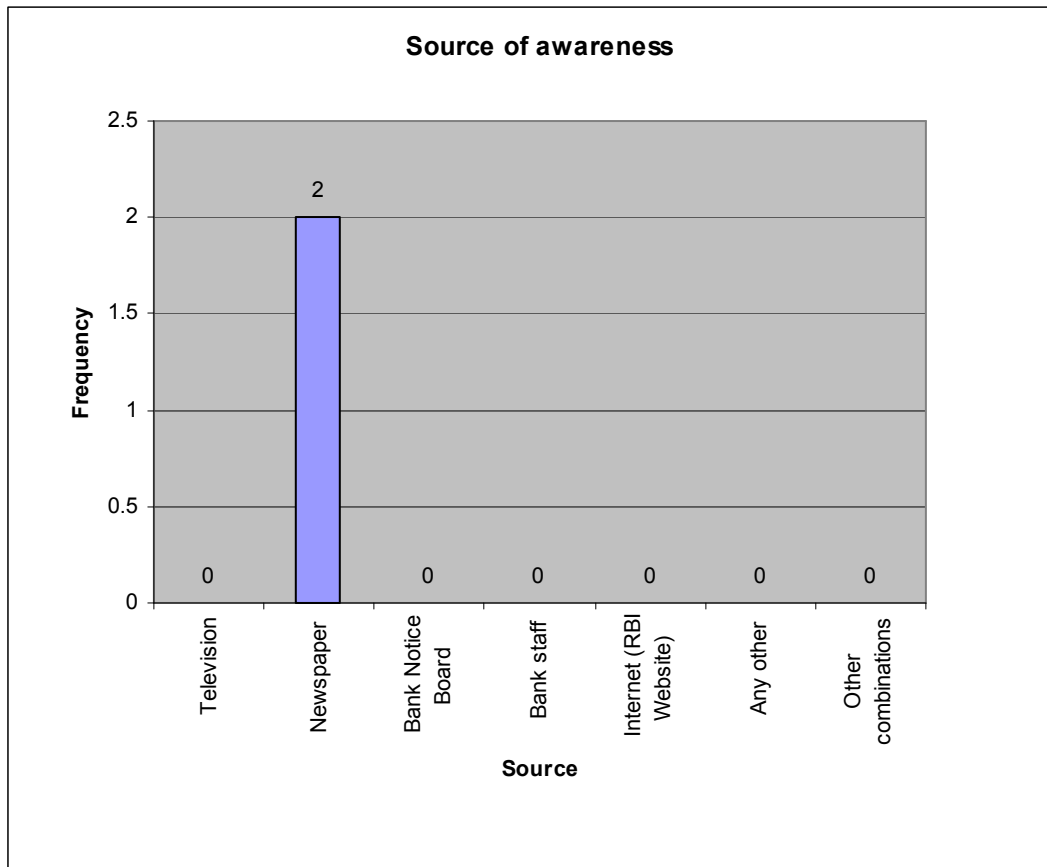
In urban as well as rural areas the customers who were aware of guidelines got to know through newspapers.



**Chart 7.19: Urban: Source of awareness**



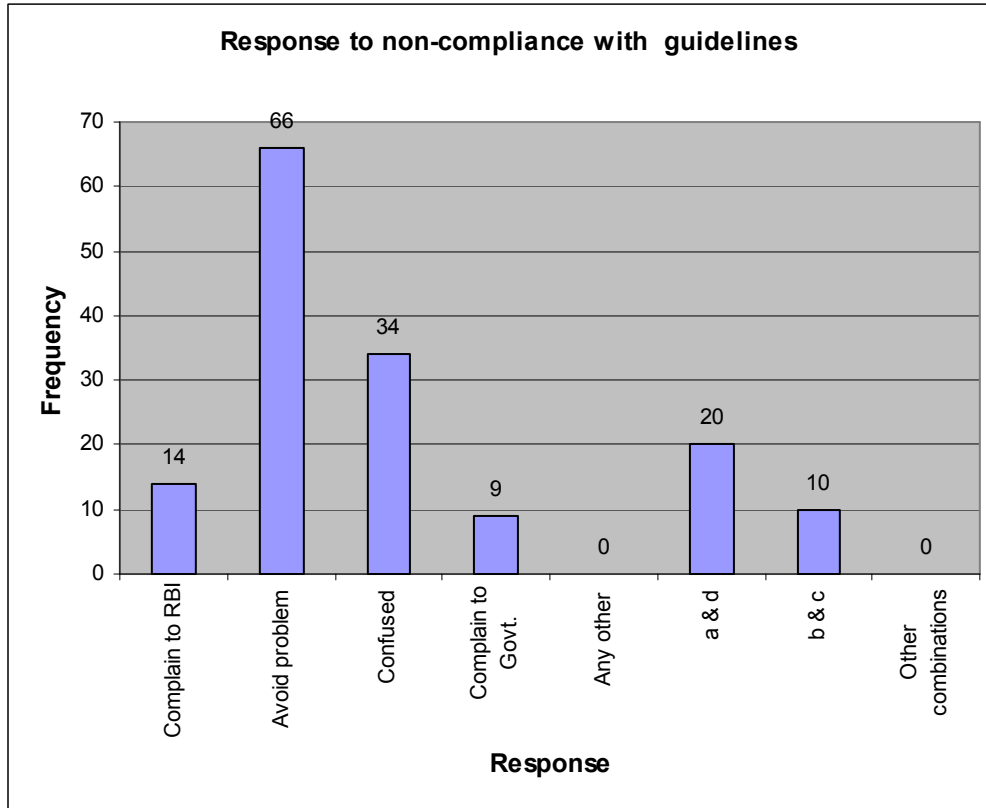
**Chart 7.20: Rural: Source of awareness**



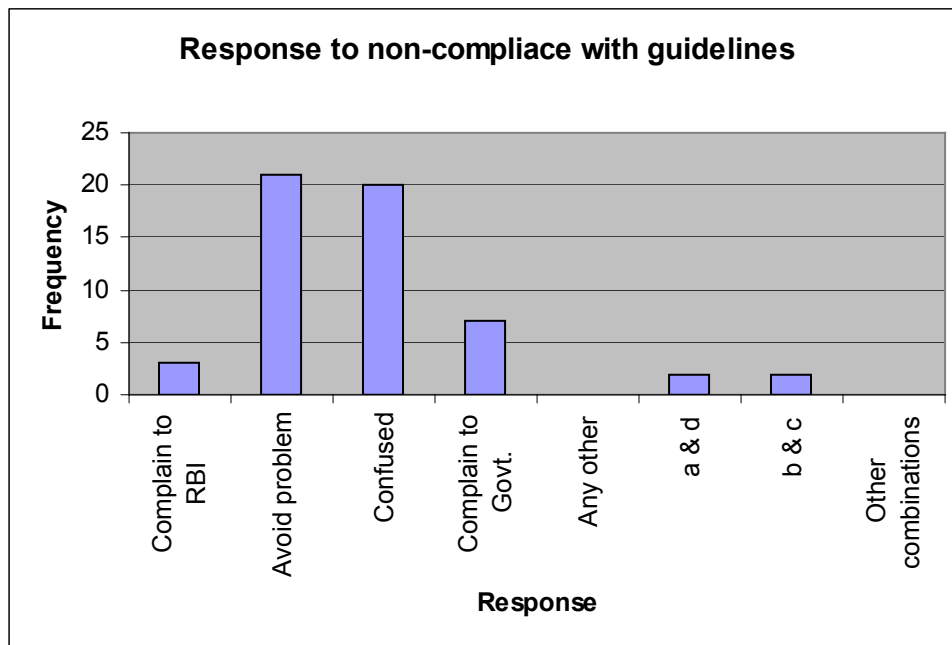
**Customer Persistence on RBI Guideline**

In urban and rural areas most of the respondents prefer not to do anything when the traders do not follow RBI guidelines as they do not want to get into any problem (43% in urban and 38% in rural) and also they do not know what to do in case the guidelines are not followed (22% in urban and 38% in rural). Some respondents were willing to complain either to RBI or to any government official.

**Chart 7.21: Urban: Response to non-compliance with guidelines**



**Chart 7.22: Rural: Response to non-compliance with guidelines**

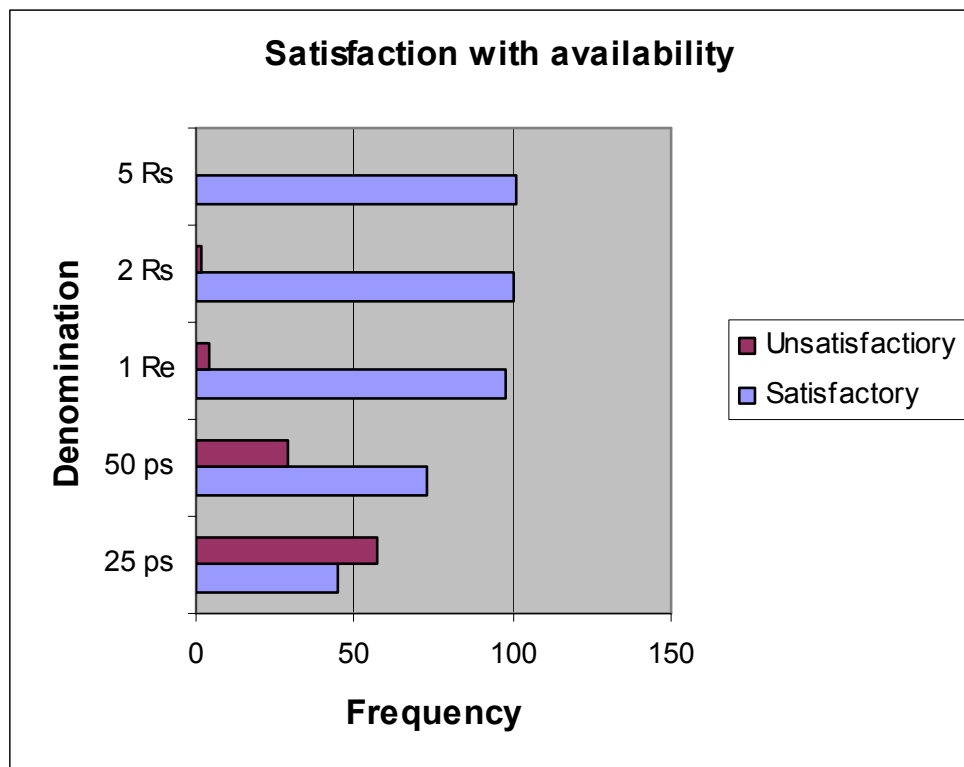


## B: NEED AND USE BEHAVIOR AMONG TRADERS

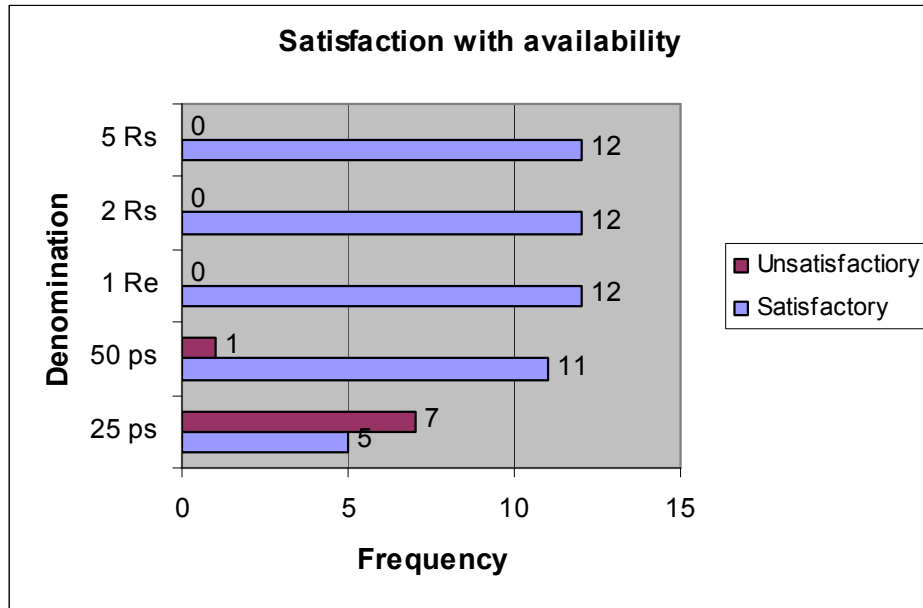
### Availability of coins

In urban area 56 % of the traders are not satisfied with the availability of 25 Ps and 40 % are not satisfied with the availability of 50 Ps. The urban traders are satisfied with the availability of other denominations (Chart 7.23). In rural area 58 % of the traders are not satisfied with the availability of 25 Ps coins. They are satisfied with the availability of all other denomination of coins (Chart 7.24).

**Chart 7.23: Urban: Satisfaction with availability**

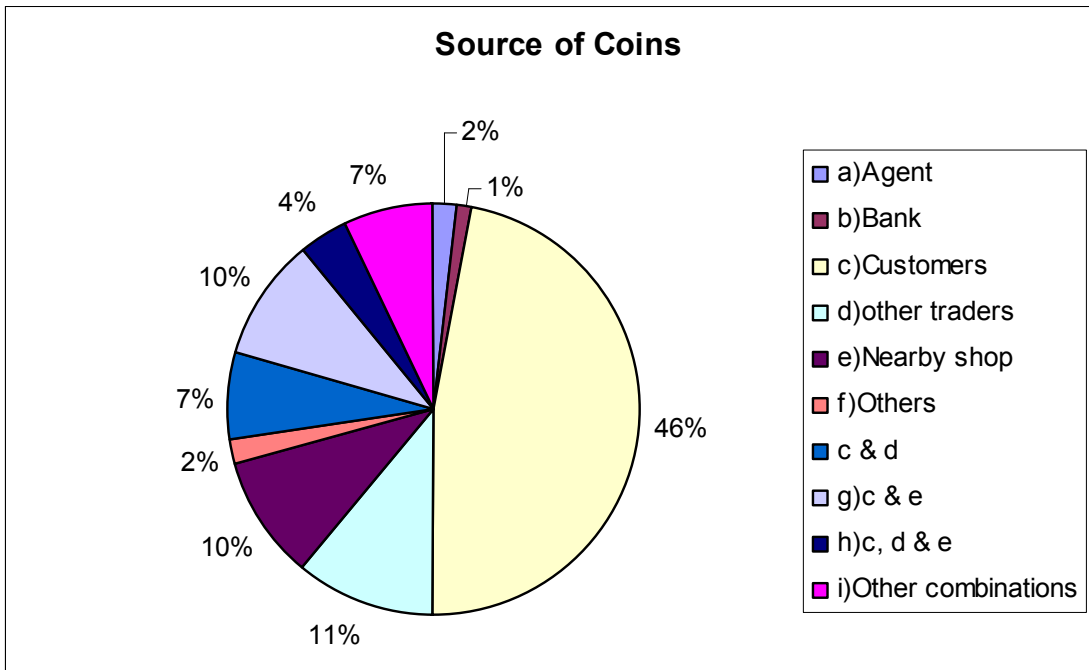


**Chart 7.24: Rural: Satisfaction with availability**

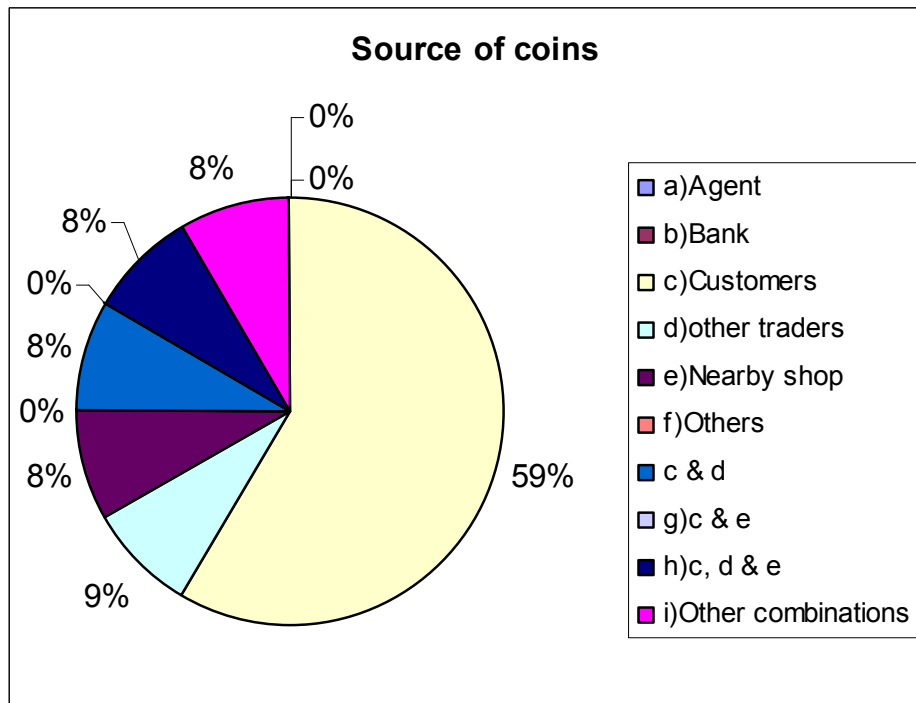


In urban area most of the traders get the coin change from customers (46%), from other traders and wholesalers (11%) and from nearby shops (10%) (Chart 7.25). The pattern is true even for rural area with customers as source for 59% of traders, other traders and wholesalers for 9% and nearby shops for 8 % (Chart 7.26).

**Chart 7.25: Urban: Source of coins**

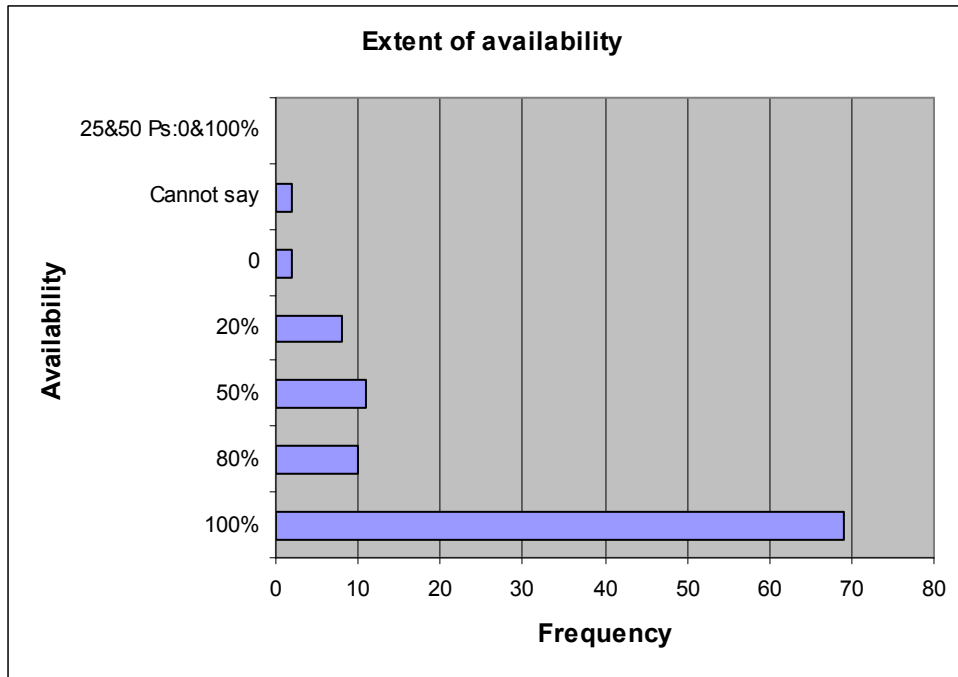


**Chart 7.26: Rural: Source of coins**

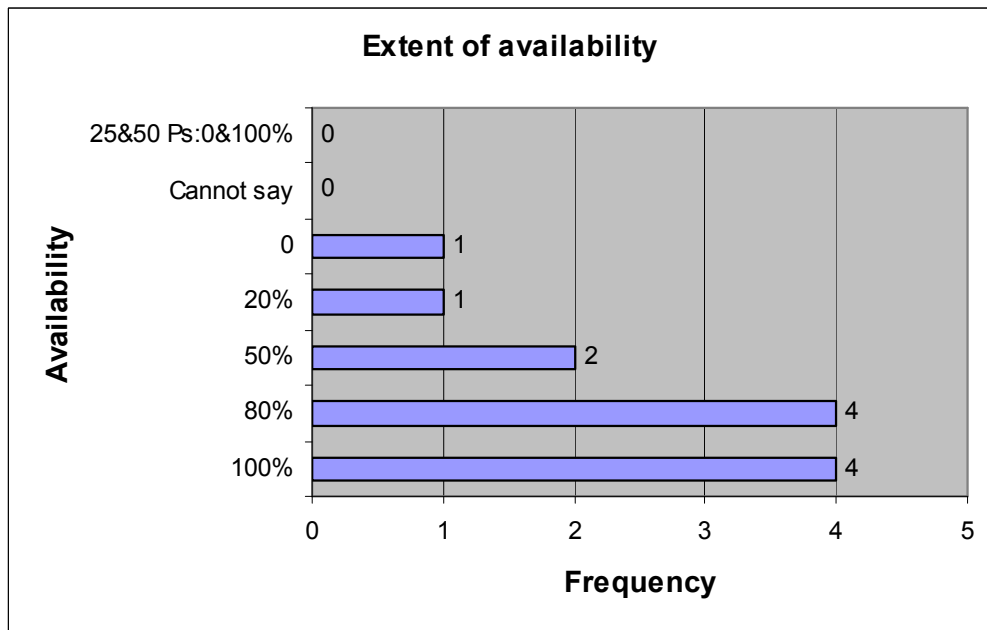


68% of the traders in the urban area are able to give coin change to all their customers and in rural area. 33 % of the traders are able to give coin change to all their customers (Charts 7.27 & 7.28).

**Chart 7.27: Urban: Extent of availability**



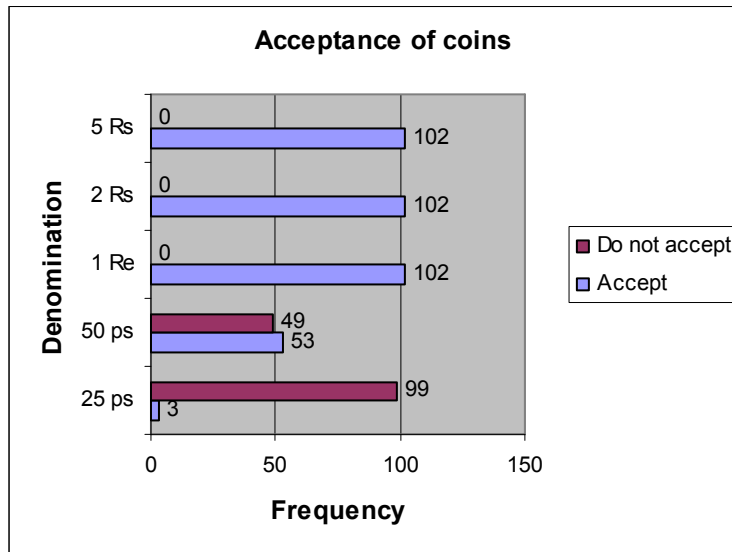
**Chart 7.28: Rural: Extent of availability**



### Trade Behavior in use of coins

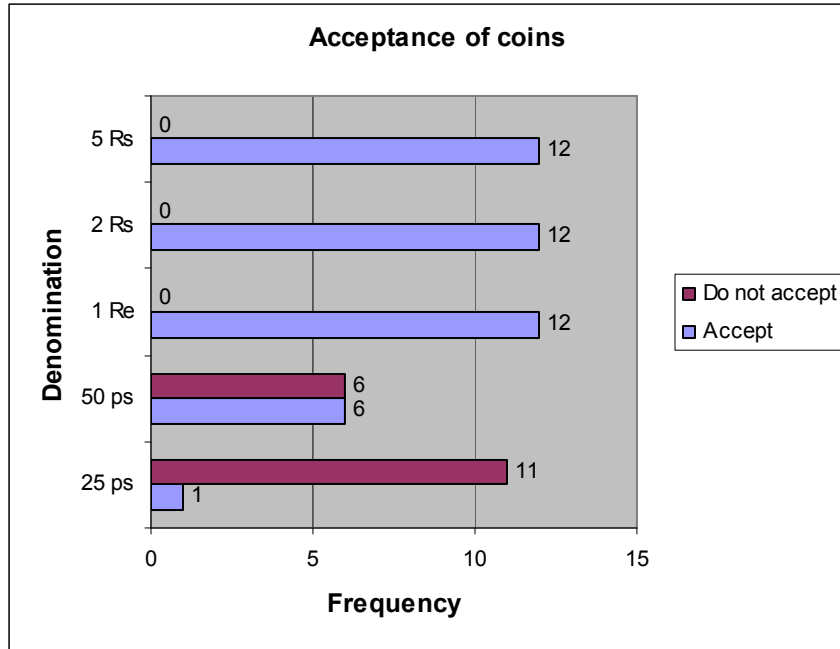
In urban area 97% of the traders do not accept 25 Ps coins. 50 Ps. coins are accepted by 51% of the traders. The other denominations are well accepted (Chart 7.29). In rural area 25 Ps is not accepted by 91% of the traders and 50 Ps accepted by 50 % of the traders and the other denominations are well accepted (Chart 7.30).

**Chart 7.29: Urban: Acceptance of coins**



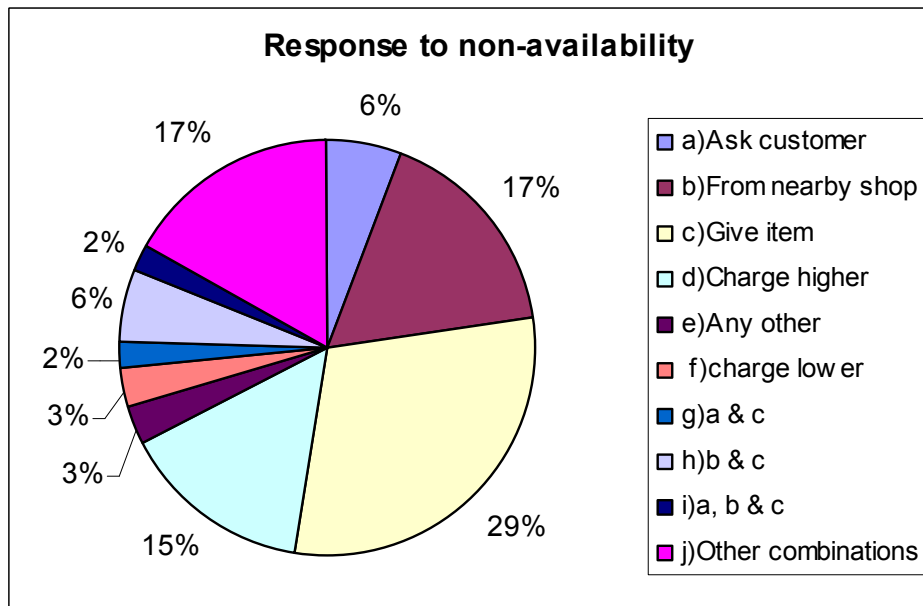


**Chart 7.30: Rural: Acceptance of coins**

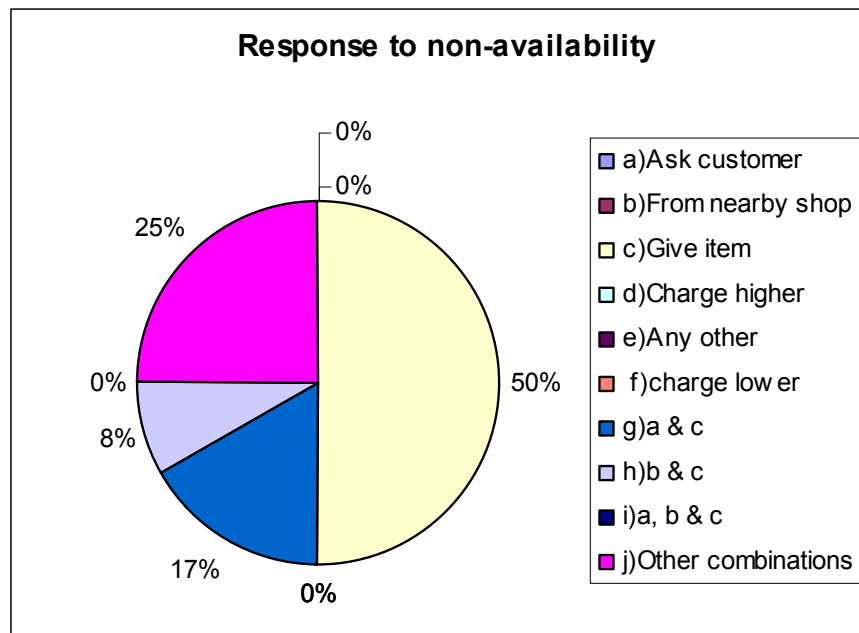


In urban area when coins are not available traders give a substitute item (29%), try to get coins from nearby shop (17%) or charge more (15%) (Chart 7.31). In rural area most traders give a substitute item (50%) (Chart 7.32).

**Chart 7.31: Urban: Response to non-availability**



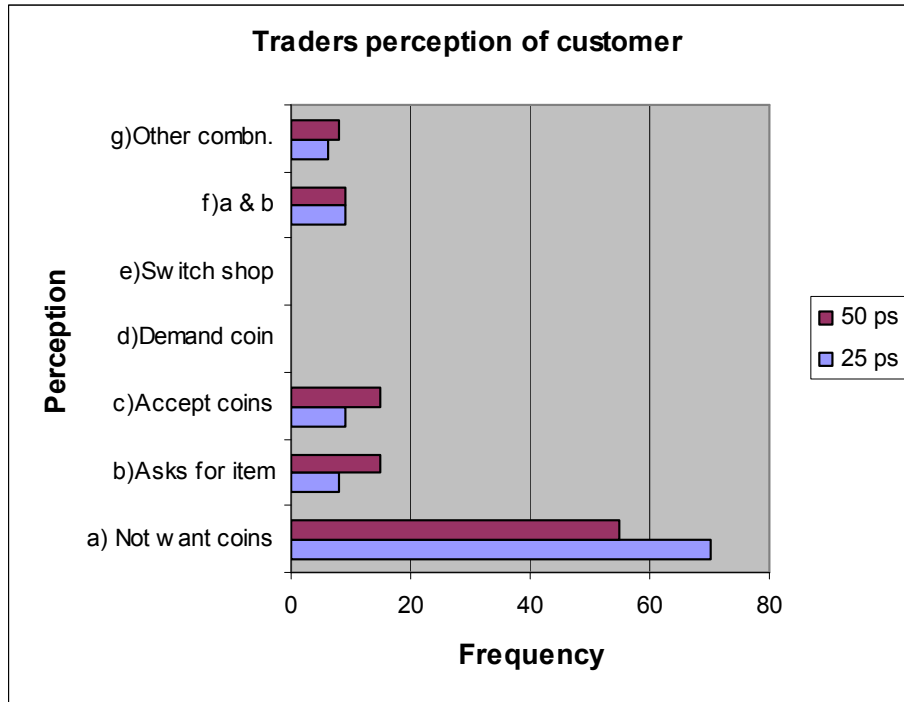
**Chart 7.32: Rural: Response to non-availability**



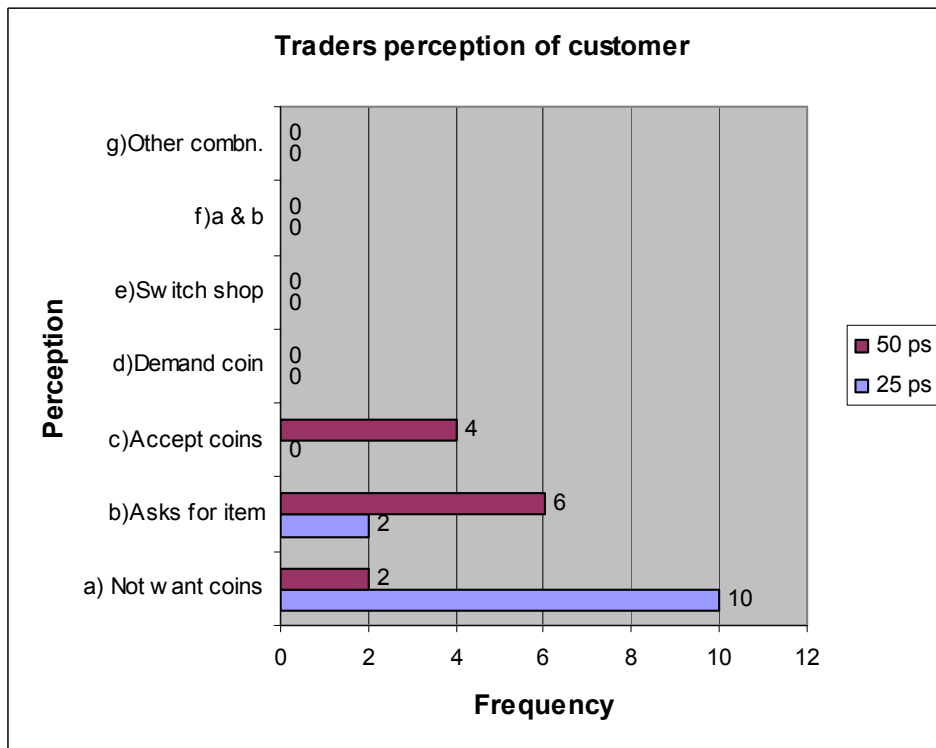
**Consumer response to coin change**

Traders suggest that most of the customers do not want to take 25 Ps or 50 Ps coins (Charts 7.33). In rural area the traders indicate that customers do not accept 25 Ps but accept 50 Ps coins (Chart 7.34).

**Chart 7.33: Urban: Traders perception of customer**



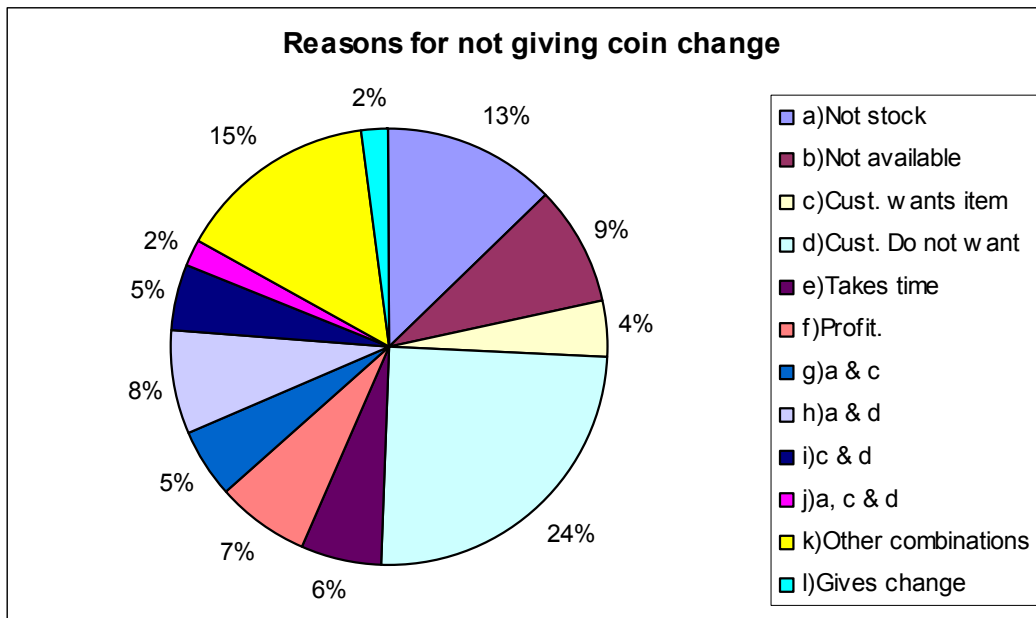
**Chart 7.34: Rural: Traders perception of customer**



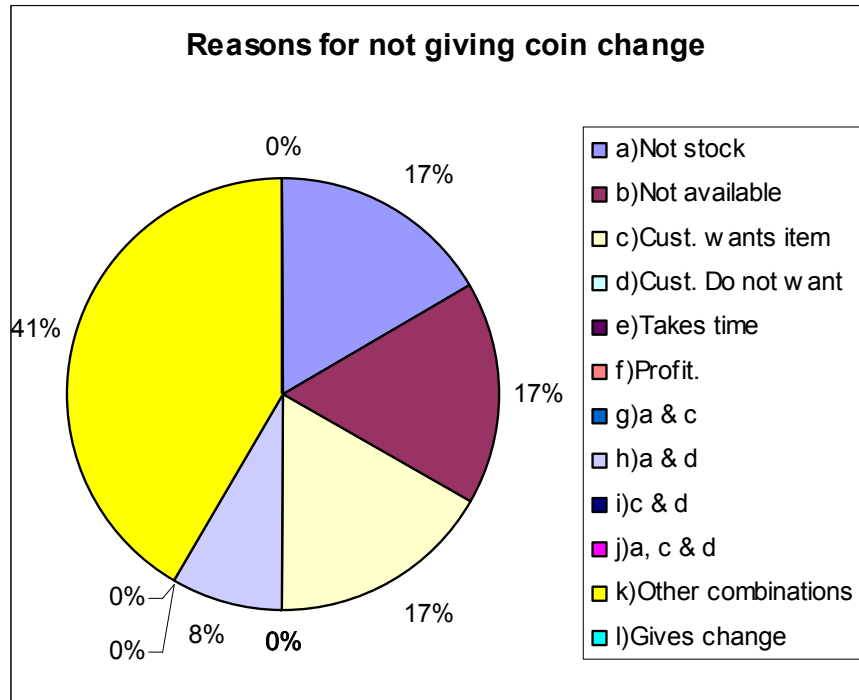
### Reason for trade response

In urban area most traders do not give coin change because customers do not want them (24%), traders do not want to stock coins (13%), and because of non availability of coins (9%) (Chart 7.35). Traders in rural area do not give coin change as customers prefer a substitute item (17 %), traders do not stock (17%) and because of non availability of coins (17 %) (Chart 7.36).

**Chart 7.35: Urban: Reasons for not giving coin change**

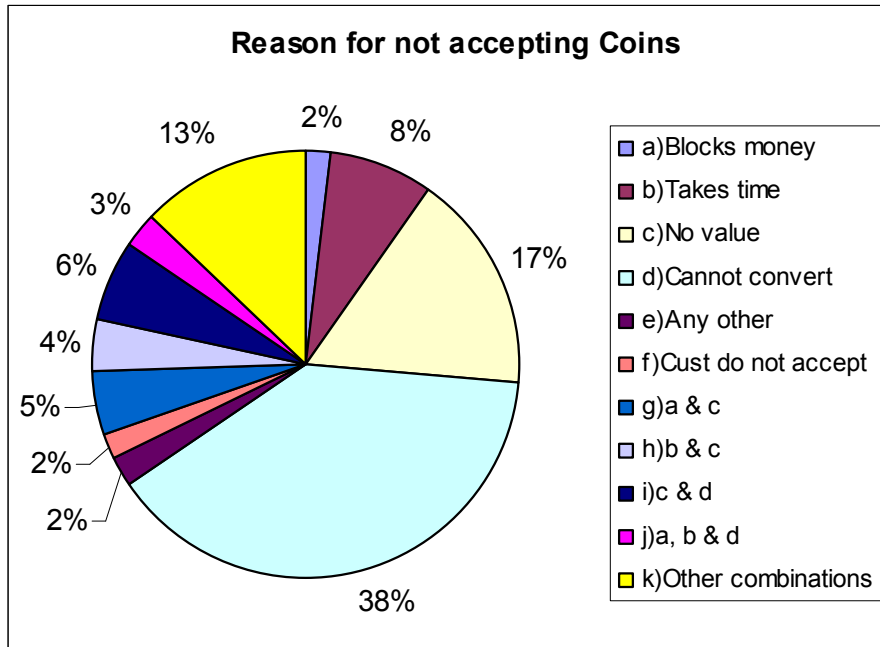


**Chart 7.36: Rural: Reasons for not giving coin change**

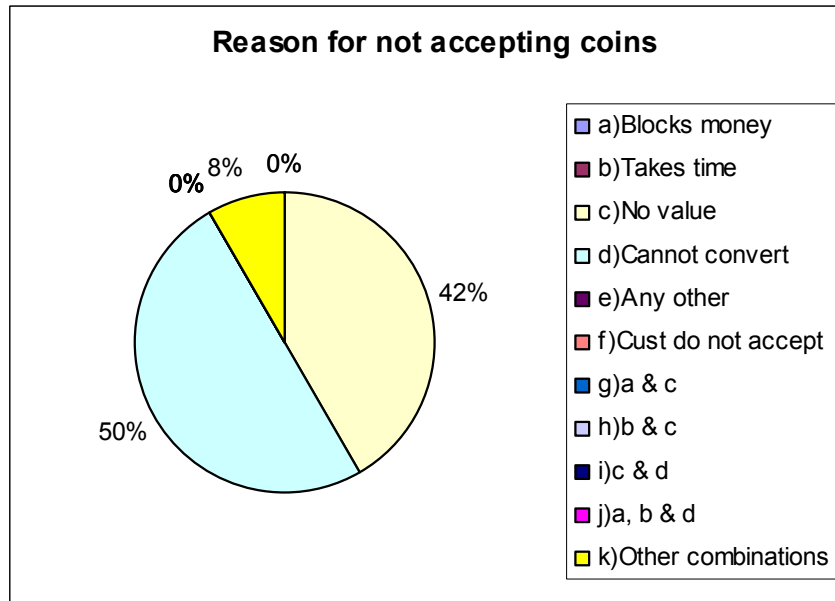


In urban area traders do not accept small coins as they cannot be converted (38%) and because the coins do not have value (17%) (Chart 7.37). The pattern is true even for rural area with 50 % indicating the reason for non-acceptance as “cannot be converted” and 42% because the coins do not have value (Chart 7.38).

**Chart 7.37: Urban: Reason for not accepting coins**



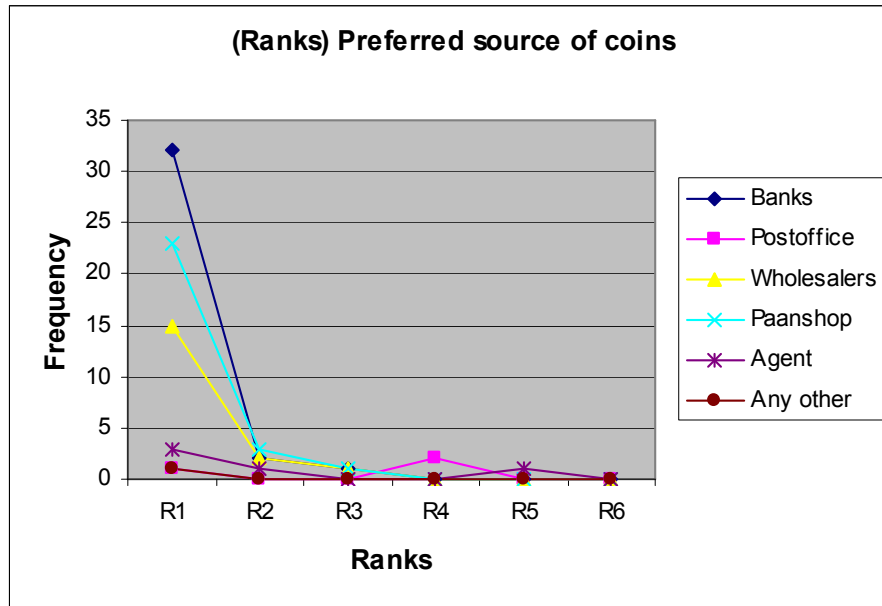
**Chart 7.38: Rural: Reason for not accepting coins**



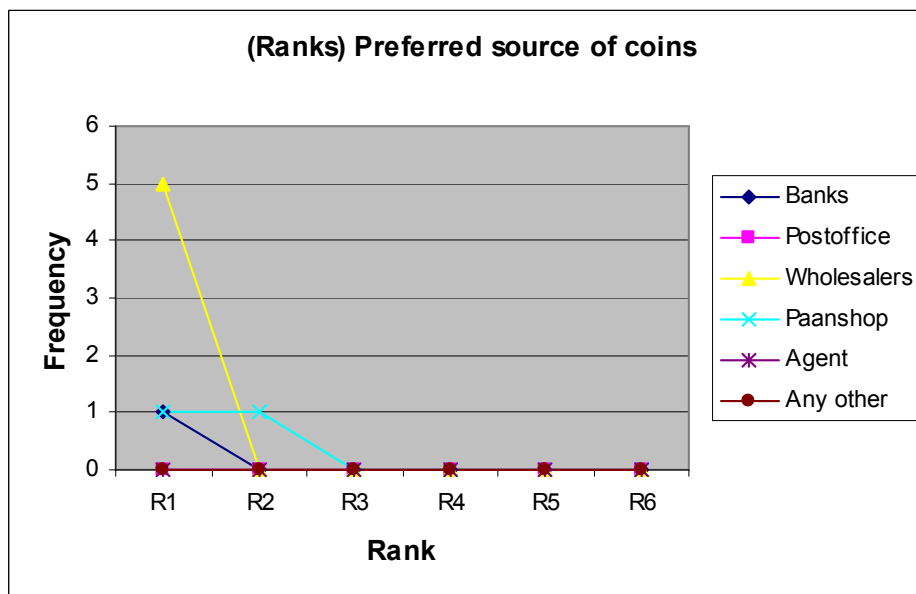
**Preferred source of coins**

In urban area most traders prefer banks, paan shops and wholesalers as the source for coins (Chart 7.39). Traders in rural area prefer wholesalers (Chart 7.40).

**Chart 7.39: Urban: Preferred source of coins**



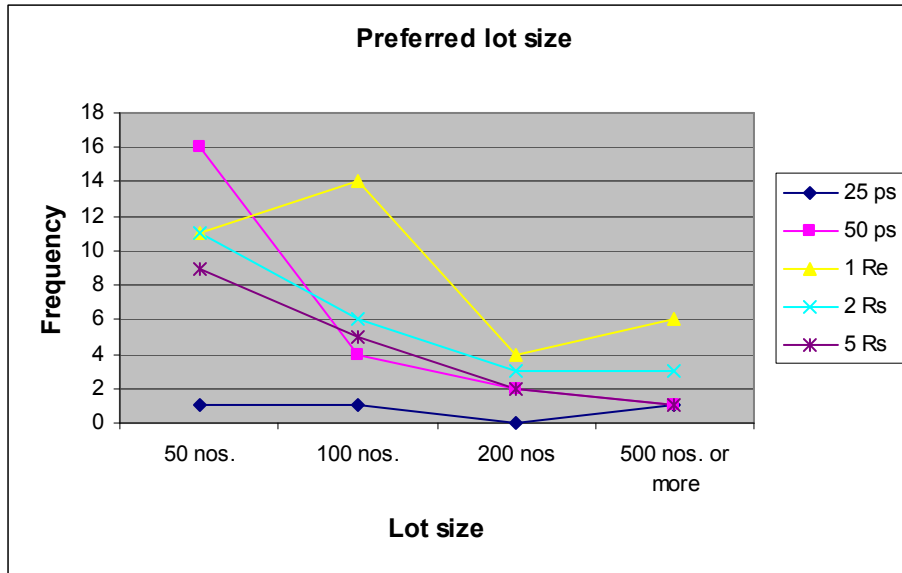
**Chart 7.40: Rural: Preferred source of coins**



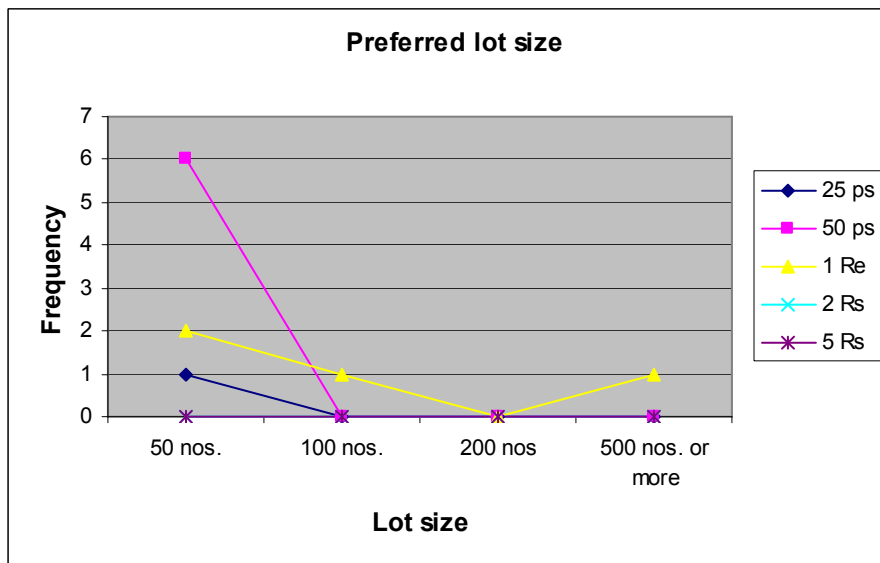
**Procurement of coins**

In urban area most traders prefer lots size of 50 coins for 50 Ps, 2 Rs and 5 Rs coins and for 1 Re coin the traders prefer lot size of 100 coins (Chart 7.41). In rural area the traders prefer lot size of 50 coins (Chart 7.42).

**Chart 7.41: Urban: Preferred lot size**



**Chart 7.42: Rural: Preferred lot size**

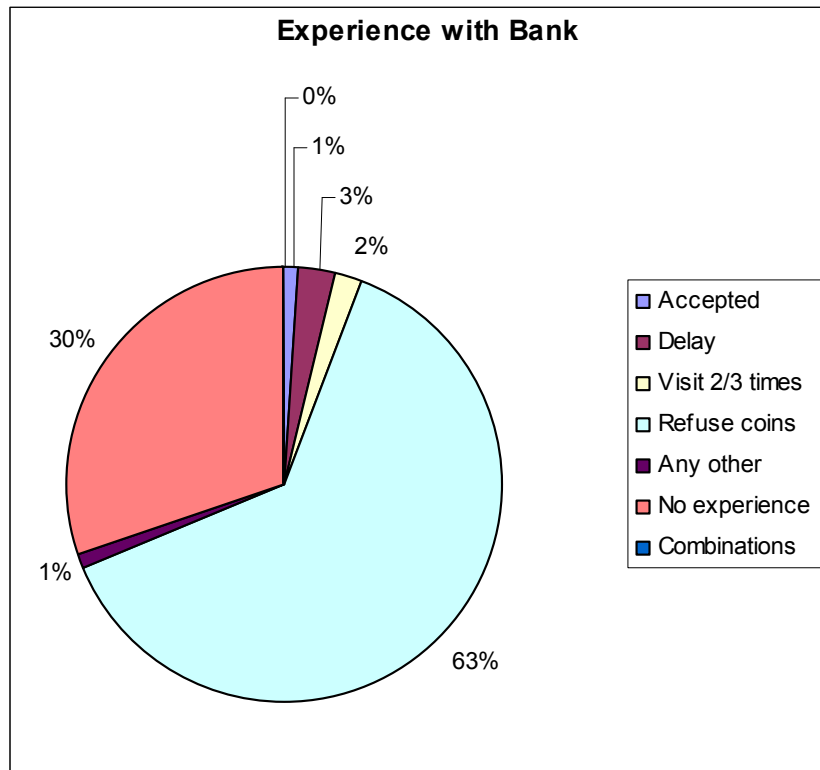




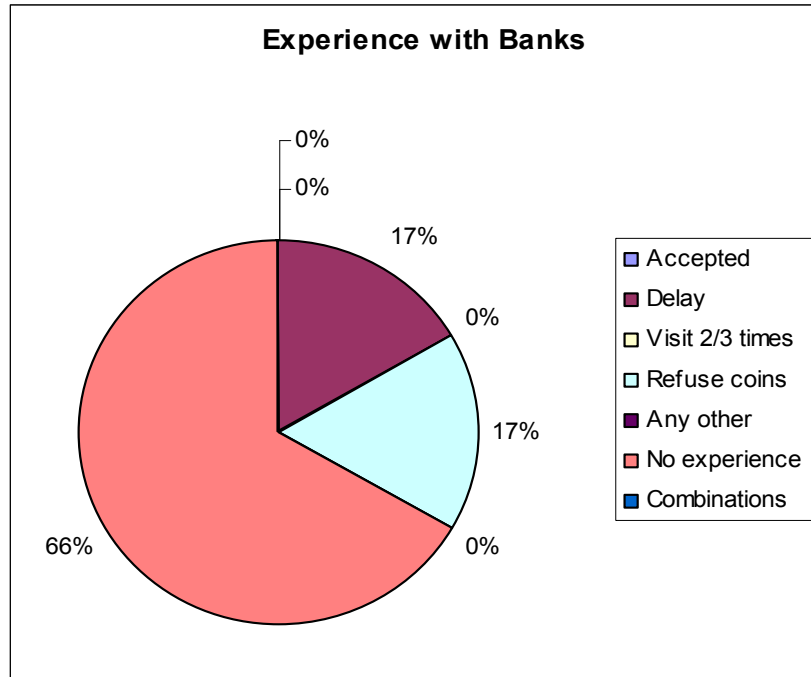
### Experience with bank

In urban area 63% of traders indicate that banks refused to accept coins and 30% of the traders had not visited banks to deposit coins (Chart 7.43). In rural area 17 % of traders indicate that banks refused to accept coins and 66 % of traders had not been to banks for depositing coins (Chart 7.44).

**Chart 7.43: Urban: Experience with bank**



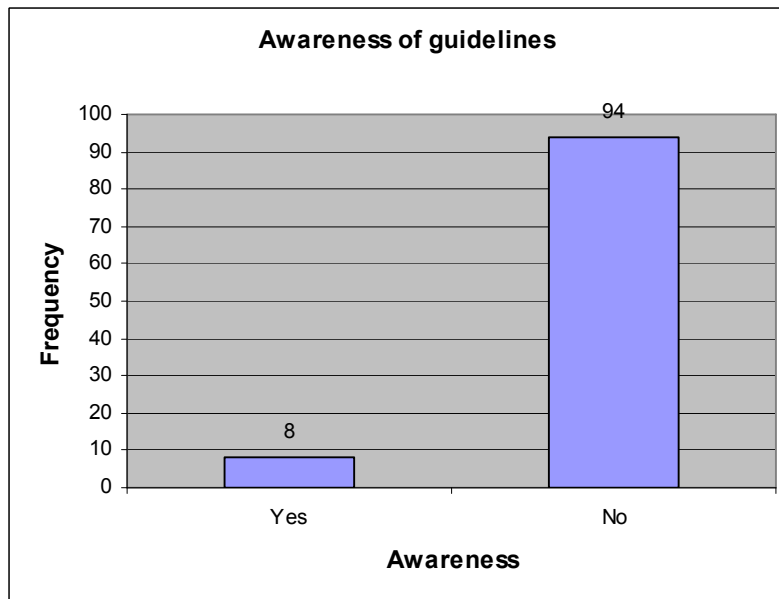
**Chart 7.44: Rural: Experience with bank**



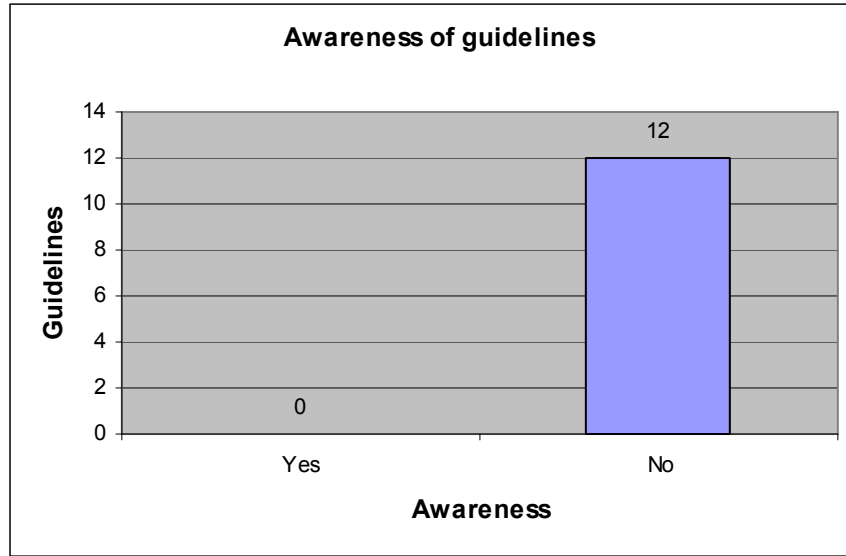
**Awareness and source of awareness of RBI Guidelines**

In urban area 8 out of 102 traders were aware of RBI guidelines. In rural area no trader was aware of RBI guidelines.

**Chart 7.45: Urban: Awareness of guidelines**

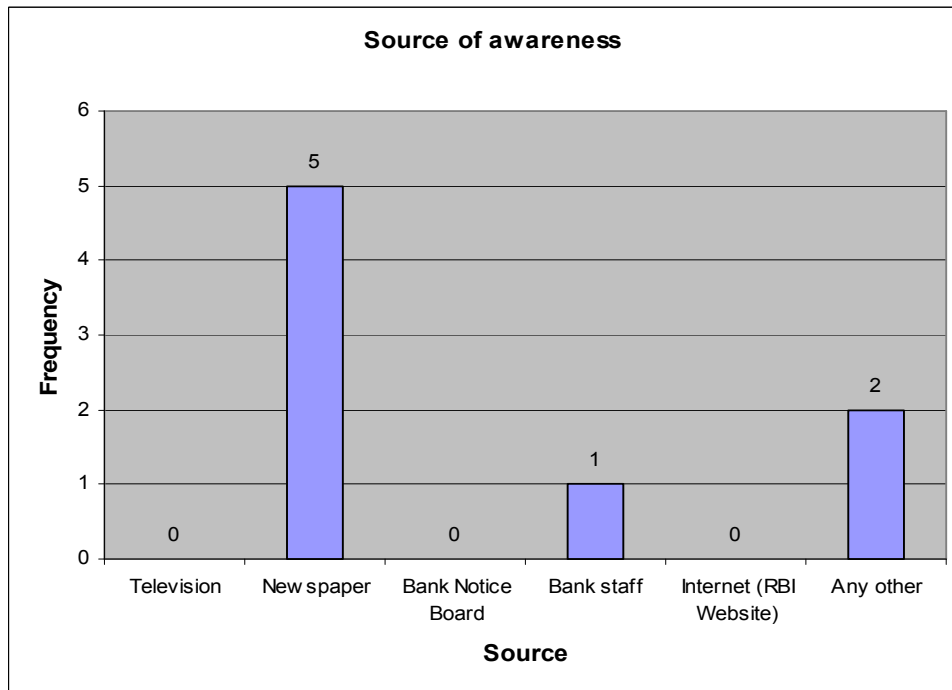


**Chart 7.46: Rural: Awareness of guidelines**



Newspapers were the source of awareness of RBI guidelines for traders in the urban area (Chart 7.47).

**Chart 7.47: Urban: Source of awareness.**



## 8: NEED AND USE BEHAVIOR FOR SMALL DENOMINATION COINS IN WEST BENGAL

### Distribution of Respondents by location in West Bengal

The distribution of respondents in the state of West Bengal for Customers and for traders both in urban and rural areas is given in table 8.1.

**Table 8.1: Distribution of Respondents by location in West Bengal**

| Location/Village name             | Customers |       | Trade |       |
|-----------------------------------|-----------|-------|-------|-------|
|                                   | Urban     | Rural | Urban | Rural |
| <b>Kharagpur/Mawa</b>             | 30        | 10    | 20    | 2     |
| <b>Suri/Bhorkuna</b>              | 30        | 10    | 20    | 2     |
| <b>Asansol/Bhanora</b>            | 30        | 10    | 20    | 2     |
| <b>South 24 parganas/Bandipur</b> | 30        | 10    | 20    | 2     |
| <b>Darjeeling/Sonada</b>          | 30        | 10    | 20    | 2     |
| <b>Total</b>                      | 150       | 50    | 100   | 10    |

### A: NEED AND USE BEHAVIOR AMONG CUSTOMERS

#### Availability of coins

Availability of 25 Ps coin is 14 % and for 50 Ps coins it is 94 %. The other denomination coins are easily available (Chart 8.1). The pattern is true in rural areas with availability of 25 Ps at 36 % and 50 Ps at 98 % (Chart 8.2).

Chart 8.1: Urban: Availability of coins

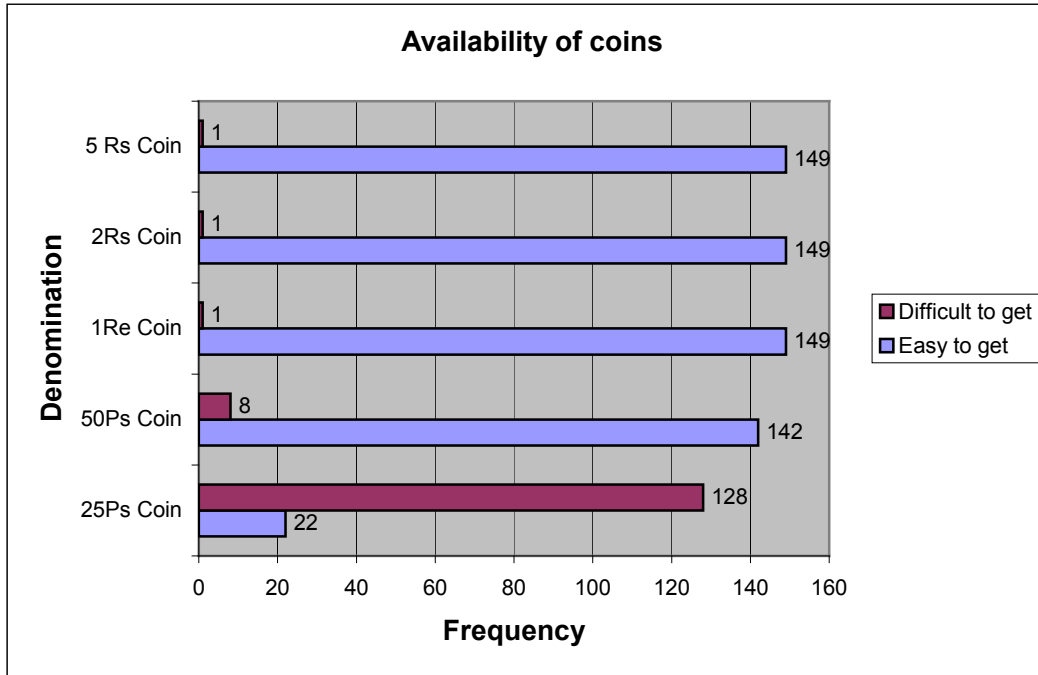
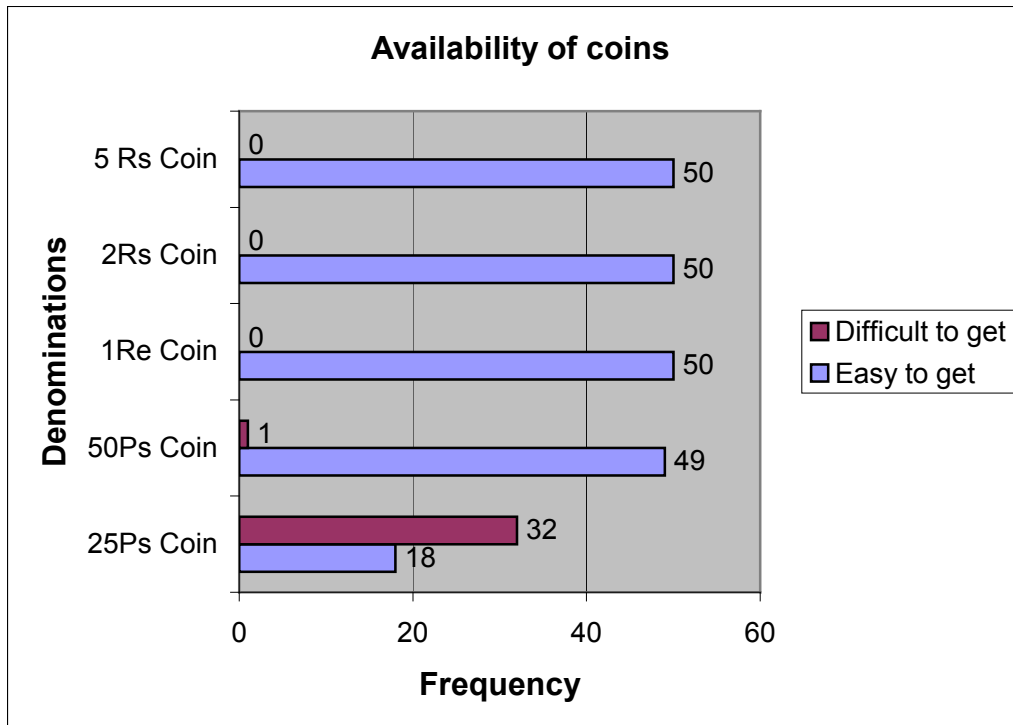


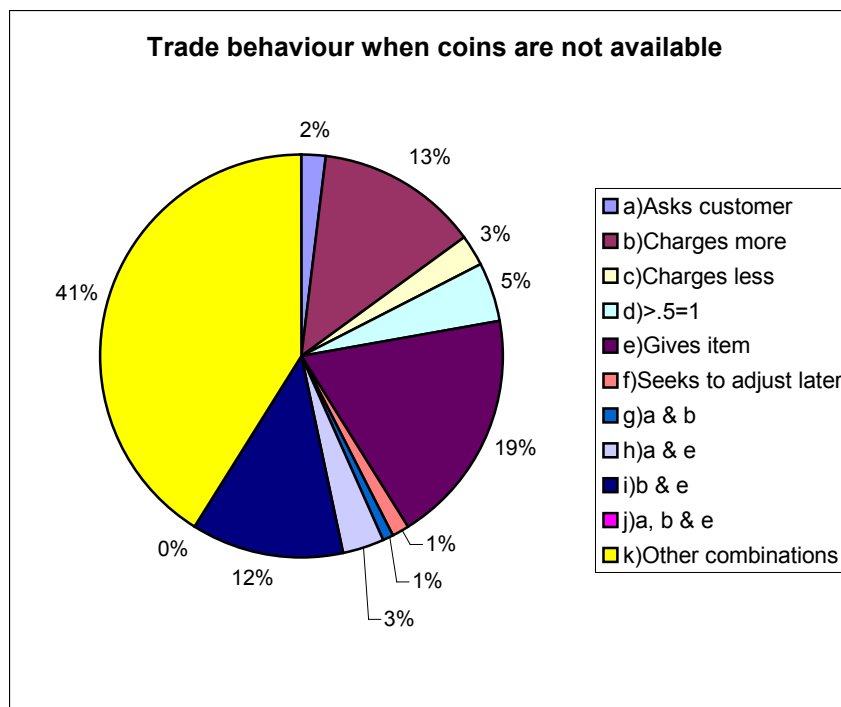
Chart 8.2: Rural: Availability of coins



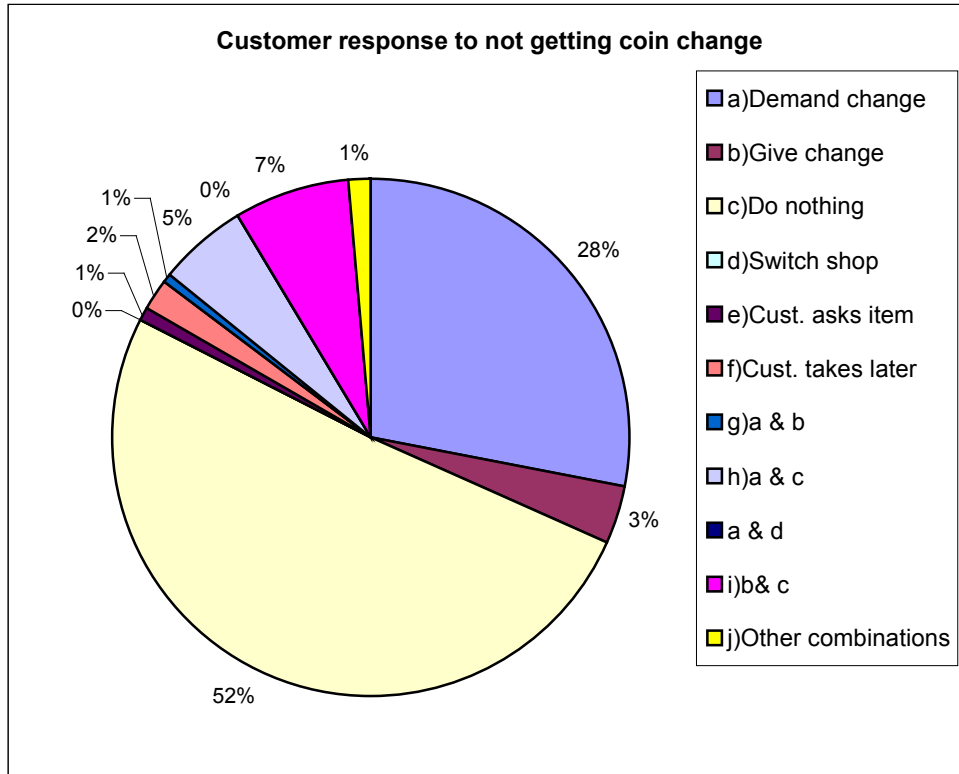
### Customer experience when trade does not have coin change.

In urban area 19 % of the customers indicated that trader gives a substitute item and 13 % indicated that the traders overcharged (Chart 8.3). In rural area 16% of the customers indicated that the trade gave a substitute item and 16% indicated that the traders either charged more or gave an item (Chart 8.4).

**Chart 8.3: Urban: Trade behavior when coins are not available**



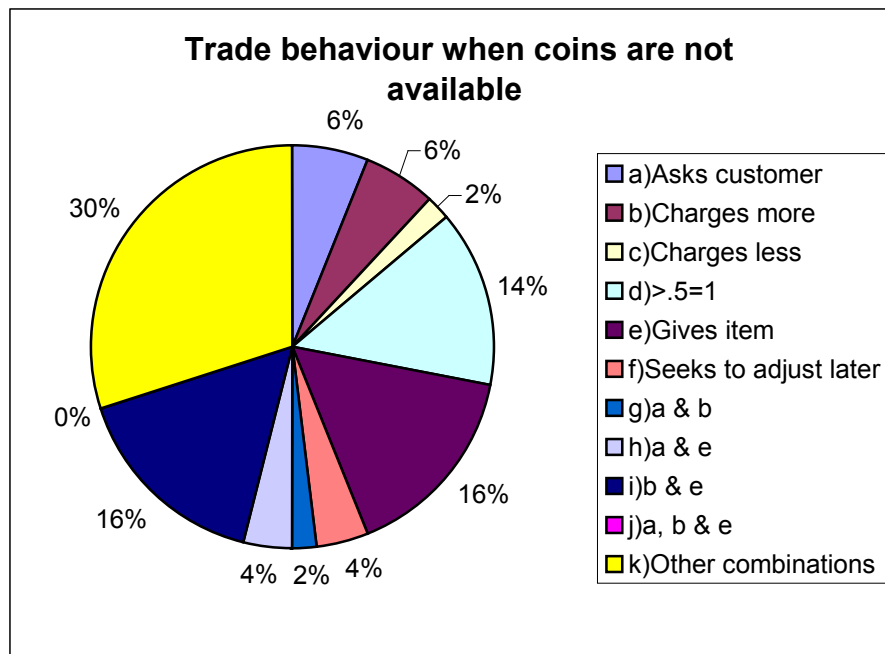
**Chart 8.4: Rural: Trade behavior when coins are not available**



**Customer response to trade behavior**

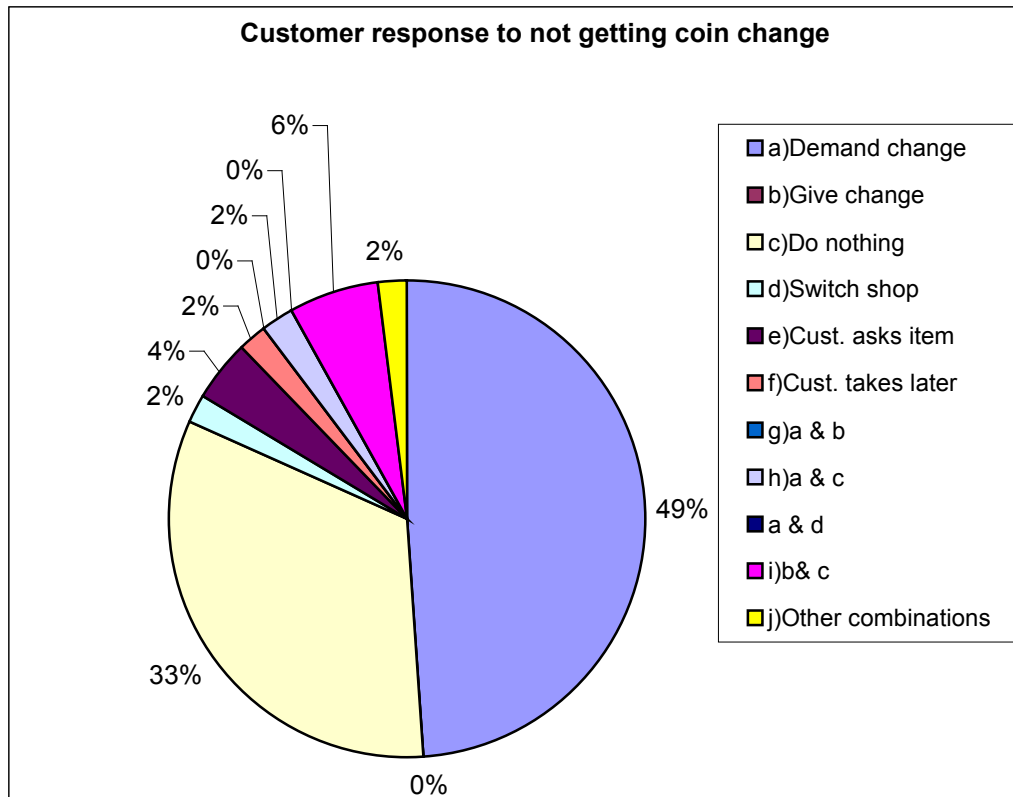
In urban area 28% of the customers demand coin change when traders do not give coin change and 52% of customers do nothing (Chart 8.5). In rural area 49% of the customers demand coin change and 33% of customers “do nothing” when the traders do not give coin change (Chart 8.6).

**Chart 8.5: Urban: Customer response to not getting coin change**





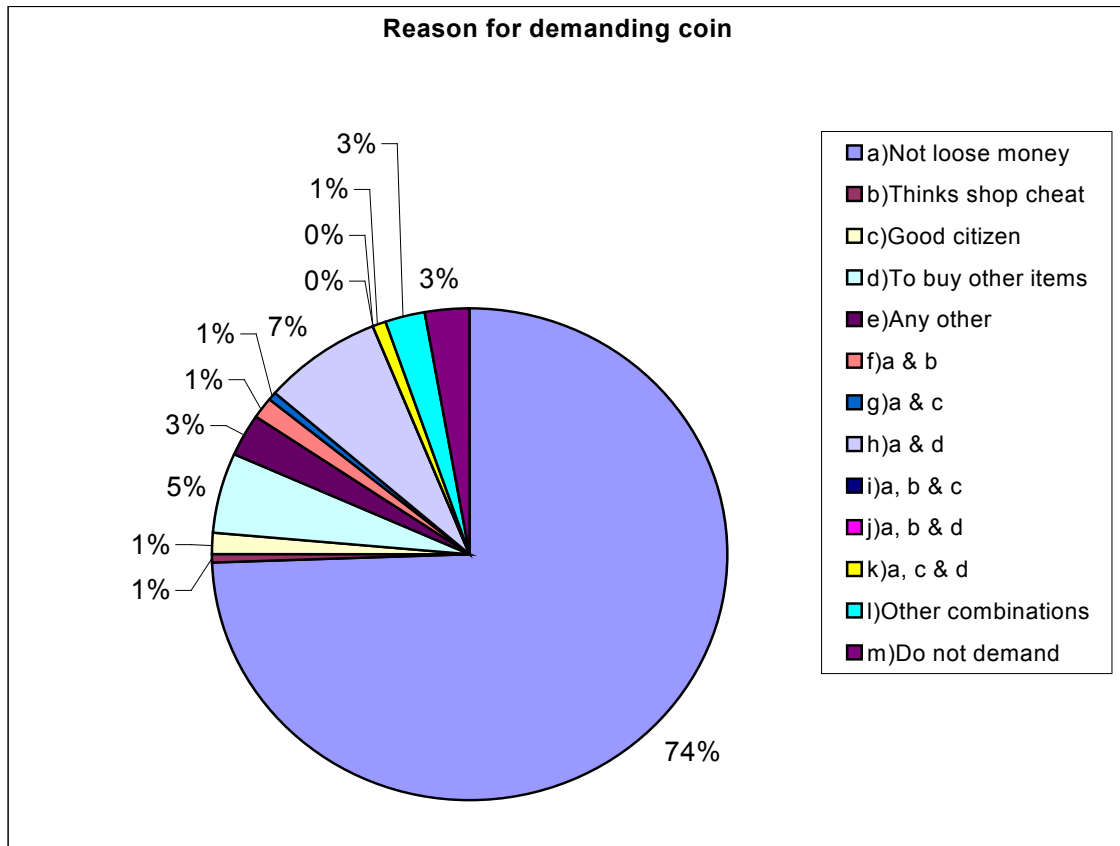
**Chart 8.6: Rural: Customer response to not getting coin change**



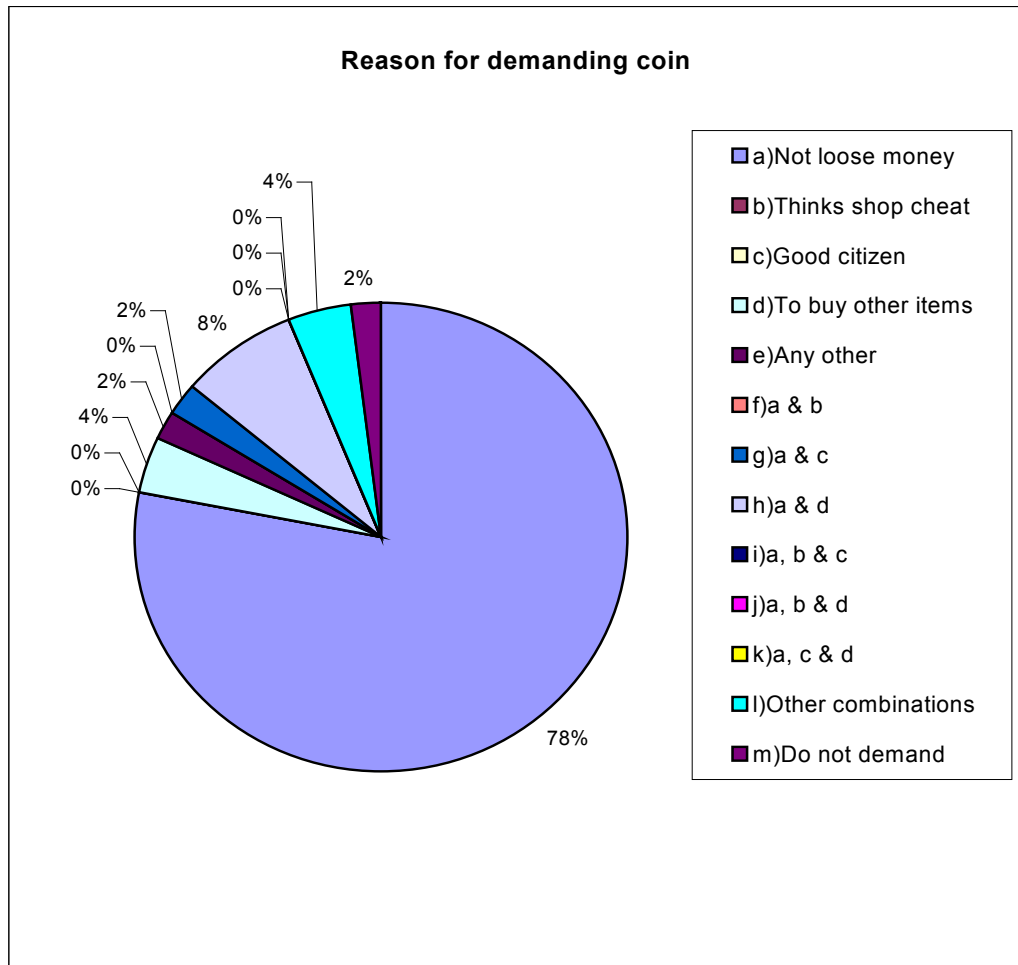
**Customer motivation for behavior in respect of small denomination coins**

74 % of the customers in urban area and 78 % of the customers in rural area demand coin change as they do not want to loose money (Charts 8.7 & 8.8).

Chart 8.7: Urban: Reason for demanding coin

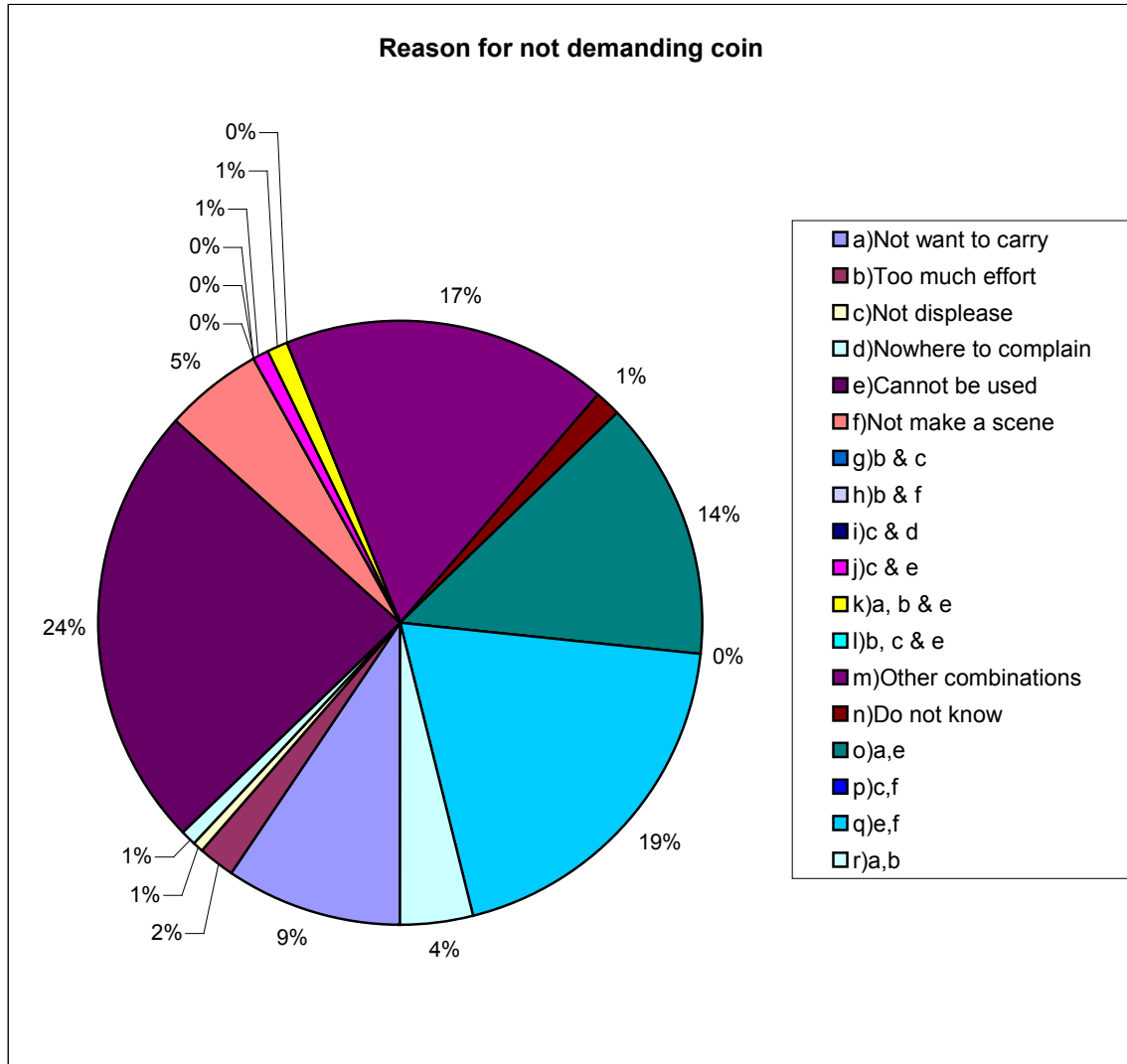


**Chart 8.8: Rural: Reason for demanding coins**

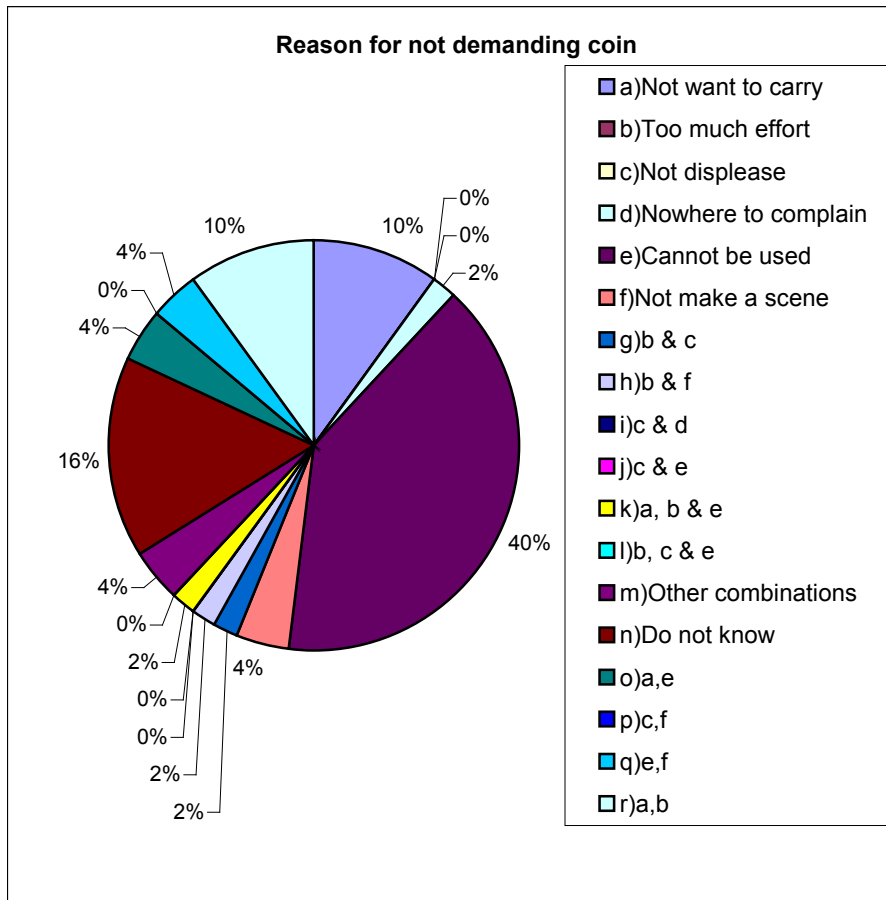


24% of customers in urban area and 40 % of the customers in rural area do not demand coins as these coins cannot be used elsewhere (Charts 8.9 & 8.10).

**Chart 8.9: Urban: Reason for not demanding coins**

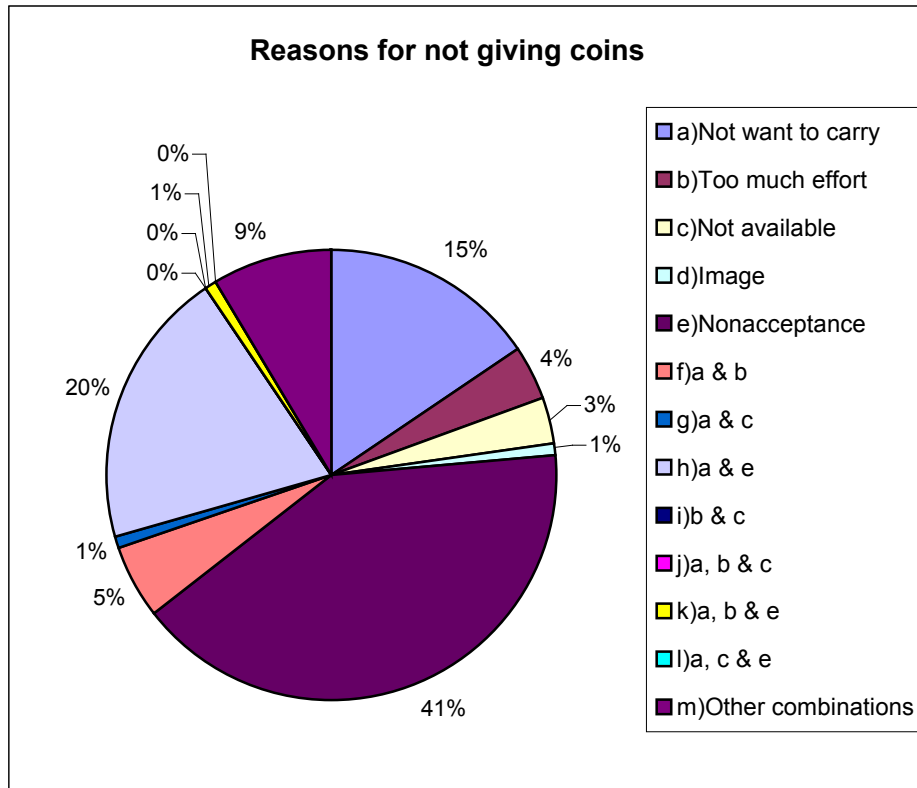


**Chart 8.10: Rural: Reason for not demanding coins**

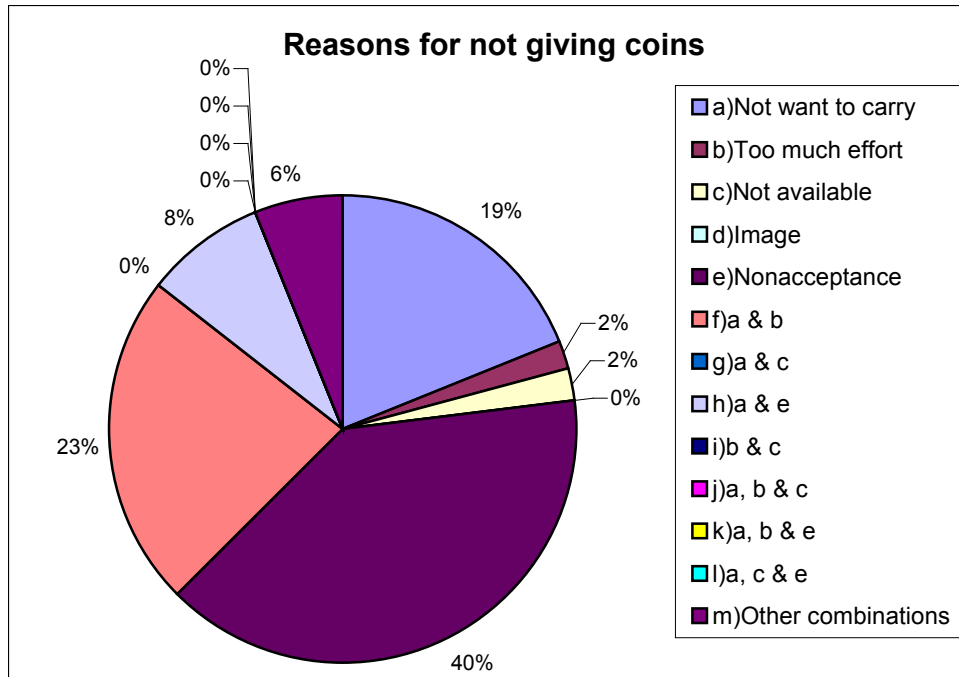


Customers do not give correct coin change as shopkeeper refuses to accept small coins (41 % in urban and 40 % in rural) and because some of the customers do not prefer to carry coins ( 15 % in urban and 19.5% in rural) (Charts 8.11 and 8.12)

Chart 8.11: Urban: Reasons for not giving coins



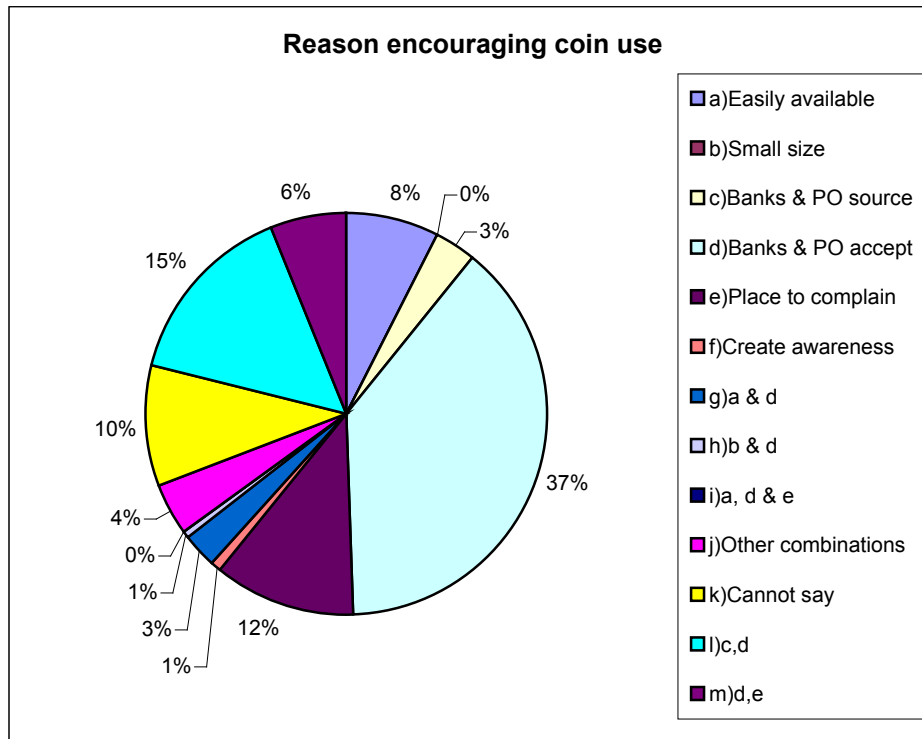
**Chart 8.12: Rural: Reasons for not giving coins**



**Suggestion to encourage use of coins**

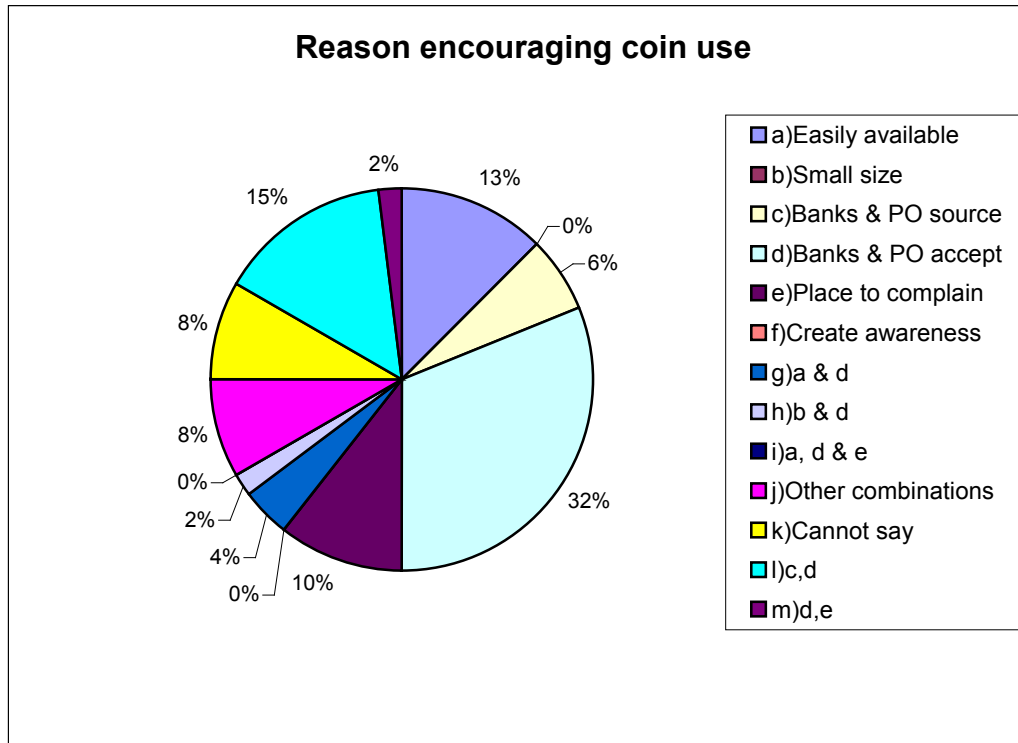
In urban and rural areas customers suggest that banks and post offices need to accept small coins (37% in urban and 32 % in rural). The customers also suggest creating awareness on a proper place to complain (Urban 12 % & rural 10 %) (Charts 8.13 & 8.14).).

**Chart 8.13: Urban: Reason encouraging coin use**





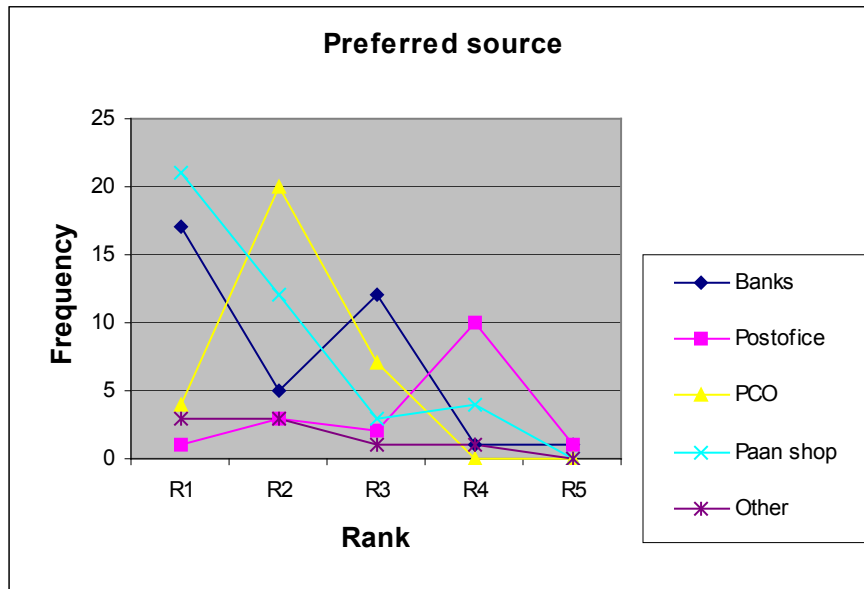
**Chart 8.14: Rural: Reason encouraging coin use**



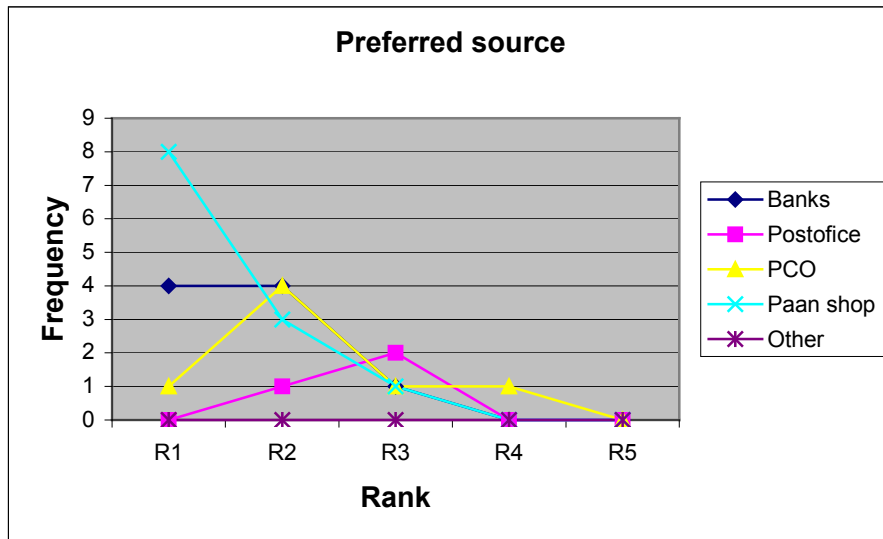
**Preferred source of coins**

In urban and rural area most respondents preferred paan shop as the source of coins followed by banks and PCO (Charts 8.15 & 8.16).

**Chart 8.15: Urban: Preferred source**



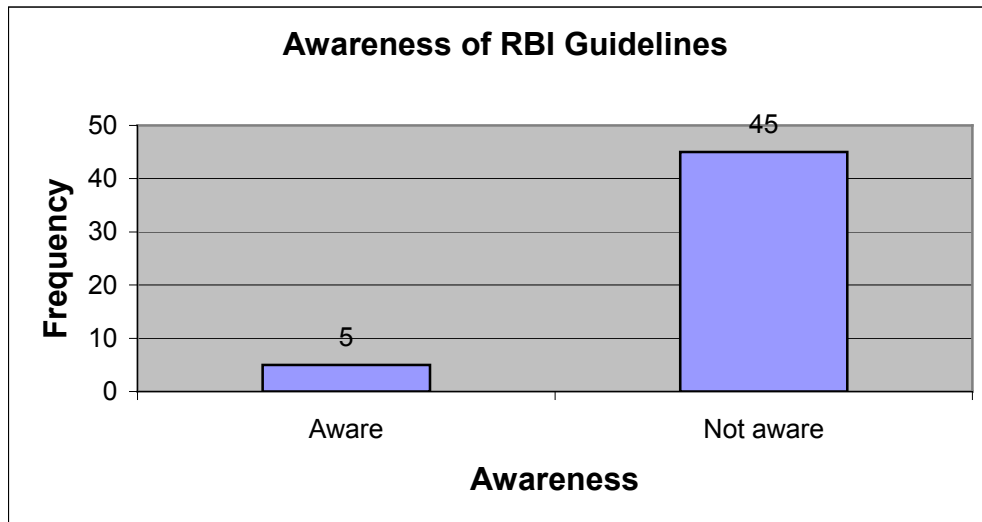
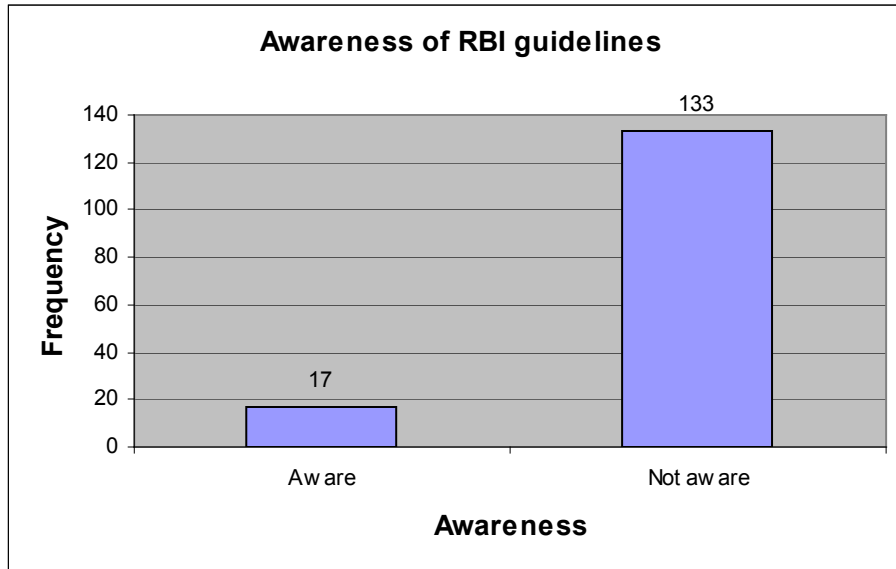
**Chart 8.16: Rural: Preferred source**



### Awareness and source of awareness of guidelines

The awareness of RBI guidelines is 11 % in urban and 10 % in rural (Chart 8.17 & 8.18).

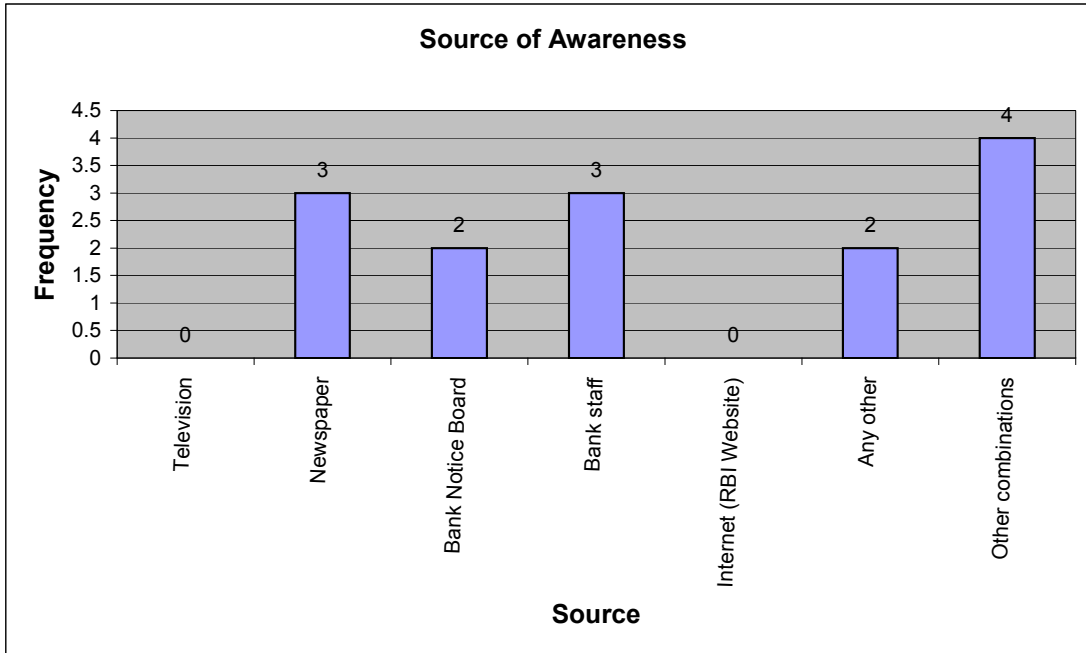
**Chart 8.17: Urban: Awareness of RBI guidelines**



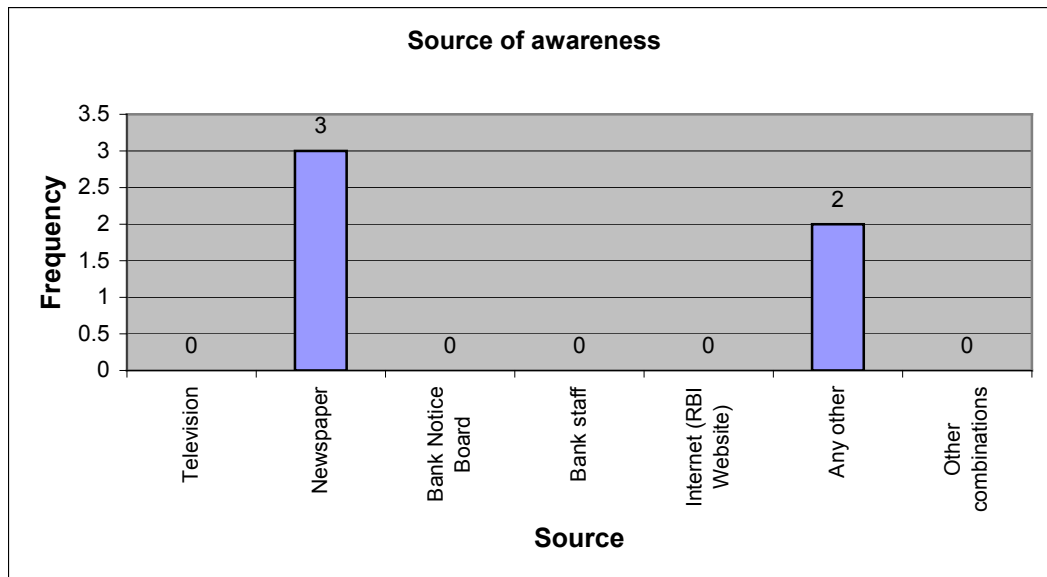
**Chart 8.18: Rural: Awareness of guidelines**

In urban area in addition to newspaper banks are also a source of information on the RBI guidelines.

**Chart 8.19: Urban: Source of awareness**



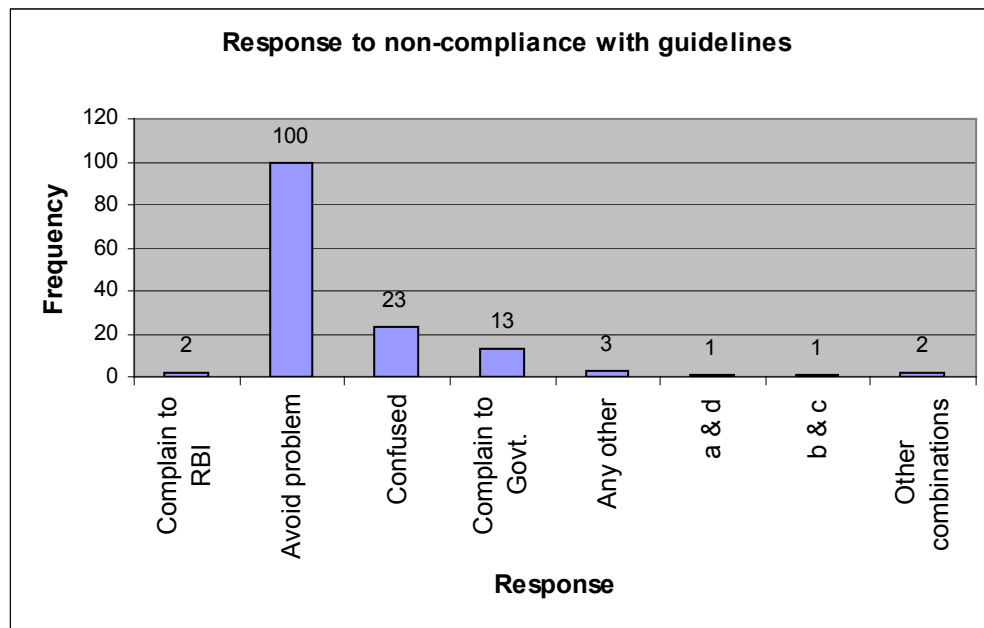
**Chart 8.20: Rural: Source of awareness**



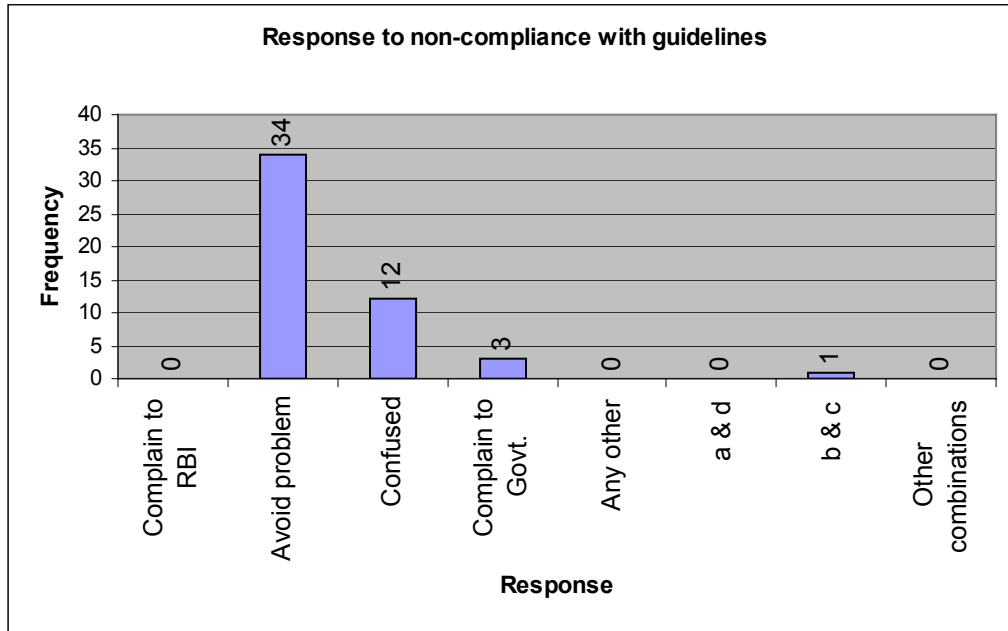
### Customer persistence on RBI guidelines

In urban area most of the customers do not do anything if the traders do not follow RBI guidelines as they do not want to get into any problem (67%) and also because they do not know what to do (15%) (Chart 8.21). The pattern is same for rural with 68% do not want to get into trouble and 24% because they do not know what to do (Chart 8.22).

**Chart 8.21: Urban: Response to non-compliance with guidelines**



**Chart 8.22: Rural: Response to non-compliance with guidelines**

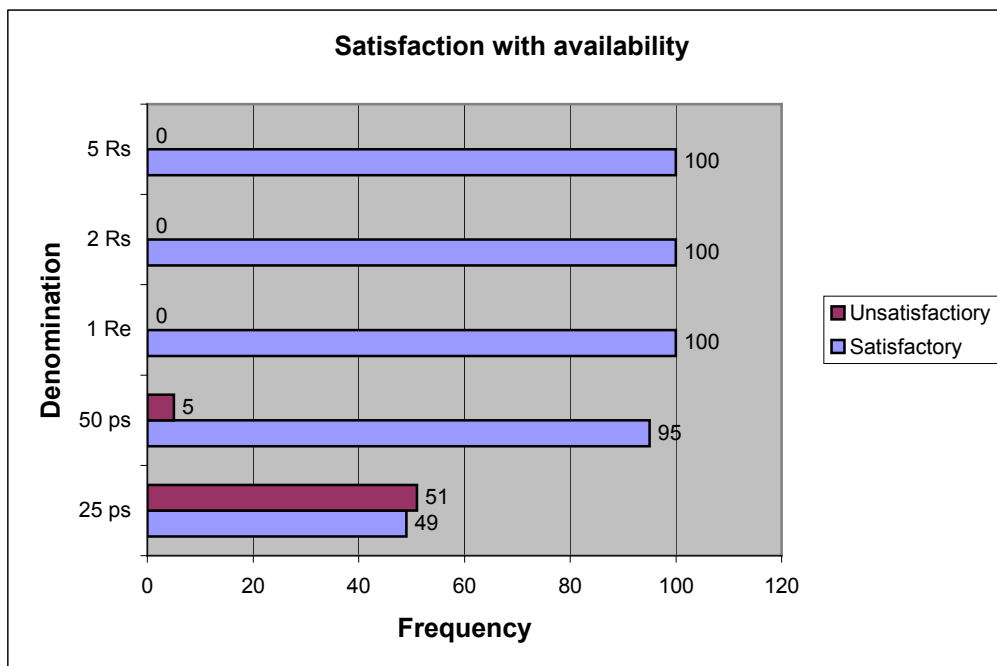


## B: NEED AND USE BEHAVIOR AMONG TRADE

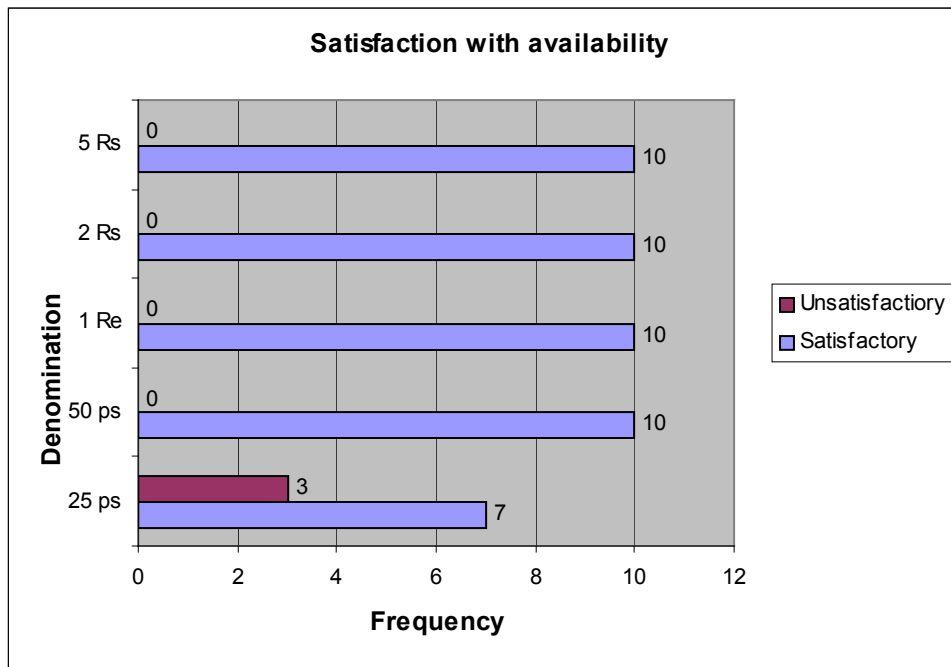
### Availability of coins

In urban area 50 % of the traders are not satisfied with the availability of 25 Ps and 5 % are not satisfied with the availability of 50 Ps. The urban traders are satisfied with the availability of other denominations (Chart 8.23). In rural area 30 % of the traders are not satisfied with the availability of 25 Ps coins. They are satisfied with the availability of all other denomination of coins (Chart 8.24).

**Chart 8.23: Urban: Satisfaction with availability**



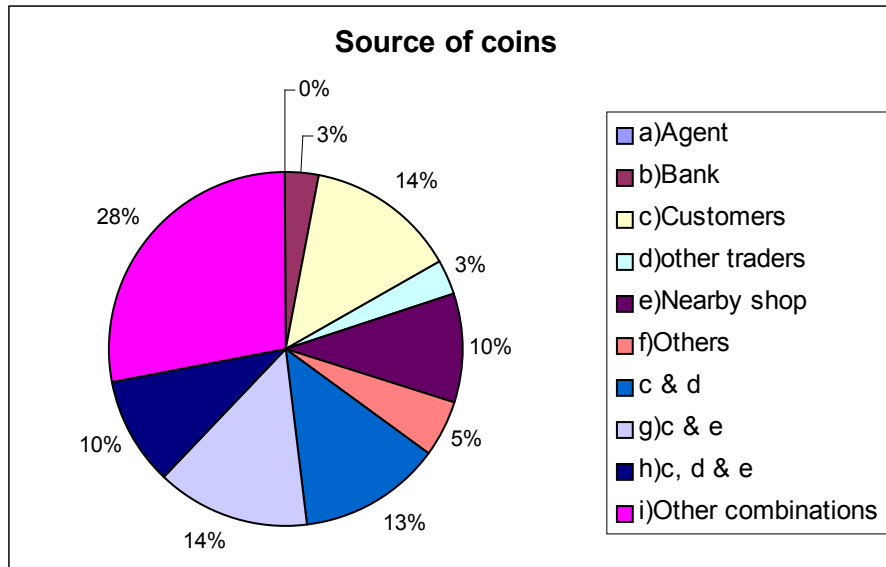
**Chart 8.24: Rural: satisfaction with availability**



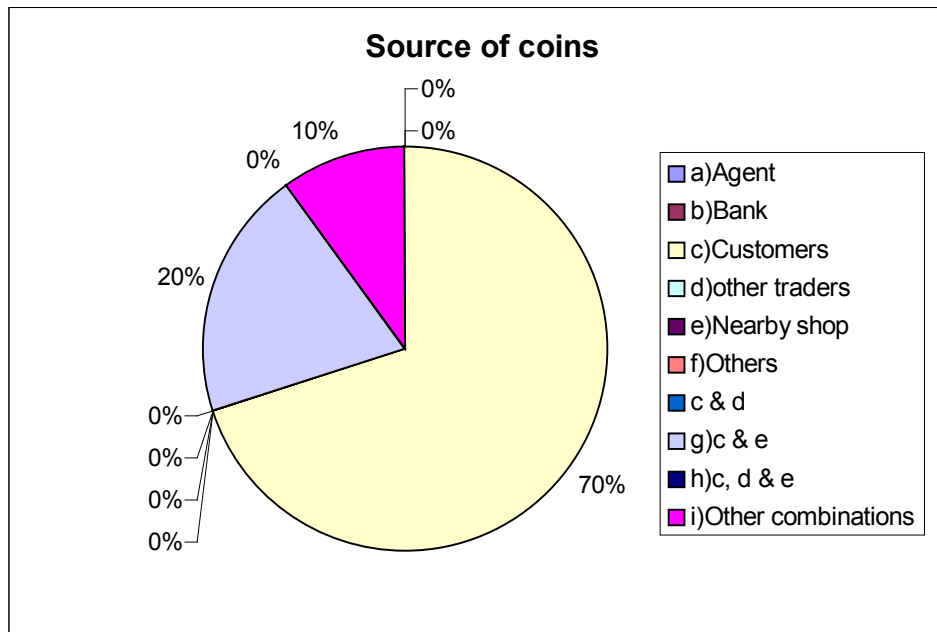
In urban area most of the traders get the coin change from customers (14 %) and from nearby shops (10%) (Chart 8.25). In rural area for most (70 %) traders customers are the source for coins (Chart 8.26).



**Chart 8.25: Urban: Source of coins**

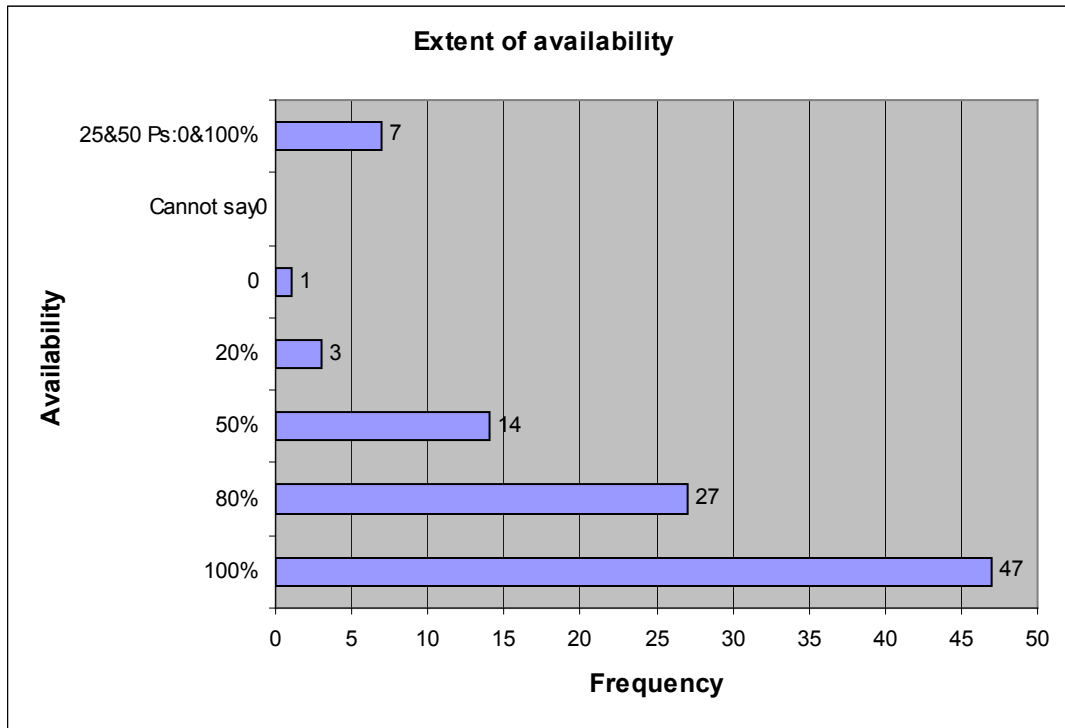


**Chart 8.26: Rural: Source of coins**

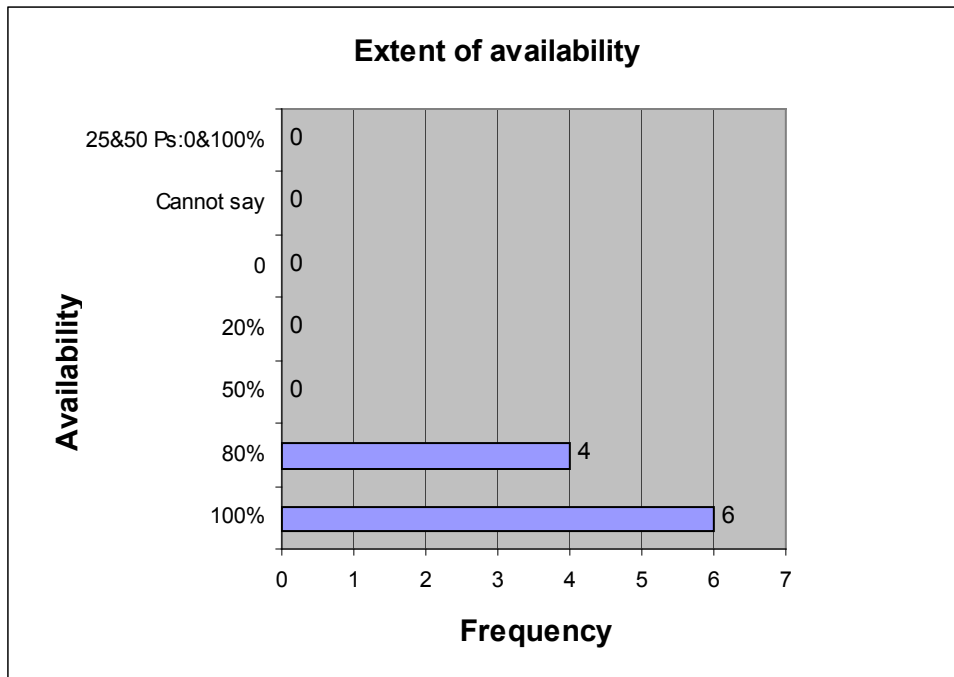


47 % of the traders in the urban area are able to give coin change to all their customers and in rural area 60 % of the traders are able to give coin change to all their customers (Charts 8.27 & 8.28).

**Chart 8.27: Urban: Extent of availability**



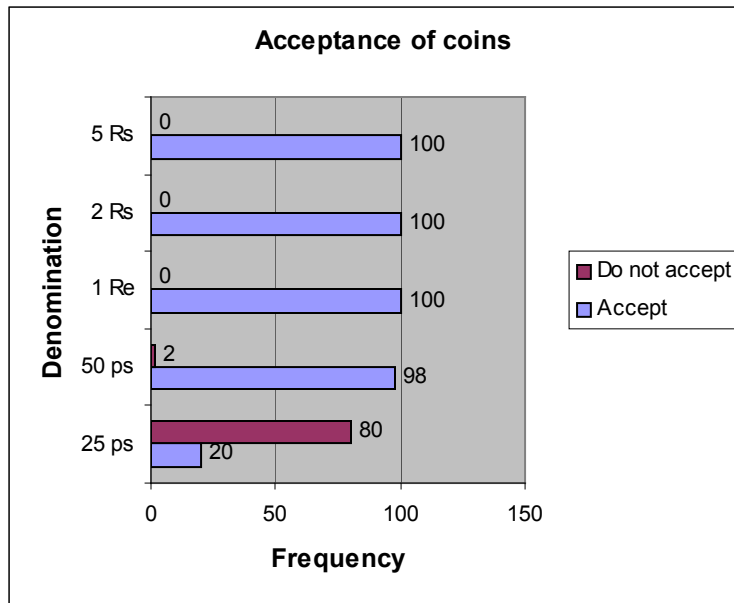
**Chart 8.28: Rural: Extent of availability**



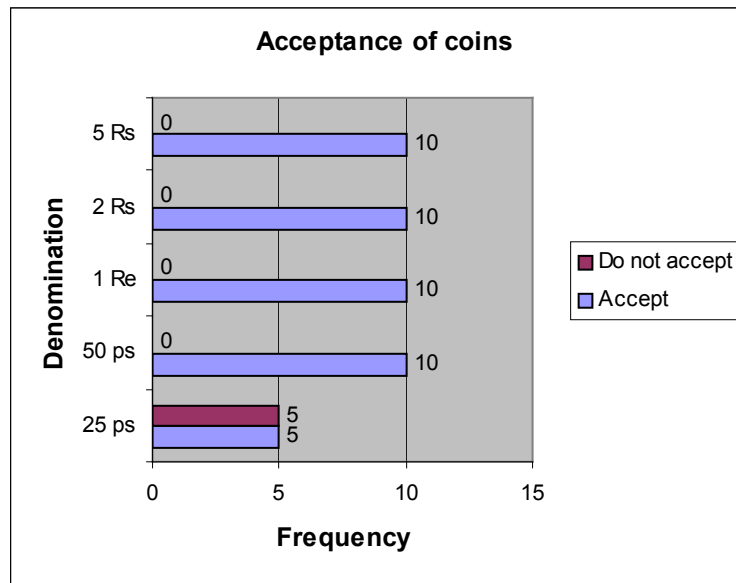
**Trade behavior in use of coins**

In urban area 80 % of the traders do not accept 25 Ps coins. The other denominations are well accepted (Chart 8.29). In rural area 25 Ps is not accepted by 50 %, the other denominations are well accepted (Chart 8.30).

**Chart 8.29: Urban: Acceptance of coins**

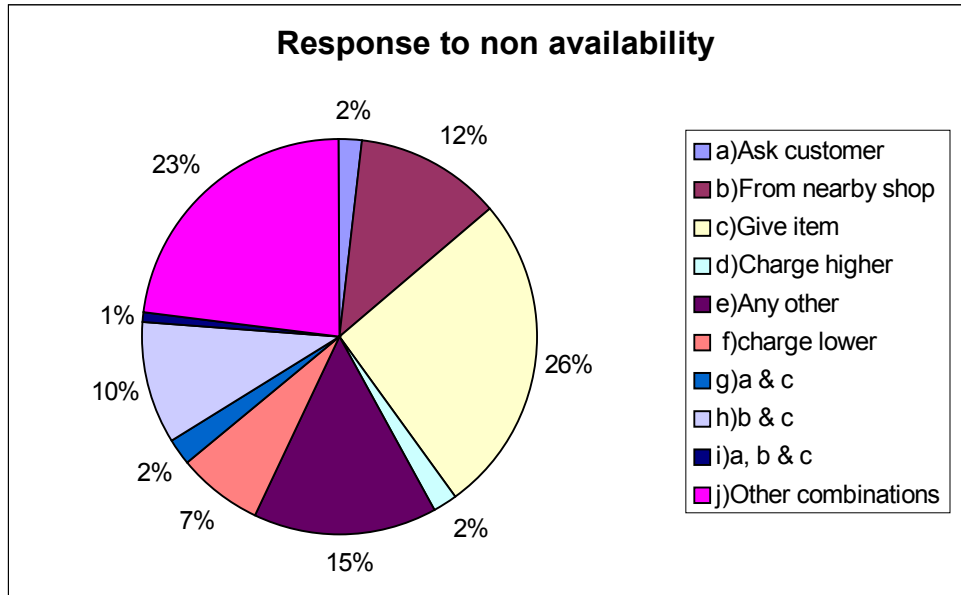


**Chart 8.30: Rural: Acceptance of coins**

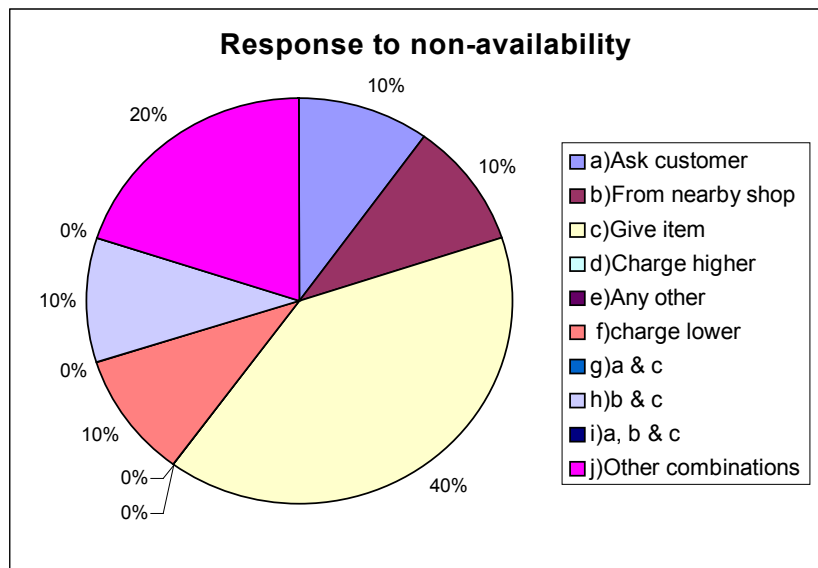


In urban area when coins are not available traders give a substitute item (26%), or try to get coins from nearby shop (12%) (Chart 8.31). In rural area most traders give a substitute item (40%) (Chart 8.32).

**Chart 8.31: Urban: Response to non-availability**



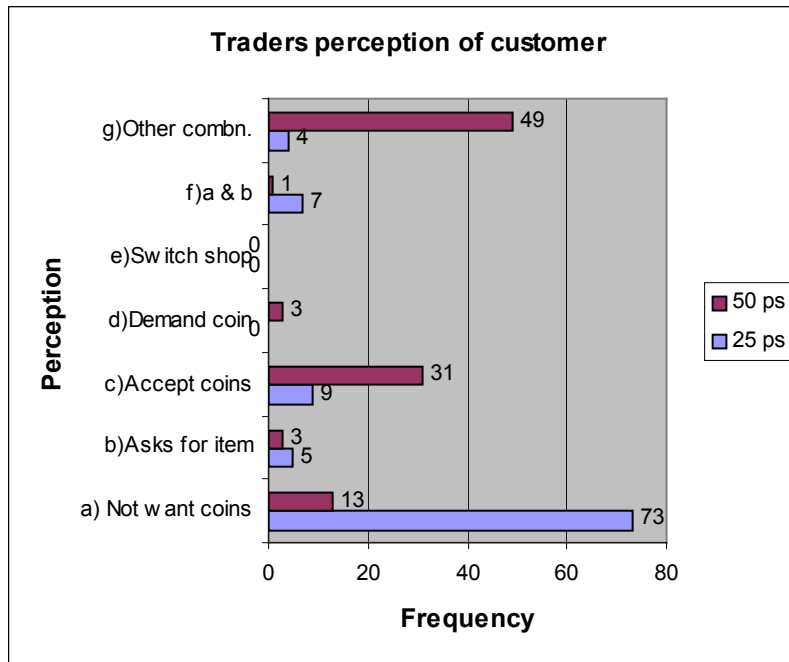
**Chart 8.32: Rural: Response to non-availability**



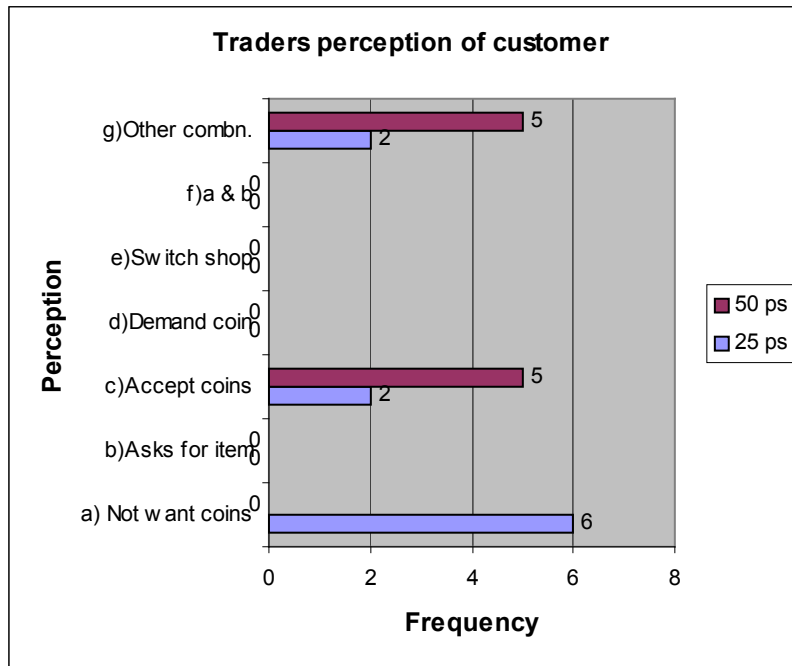
### Consumer response to coin change

In urban area most customers (74 %) do not accept 25 Ps. coins and 13 % customers do not accept 50 Ps coins (Chart 8.33). In rural area most customers do not accept 25 Ps coins but accept 50 Ps coins (Chart 8.34).

**Chart 8.33: Urban: Traders perception of customer**



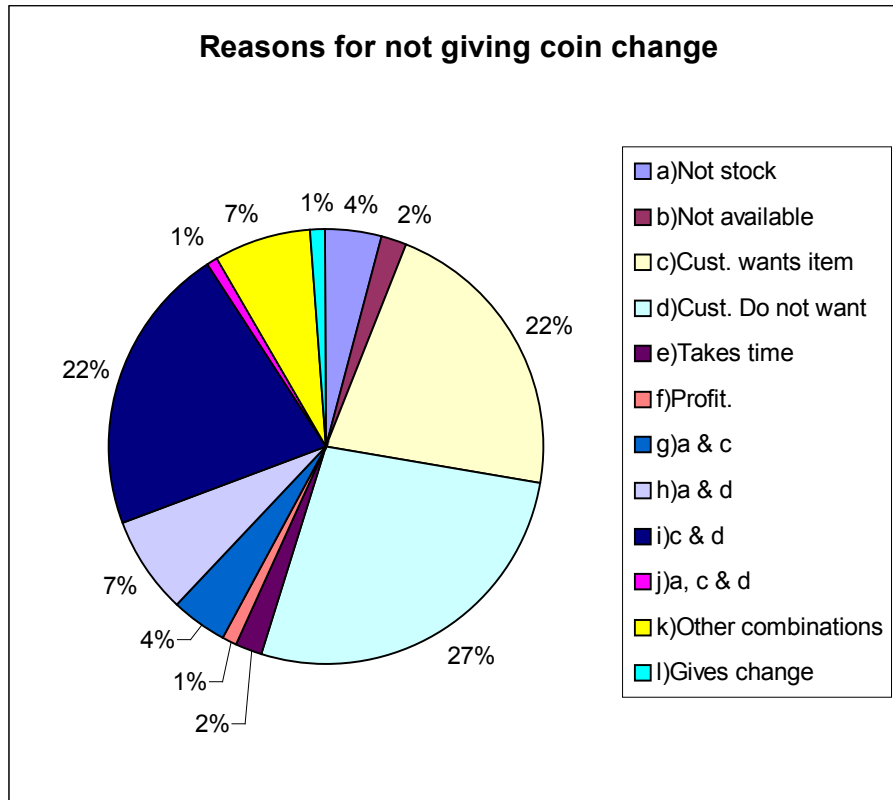
**Chart 8.34: Rural: Traders perception of customer**



**Reason for trade Response**

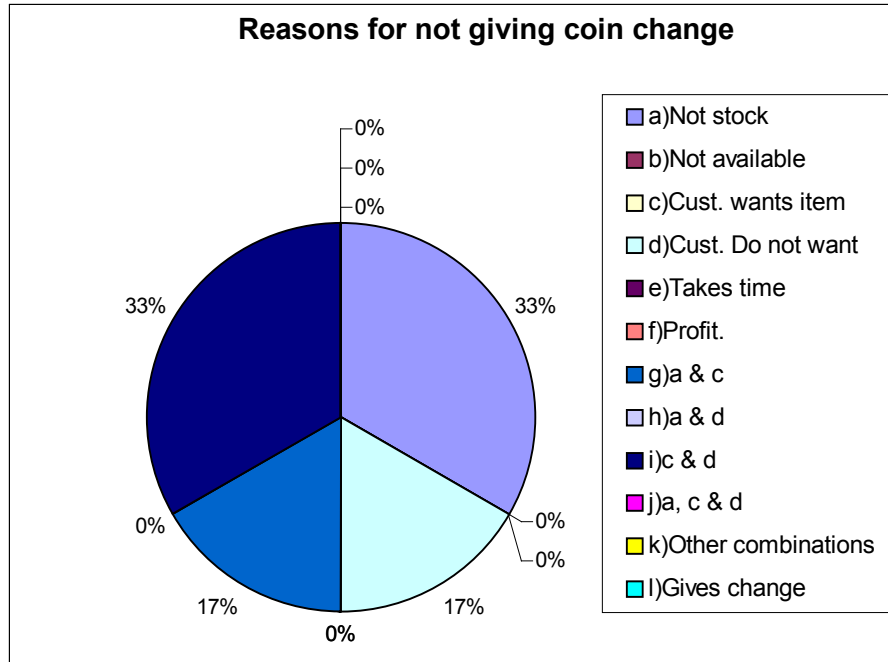
In urban area most traders do not give coin change because customers does not want coins (27%), customers prefer a substitute item (22%) (Chart 8.35). In rural area the traders do not give coins, as they do not want to stock coins (33%), also for either not wanting coins or preferring a substitute item (33%) (Chart 8.36).

**Chart 8.35: Urban: Reasons for not giving coin change**



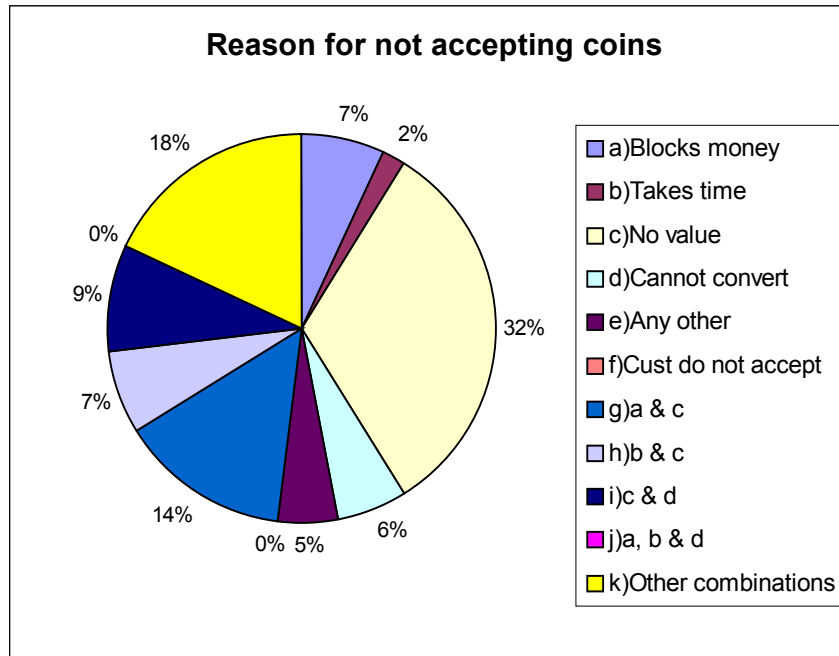


**Chart 8.36: Rural: Reasons for not giving coin change**

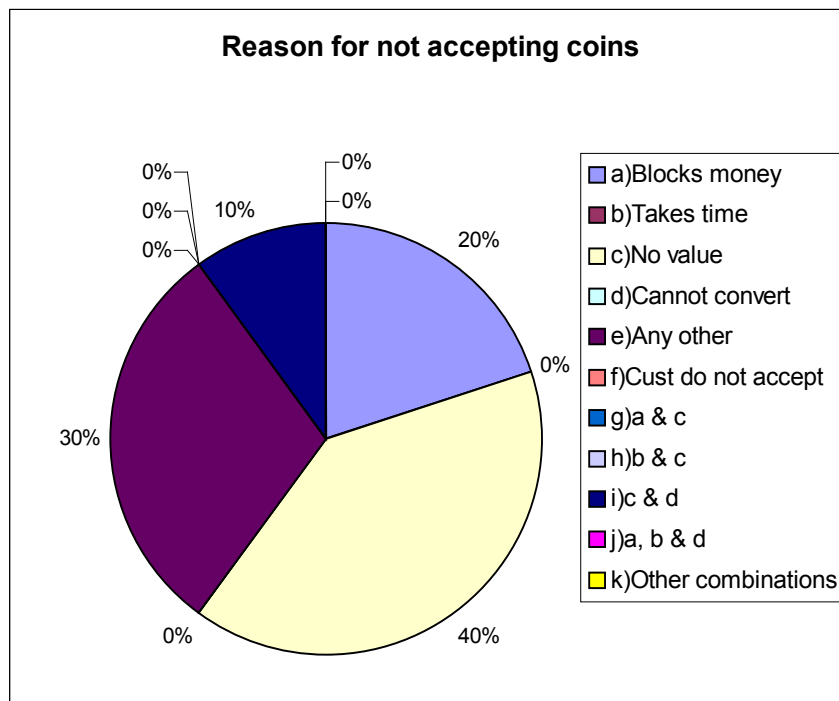


In both the urban and rural areas the traders do not accept small coins, as these coins do not have value (32% in urban and 40 % in rural) (Charts 8.37 & 8.38).

**Chart 8.37: Urban: Reason for not accepting coin**



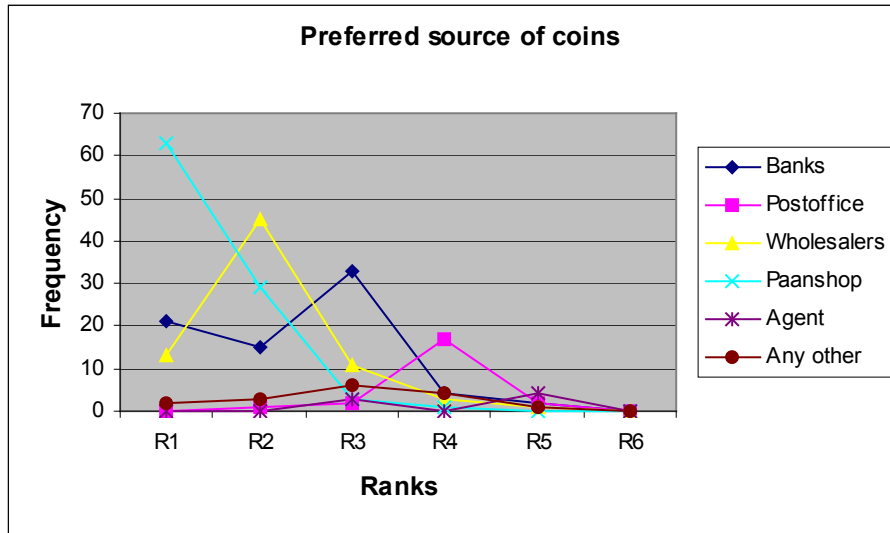
**Chart 8.38: Rural: Reason for not accepting coins**



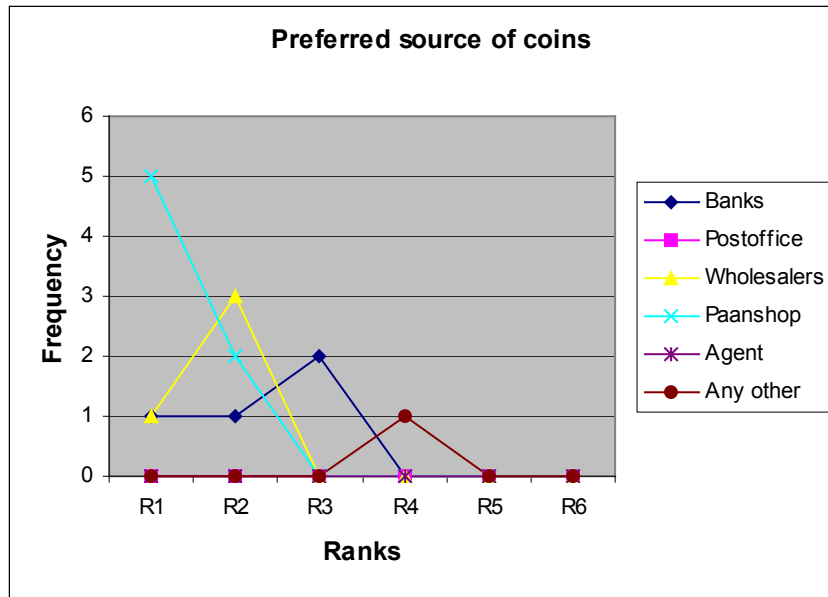
### Preferred source of coins

In urban area most traders (66 %) prefer paan shop as the source of coins. Some traders also prefer Banks and wholesalers as source of coins (Chart 8.39). In rural area most traders prefer paan shop as the source of coins (Chart 8.40).

**Chart 8.39: Urban: Preferred source of coins**



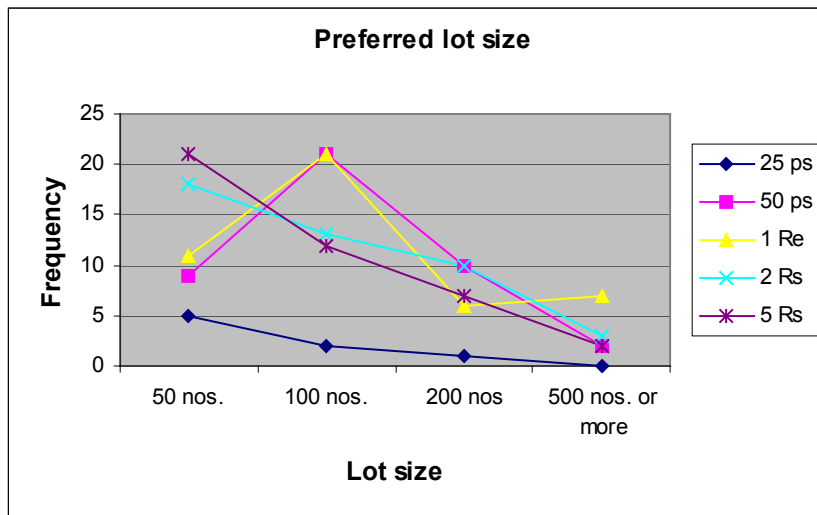
**Chart 8.40: Rural: Preferred source of coins**



### Procurement of coins

In urban area most traders prefer lot size of 100 coins for 50 Ps and 1 Re coins and lot size of 50 for 2 Rs and 5 Rs coins (Chart 8.41). In rural area the traders indicated sufficient availability through their transactions.

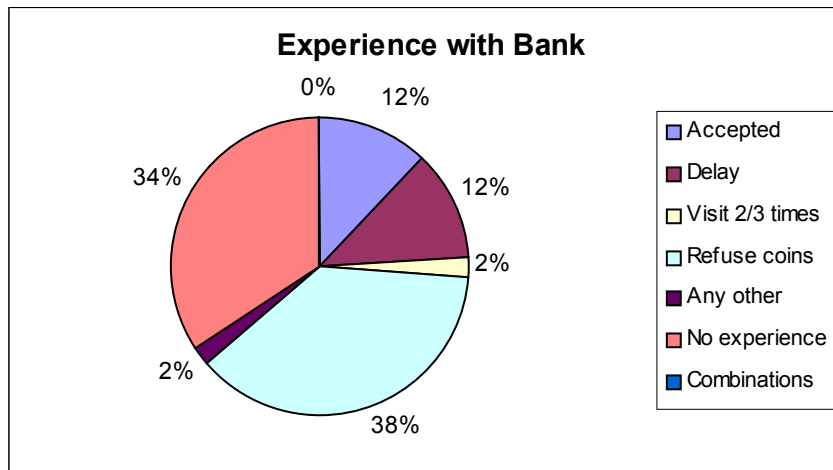
**Chart 8.41: Urban: Preferred lot size**



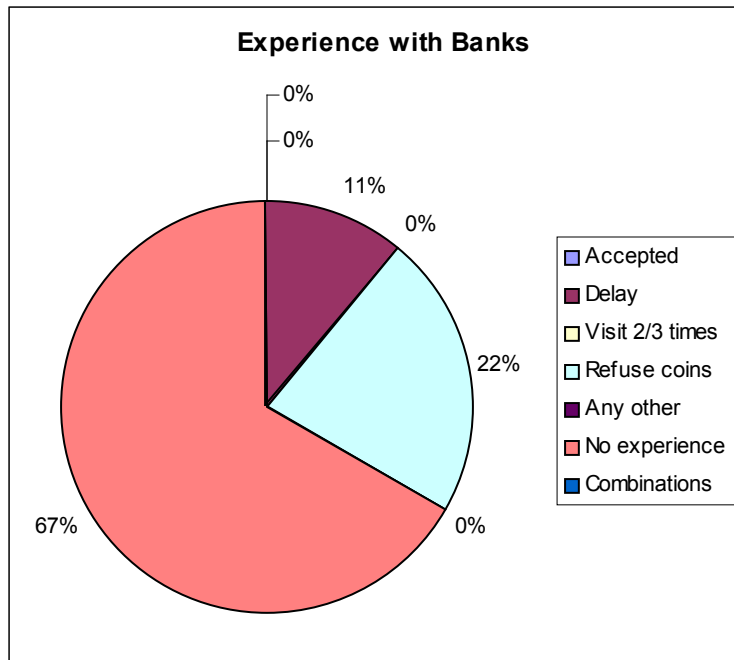
**Experience with Bank**

In urban area 38 % of traders indicate that banks refused to accept coins and 34 % of the traders had not visited banks to deposit coins (Chart 8.43). In rural area 22 % of traders indicate that banks refused to accept coins and 67 % of traders had not been to banks for depositing coins (Chart 7.44).

**Chart 8.43: Urban: Experience with bank**



**Chart 8.44: Rural: Experience with bank**



**Awareness and source of awareness of RBI guidelines**

In urban area 3 out of 100 traders were aware of RBI guidelines. In rural area one out of the ten traders was aware of RBI guidelines.

Newspapers were the source of awareness of RBI guidelines for those of the traders who were aware of the guidelines.

## 9: COMPARATIVE ANALYSIS ACROSS STATES

### A: NEED AND USE BEHAVIOUR AMONG CUSTOMERS

#### Availability of coins

In the urban areas the availability of both 25 and 50 Ps coins is better in West Bengal compared to Bihar and Uttar Pradesh (Table 9.1). This is true also in the rural areas of West Bengal (Table 9.2).

**Table 9.1: Urban: Availability of coins**

| State | Availability (%) |        |
|-------|------------------|--------|
|       | 25 Ps.           | 50 Ps. |
| Bihar | 4                | 82     |
| UP    | 9                | 42     |
| WB    | 14               | 94     |

**Table 9.2: Rural: Availability of coins**

| State | Availability (%) |        |
|-------|------------------|--------|
|       | 25 Ps.           | 50 Ps. |
| Bihar | 8                | 94     |
| UP    | 9                | 36     |
| WB    | 36               | 98     |

#### Customer Experience when trade does not have coin change

In the urban areas when coins are not available, traders in Bihar round off to a higher denomination but in UP and WB they give an item (Table 9.3). These variations are present also in the rural areas (Table 9.4).

**Table 9.3: Urban: Trade behavior when coins are not available**

| State | Charge more (%) | Give an item (%) |
|-------|-----------------|------------------|
| Bihar | 53              | 13               |
| UP    | 24              | 32               |
| WB    | 13              | 19               |

**Table 9.4: Rural: Trade behavior when coins are not available**

| State | Charge more (%) | Give an item (%) |
|-------|-----------------|------------------|
| Bihar | 40              | 14               |
| UP    | 10              | 41               |
| WB    | 16              | 16               |

**Customer Response to trade Behavior**

Customer across the three states, “do nothing” when coin change is not given. Variation exists in demanding and giving change between the three states. In the urban area when traders do not give coin change, customers of Bihar give correct coin change and customers in UP and WB demand coin change from traders (Table 9.5). The same is true even for rural area (Table 9.6).

**Table 9.5: Urban: Customer response to not getting coin change**

| State | Consumer Response (%) |                  |                    |
|-------|-----------------------|------------------|--------------------|
|       | Do nothing            | Give coin change | Demand coin change |
| Bihar | 44                    | 23               | 15                 |
| UP    | 44                    | 1                | 20                 |
| WB    | 52                    | 3                | 25                 |

**Table 9.6: Rural: Customer response to not getting coin change**

| State | Consumer Response (%) |                  |                    |
|-------|-----------------------|------------------|--------------------|
|       | Do nothing            | Give coin change | Demand coin change |
| Bihar | 40                    | 24               | 18                 |
| UP    | 52                    | 0                | 13                 |
| WB    | 33                    | 0                | 49                 |



**Customer Motivation for Behavior in respect of small denomination coins**

In urban area of Bihar the customers demand coin change because they feel that the shopkeeper is cheating and in UP and WB they demand coin change not to loose money (Table 9.7). The same variations are present in the rural areas across the three states (Table 9.8).

**Table 9.7: Urban: Reason for demanding coin**

| State | Reason for demanding coin (%) |                              |                               |
|-------|-------------------------------|------------------------------|-------------------------------|
|       | Not loose money               | Coins for other transactions | Thinks shopkeeper is cheating |
| Bihar | 21                            | 22                           | 32                            |
| UP    | 29                            | 14                           | 7                             |
| WB    | 74                            | 5                            | 1                             |

**Table 9.8: Rural: Reason for demanding coin**

| State | Reason for demanding coin (%) |                              |                               |
|-------|-------------------------------|------------------------------|-------------------------------|
|       | Not loose money               | Coins for other transactions | Thinks shopkeeper is cheating |
| Bihar | 22                            | 32                           | 32                            |
| UP    | 21                            | 5                            | 7                             |
| WB    | 78                            | 4                            | 0                             |

In all the three states customers do not demand coin change as these coins cannot be used elsewhere. This is indicated both for the urban and the rural areas. The customers in Bihar both in urban and rural areas do not demand coin change as they also do not want to carry coins and not spend time and effort in counting and giving coins (Tables 9.9 & 9.10).

**Table 9.9: Urban: Reason for not demanding coins**

| State | Reason for not demanding coin (%) |                 |                          |
|-------|-----------------------------------|-----------------|--------------------------|
|       | Do not want to carry              | Too much effort | Cannot be used elsewhere |
| Bihar | 22                                | 18              | 17                       |
| UP    | 10                                | 10              | 19                       |
| WB    | 9                                 | 2               | 24                       |

**Table 9.10: Rural: Reason for not demanding coins**

| State | Reason for not demanding coin (%) |                 |                          |
|-------|-----------------------------------|-----------------|--------------------------|
|       | Do not want to carry              | Too much effort | Cannot be used elsewhere |
| Bihar | 12                                | 14              | 24                       |
| UP    | 0                                 | 2               | 20                       |
| WB    | 10                                | 0               | 40                       |

One important reason for customers not giving coin change across the three states and across urban and the rural areas is the non-acceptance of coins by trade. This reason is much more so in WB compared to Bihar and UP both in the urban and in the rural areas. In UP and Bihar non-availability of coins is the additional reason for not giving coins by the customer both in the urban and the rural areas (Tables 9.11 & 9.12).

**Table 9.11: Urban: Reasons for not giving coins**

| State | Reason for not giving coins (%) |                 |               |                       |
|-------|---------------------------------|-----------------|---------------|-----------------------|
|       | Not want to carry               | Too much effort | Not available | Trade does not accept |
| Bihar | 16                              | 15              | 26            | 15                    |
| UP    | 16                              | 3               | 23            | 12                    |
| WB    | 15                              | 4               | 3             | 41                    |

**Table 9.12: Rural: Reasons for not giving coins**

| State | Reason for not giving coins (%) |                 |               |                       |
|-------|---------------------------------|-----------------|---------------|-----------------------|
|       | Not want to carry               | Too much effort | Not available | Trade does not accept |
| Bihar | 14                              | 14              | 18            | 28                    |
| UP    | 2                               | 2               | 39            | 15                    |
| WB    | 19                              | 2               | 2             | 40                    |

**Suggestion to encourage use of coins**

In Bihar and in UP customers want coins to made easily available to encourage use of coins, both in the urban and in the rural areas. Customers in rural UP also want that the banks accept coins. In WB both in urban and in rural areas the customers want banks to accept coins to encourage use of coins. (Table 9.13 & 9.14).

**Table 9.13: Urban: Reason encouraging coin use**

| State | Reason to encourage coin use (%) |                         |
|-------|----------------------------------|-------------------------|
|       | Make coins available             | Make banks accept coins |
| Bihar | 29                               | 9                       |
| UP    | 21                               | 22                      |
| WB    | 8                                | 37                      |

**Table 9.14: Rural: Reason encouraging coin use**

| State | Reason to encourage coin use (%) |                         |
|-------|----------------------------------|-------------------------|
|       | Make coins available             | Make banks accept coins |
| Bihar | 19                               | 15                      |
| UP    | 23                               | 11                      |
| WB    | 13                               | 32                      |

#### **Preferred source of coins**

In all the three states, both in urban and rural customers prefer to get coin change from paan shops.

#### **Awareness and source of awareness of RBI guidelines**

There is no variation across the three states. In all the three states the awareness of customers about guidelines is low, both in the urban and rural areas. Those of the respondents who were aware of the RBI guidelines indicated their source of information as the newspapers.

#### **Customer Persistence on RBI guidelines**

There is no much variation across the three states. Both in the urban and in the rural areas most of the respondents prefer not to do anything if traders do not follow RBI guidelines, as they do not want to get into any problem. The customers were also not sure on what to do if the traders refused to comply with the RBI guidelines.

## B: NEED AND USE BEHAVIOR AMONG TRADE

### Availability of coins

In the urban areas the availability of both 25 and 50 Ps coins is better in West Bengal compared to Bihar and Uttar Pradesh (Table 9.15). This is true also in the rural areas of West Bengal (Table 9.16).

**Table 9.15: Urban: Satisfaction with availability**

| State | Availability (%) |       |
|-------|------------------|-------|
|       | 25 Ps            | 50 Ps |
| Bihar | 18               | 20    |
| UP    | 45               | 30    |
| WB    | 50               | 95    |

**Table 9.16: Rural: Satisfaction with availability**

| State | Availability (%) |       |
|-------|------------------|-------|
|       | 25 Ps            | 50 Ps |
| Bihar | 40               | 90    |
| UP    | 42               | 92    |
| WB    | 70               | 100   |

The major single source of coins is the customer for most traders across states and for urban and rural areas (Tables 9.17 & 9.18). It is only in the urban area of WB that many traders use more than a single source for coins. A large number of traders in rural Bihar get coins from near by shops in addition to those who get their requirements from their customers.

**Table 9.17: Urban: Source of coins**

| State | Source of coins (%) |       |             |               |
|-------|---------------------|-------|-------------|---------------|
|       | From customers      | Banks | Wholesalers | Near by shops |
| Bihar | 42                  | 2     | 7           | 17            |
| UP    | 46                  | 1     | 11          | 10            |
| WB    | 14                  | 3     | 3           | 10            |

**Table 9.18: Rural: source of coins**

| State | Source of coins (%) |       |             |               |
|-------|---------------------|-------|-------------|---------------|
|       | From customers      | Banks | Wholesalers | Near by shops |
| Bihar | 50                  | 0     | 0           | 40            |
| UP    | 59                  | 0     | 9           | 8             |
| WB    | 70                  | 0     | 0           | 0             |

**Trade Behavior in use of coins**

Acceptance of 25 and 50 Ps coins are better in WB compared to UP and Bihar both in the urban and in the rural areas (Tables 9.19 & 9.20).

**Table 9.19: Urban: Acceptance of coins**

| State | Denomination (%) |       |
|-------|------------------|-------|
|       | 25 Ps            | 50 Ps |
| Bihar | 8                | 82    |
| UP    | 3                | 51    |
| WB    | 20               | 98    |

**Table 9.20: Rural: Acceptance of coins**

| State | Denomination (%) |       |
|-------|------------------|-------|
|       | 25 Ps            | 50 Ps |
| Bihar | 10               | 100   |
| UP    | 9                | 50    |
| WB    | 50               | 100   |

When coins are not available traders in Bihar get coins from nearby shop. In situations where coins are not available the traders of UP and WB give an item instead of coins change. This is true both in the urban and the rural areas (Tables 9.21 & 9.22).

**Table 9.21: Urban: Response to non-availability**

| State | Response to non-availability (%) |                      |              |             |
|-------|----------------------------------|----------------------|--------------|-------------|
|       | Ask customer                     | Get from nearby shop | Give an item | Charge more |
| Bihar | 18                               | 33                   | 18           | 9           |
| UP    | 6                                | 17                   | 29           | 15          |
| WB    | 2                                | 12                   | 26           | 2           |

**Table 9.22: Rural: Response to non-availability**

| State | Response to non-availability (%) |                      |              |             |
|-------|----------------------------------|----------------------|--------------|-------------|
|       | Ask customer                     | Get from nearby shop | Give an item | Charge more |
| Bihar | 10                               | 30                   | 10           | 0           |
| UP    | 0                                | 0                    | 50           | 0           |
| WB    | 10                               | 10                   | 40           | 0           |

**Consumer response to coin change**

There is no variation across states. Most traders indicate that customers do not want to accept small denomination coins.

**Reason for trade response**

There is no distinct variation across states on the reason for traders not giving coin change. Variations are also there between urban and rural and these variations are also not consistent.

The reason traders do not accept coins across all three states are that small coins do not have value and also the small denomination coins cannot be converted. The traders in urban Bihar have the additional reason of time and effort in counting as the reason for not accepting coins (Tables 9.23 & 9.24).

**Table 9.23: Urban: Reasons for not accepting coins**

| State | Reasons for not accepting coins (%) |                       |          |                      |
|-------|-------------------------------------|-----------------------|----------|----------------------|
|       | Blocks money                        | Takes time and effort | No value | Cannot convert coins |
| Bihar | 15                                  | 31                    | 23       | 7                    |
| UP    | 2                                   | 8                     | 17       | 38                   |
| WB    | 7                                   | 2                     | 32       | 6                    |

**Table 9.24: Rural: Reason for not accepting coins**

| State | Reasons for not accepting coins (%) |                       |          |                               |
|-------|-------------------------------------|-----------------------|----------|-------------------------------|
|       | Blocks money                        | Takes time and effort | No value | Cannot convert coins to notes |
| Bihar | 10                                  | 0                     | 30       | 30                            |
| UP    | 0                                   | 0                     | 42       | 50                            |
| WB    | 20                                  | 0                     | 40       | 30                            |

### Preferred source of coins

In urban and rural areas across all three states most traders prefer Paan shop as the source for coins followed by wholesalers and banks.

### Procurement of Coins

Across all the three states the preferred lot size for 1Re coin is 100 Nos. and 50 Nos. for the other denominations.

### Experience with Banks

A large percentage of traders indicate that banks refused to accept coins. There were also a large percentage of traders who had not visited banks to deposit coins. The traders not going to the bank for depositing coins was higher in the rural than the urban. There is no variation in these across states.



**Awareness and Source of awareness of RBI guidelines**

In all the three states very few traders were aware about RBI guidelines both in the urban and rural areas. The source of information for the traders on the RBI guidelines was the newspapers in all the three states.

## 10. SUMMARY OF RESULTS

### **Summary of results from survey of customers:**

The summary of results of customer survey include availability of coins, customers experience when trade does not have coin change, customers response to trade behavior, customer motivations for behavior in respect of small denomination coins, suggestions to encourage use of coins and preferred source of coins, and awareness and willingness to follow-up on RBI guidelines.

**Availability of coins:** Availability is good for all rupee denomination coins. Availability of 50 Ps is good for 73% of the respondents in urban and 67% in rural. In the case of 25 Ps the availability is 10 % in urban areas and 20 % in rural areas.

The survey shows that the customers find it easy to get coins of all denominations except that of 25 Ps (P-14). The availability of coins of all denominations except 25 Ps suggests that the problem is not one of distribution system for coins. This inference is further supported by the observation that 25 Ps is more easily available in rural than urban area (p-14).

**Customers experience when trade does not have coin change:** Most shops (29% in urban and 22% in rural) give some item instead of small denomination coin change. 7% of shops in urban and 8% in rural give coin change without being asked while 6% in urban and 12% in rural give small denominations when asked.

Traders charge more (26% in urban and 17% in rural) or give an item (21% in urban and 25% in rural) when coin change is not available.

The difficulty in the availability of small denomination coins for customers is because very few traders give small denomination coins. The non-availability of 25 Ps and 50 Ps coins is therefore the reluctance by trade to use small denomination coins in their transactions (p-16). If the trade is in a position to give

coins other than small denomination coins then understanding the reason for the trade behavior of not giving small denomination coins is important.

**Customers' response to trade behavior:** Most customers “do nothing” (47% in urban and 41% in rural) when trader does not give correct coin change. A segment of customers demand coin change (21% in urban and 26% in rural). There are customers who also give coin change (9% in urban and 8% in rural) when trader does not give coin change.

**Customer motivations for behavior in respect of small denomination coins:**

Most customers who demand coin change do so as they do not want to loose money (41% in urban and also rural).

Inability to use small denomination coins in other transactions is indicated as the reason for not demanding coin change by 20% customers in urban and 28% of the customers in rural areas. The physical costs of carrying coins (14%) and the time and effort involved in asking for small coin change (10%) are also indicated as reasons for not demanding coin change in urban. These are not important reasons in rural area.

Customers do not give coin change, as traders do not accept small denomination coins (22% in urban and 28% in rural). In urban area customers do not give change as they do not want to carry coins (15 %) and customers do not want to spend time and effort in selecting, counting and giving coins (8 %) and some customers do not give coin change for both these reasons (8 %). In rural area the “physical costs” as the reason for not giving coin change are lower at 29%.

A large number of customers who demand coin change do not give coin change, as they are not interested in carrying coins. To a lesser extent they also indicate the reasons of “traders not accepting coin change” and “difficulty in getting coin”. This pattern is true in both urban and rural areas.

**Suggestions to encourage use of coins and preferred source of coins:**

Customers preferred source of coin is the paan shop and PCO though they

suggest the need to increase the availability of coins and acceptance of coins by banks and post-office to encourage use of coins.

**Awareness and willingness to follow-up on RBI guidelines:** 13% urban and 10% rural customers indicate awareness of RBI guidelines and the source of information is mostly newspapers.

About one fifth of the customers would register a complaint if RBI guidelines were not followed.

**Summary of results from survey of trade:**

The trade survey examined the availability of coins, trade behavior in use of coins, customer response to coin change, reason for trade response, preferred source of coins, procurement of coins, experience with bank and awareness and source of awareness of RBI guidelines.

**Availability of coins:** Traders indicate availability of rupee denomination coins as satisfactory. Availability of 50 Ps coins is satisfactory for 82% of traders in urban and 94% in rural areas. Availability of 25 Ps is satisfactory for 37% in urban and 50% in rural areas.

The source of coins for trade is customers both in urban and rural areas.

The availability of small denomination coins to trade is unsatisfactory (p-49). The non-availability of 25 Ps coins is not surprising as the use of 25 Ps coins is low and for most traders the source of coins is customers and other traders (p-50).

The inference is then that the customers do not get coins because trade does not give coins and this is because trade does not get it from customers. This then suggests that this problem is circular.

**Trade behavior in use of coins:** Trade accepts rupee denomination coins. 77% of urban and 81% of rural traders accept 50 Ps coins. In the case of 25 Ps 90% in urban area and 78% in rural area do not accept these coins.

Traders who use customers as a source of coins and who accept coins experience more satisfactory availability of small denomination coins compared

to traders who do not accept these coins. As availability of small denomination coins is more satisfactory for those who accept coins compared to traders who do not accept coins the issue is more of acceptance of small denomination coins by trade than an issue of availability of small denomination coins.

Traders give an item (24% in urban and 35% in rural) or get change from nearby shop (21% in urban and 13% in rural) or charge more (9% in urban and 6% in rural) when coin change is not available. The result from trader survey differs from the customer survey. The customer survey indicated that the incidence of traders charging more as substantially higher.

**Consumer response to coin change:** 71 % of traders in the urban area and 68 % of the traders in the rural area suggest that the customer does not want 25 Ps coins. In the case of 50 Ps coins 26 % of the traders in the urban area and 45 % of the traders in the rural area indicate that the customer accepts coin change if given.

**Reason for trade response:** The trader attributes the action of not giving coin change to customer not wanting small denomination coins (24% in urban and 14% in rural).

The trader does not accept coin change as they do not have value (23 % in urban & 38 % in rural), there is no place where the small denomination coins can be converted (18 % in urban & 28 % in rural) and for both these as reasons (5 % in urban & 3 % in rural).

**Preferred source of coin:** The preferred source of coin for the trader is the paan shop in urban and rural areas. The second preferred source is the bank followed by the wholesaler in urban areas while in the rural areas the second preferred source is the wholesaler.

**Procurement of coins:** The preferred lot size for coins is 50 numbers for most denominations. In the case of 1 Re the preferred lot size is 100.

**Experience with bank:** 34% of the urban traders and 64% of the rural traders have had no experience with banks for depositing coins. Many traders indicated that banks refused to accept coins. Of those who indicated that banks refused to accept coins only 24% did not accept coins for the reason that they could not convert coins. 76% or more traders i.e. more than 3/4<sup>th</sup> of the traders indicated “time involved” or “no value” as the reason for non-acceptance of coins.

**Awareness and source of awareness of RBI guidelines:** 5 % of the urban traders indicated that they were aware of the RBI guidelines on coins and more than half of those aware of the guidelines got the information from newspaper.

**Summary of results from survey of banks:**

The survey of banks examined service level of banks, reasons for not giving coins and awareness of RBI guidelines.

**Service level:** 23% of the banks provided coin change. 38% of the banks with currency chest provided coin change while 18% of the banks not having currency chest provided coin change. 71% of banks with currency chest had adequate stock of coins while 42% of banks without currency chest had adequate stock of coins.

**Reason for not giving coins:** The important reason for not giving coins by banks is the time and effort involved. The second important reason indicated is that it inconveniences other customers. Inadequate staff is cited as important reason by only few banks.

**Awareness of guidelines:** 87 % of the banks indicate that they are aware of the RBI guidelines on small denomination coins. The source of information on the guidelines was bank circulars.

## **ANNEXURE 1**

### **DEVELOPMENT OF MEASURES**

Measures were developed in two steps.

- iv. Measures were developed for the information required. The dimensions of use behavior and of the influences on use behavior were identified before the measures were developed. The dimensions for use behavior and the influences on use behavior were developed based on Social Marketing literature and through 'Focus Group Discussion' (FGD). The social marketing literature provided a broad idea of the influences but the specific items relevant for the context was developed through FGD.
- v. The inputs from the Literature and FGD were used for developing the measures, which was then used to develop a questionnaire.

#### **Focus group Discussion (FGD) to identify items for use in measures**

Three FGD's were conducted, two for customers and one for traders. Separate FGD's were conducted for customers and traders as the behavior and influences on the behavior, for the two groups vary.

##### **1. FGD with traders:**

The FGD was conducted with a set of 10 traders in relaxed informal atmosphere with refreshments served. The relaxed informal atmosphere was necessary for encouraging spontaneous comments.

The outline for the FGD included the following issues:

Availability of small denomination coins

Use behavior of traders of small coin change

Reasons for the use behavior

Customer response to the situation

The FGD with traders indicated the following:

The FGD indicated that the availability of small denomination coins was no longer an issue. There were still a few agents who did supply coin change at may be as high as 20% commission. The traders rarely procured coins from agents these days, as small denomination coins were available to meet their requirement.

The use behavior indicated that the traders preferred to give some item instead of coin change and also in some cases to round off to the next higher denomination. Some traders indicated that they usually gave some sweet or match box instead of coin change. A photocopy service provider indicated that his charges were 50ps for a page. He charged 1 Re if someone wanted to photocopy one page or for two pages. He however did give coin change if larger numbers of copies were made.

The reason for the traders' behavior was that the wholesalers did not accept the small denomination coins. The possible reason that the wholesalers did not want to accept the coins was the difficulty to count and time involved in the same. An independent agent who distributed different products from the wholesale to shops indicated that the wholesalers did not accept coin change and therefore he had with him a stock of 50 ps coin change. Some of the other shopkeepers also indicated that they had stock of 25 ps and 50 ps coins, which they had no use for. The solution according to the group was that the small denomination coins need to be accepted by either the wholesale trade or at least the banks. According to some of the traders, banks neither accept nor give coin change. The coin agent (though was not common these days) gave coin change but did not accept coins.

The traders gave customers coin change if the customers insisted on getting coin change and not a substitute item. This was true if they had



coin change to give otherwise they rounded off to lower denomination if customer insisted on getting change.

2. *FGD with Customers:*

Two FGD with customers were conducted with a total of 16 customers. The FGD was conducted at two different locations. It was again ensured that the discussion was held in an informal atmosphere with refreshments served. The relaxed informal atmosphere was necessary for encouraging spontaneous comments.

The outline for the FGD included the following issues:

- Availability of small denomination coins from traders
- Trade behavior in giving coin change
- Customer response to trade behavior.
- Reasons for customer response to trade behavior.

The FGD with customers indicated:

The shops did not give coin change. The shops did not also accept small coins. The shops generally rounded off to the next higher denomination. The customers felt that one of the reasons for this approach by traders could be to get better margins. It was also indicated that some traders for some items rounded off to the lower denomination. This allowed them to sell more and also not bother about counting and the effort of giving change. The general opinion was that the rounding off helped the traders. The customers accept coin change if given. The customer response varied with some customers not bothering about coin change, as they did not think it had much value. As a result many traders did not give change to most customers. If customers insisted on getting correct coin change then the traders gave some item as a substitute. Customers accepted the item given instead of the coins and in some cases preferred items instead of coins. This was because the coin change was not of much use, as it

was not accepted by anyone. The customers were unlikely to shift shops because the other shops also did not give and also because of the time and effort required. It appeared to be some sort of conspiracy where no shop accepted coin change. The customers were therefore helpless in the matter of change. Also customers preferred Rs 2 or Rs 5 notes to coins as they may lose coins and also it was not comfortable carrying coins. If shops did not accept coins it did not make sense to carry coins. Carrying coins was not only inconvenient but also damaged the trouser pockets in the long run. The customers indicated that even post office refused to take or give coin change. When these public offices were asked to give in writing that they did not accept or give coin change they refused to do so. One of the customers indicated that he had complained to the Thesildar but they would suggest not to make a fuss of a small issue. The customers indicated that they did not know who to complain to on this issue and were not confident that any action was taken on these matters. The customers felt that confidence can be restored only when Banks and post office start accepting and giving coins.

### **Measures for understanding use behavior and influence.**

The measures for behavior and influence were developed based on social marketing literature and the FGD. The social marketing literature required understanding the state of the target persons, ie their awareness, contemplation or action on the issue of small denomination coins, identifying the perceived benefits and costs of transacting in small denomination coin. The FGD indicated the behavior variations and the varied influences on behavior and this was used to develop the measures.

#### *1. Measures for traders:*

Availability of coins: Nominal scale of satisfactory and unsatisfactory was used to understand the satisfaction with the availability of coins. The information is examined by denominations.( q-8)

Trade behavior: The source of coins was examined through nominal scale and the measure included multiple sources as more than a single source was indicated in the FGD. (q-11)

Extent to which the trader gave correct coin change was examined through an indirect question on the ability to give correct coin change (q-9). The actual behavior will not exceed the ability to give change.

Trader behavior for giving coin change was understood through selecting from the options identified in FGD (q-6)

Reasons for trader behavior not providing coin change again used nominal scale for the options (q-10)

Trade behavior in accepting coin change used nominal scale (q-4)

Reasons for trader behavior in not accepting coin change also used a nominal scale. The options were based on FGD (q-5)

Preferred source for obtaining coins was examined using ranking scale for the options. (q-12)

Preferred frequency and lot size for obtaining coins by traders is examined as a nominal scale (q-13) & (q14)

Option to use customers to influence trade behavior is examined by understanding the trader perception of the importance customer gives to coin change (q-7)

A nominal scale was used for type of trader (q-3).

The measures used were indirect with the opinion of the trader sought of third person, as the respondent may not be keen to reveal the actual situation of self.

The questions include those on traders' acceptance of coins, traders giving coins and on preference on source and lot size. The sequence is as indicated above as the acceptance questions are indirect questions while the questions on giving coins include first person questions.

*2. Measures for customers:*

Availability of coins: Nominal scale was used to identify the availability by denominations (q-5)

Trader behavior was identified by checking with the customer on the occurrence of the type of transactions (q-6). The trade behavior when coin change was not given used nominal scale (q-7).

Customer response to trade not giving coin change was captured through a nominal scale (q-8)

Reasons for customer behavior of demanding coin change (q-9) and/ or not demanding correct coin change (q-10) was based on the options developed from social marketing literature and FGD. Nominal scale was used for the purpose.

Reasons for customer not giving correct coin change (q-11) and influences that motivate use of coin change were identified (q-12). The options were from social marketing literature and from FGD.

The preferred source to obtain coins was examined (q-13) and this used ranking scale.

The education and occupation was also identified (q-3) & (q-4).

The measures used were indirect for many behavior and motivation issues with the opinion of the respondent sought for a third person.

The questions include those on trader behavior, customer response to trader behavior and the reasons for the customer response. The customer response to trader behavior required that the questions on trader response precede the questions on customer response and these questions were followed by the questions examining the reasons for behavior.

**ANNEXURE 2**

**QUESTIONNAIRE FOR PUBLIC  
Need and Use Behavior for Small Denomination Coins**

1. Name of Person : \_\_\_\_\_

2. Address :  
\_\_\_\_\_

3. Education : \_\_\_\_\_

4. Occupation : \_\_\_\_\_

5. Do you experience any difficulty in getting small denomination coins? If so in which denominations

| S. No. | Denominations | Easy to get | Difficult to get |
|--------|---------------|-------------|------------------|
| a      | 25 ps         |             |                  |
| b      | 50 ps         |             |                  |
| c      | 1 Re          |             |                  |
| d      | 2 Rs          |             |                  |
| e      | 5 Rs          |             |                  |

6. What is your experience when purchases require use of 25 ps and 50 ps coins? Tick those, which occur most often.

| S. No. | Type of transactions                                  | Tick |
|--------|---|------|
| a      | Shop gives correct coin change without asking         |      |
| b.     | Shop gives some item instead of coin change           |      |
| c      | Shop gives correct coin change or item only if asked  |      |
| d      | Shop does not give correct coin change or item        |      |
| e      | You give correct coin change and shop accepts         |      |
| f      | You give correct coin change and shop does not accept |      |

7. What does the shopkeeper do when he does not have correct coin change?

| S. No. | Action of shopkeeper                                | Tick |
|--------|---|------|
| a      | Asks you to give coin change                        |      |
| b      | Rounds off the amount to higher denomination        |      |
| c      | Rounds off the amount to lower denomination         |      |
| d      | Rounds off according to the value                   |      |
| e      | Gives you some item as a substitute for coin change |      |

8. What do customers generally do when shopkeepers do not give correct coin change of 25 ps or 50 ps?

| S. No. | Response of people         | Tick |
|--------|----------------------------|------|
| a      | Demand correct coin change |      |
| b      | Give correct coin change   |      |
| c      | Do nothing                 |      |
| d      | Not buy from the shop      |      |

9. When some customers do demand small coin change of 25 ps and/or 50 ps from shops they do so as:

| S. No. | Reasons for demanding   | Tick |
|--------|---|------|
| a      | They do not want to loose money in the purchase                               |      |
| b      | They think that the shopkeeper is not giving change even though he has change |      |
| c      | They think that as a good citizen they should stand for what is right         |      |
| d      | Coins are needed for other transactions                                       |      |
| e      | Any other   |      |

10. Why do customers/ public not demand 25 ps/ 50 ps coin change from shopkeeper when they are not given correct coin change? Tick any of the following reasons.

| S. No. | Reasons for not demanding coin change  | Tick |
|--------|--|------|
| a      | Customers are not interested in carrying small change in their pockets           |      |
| b      | Customers do not want to spend time and effort in asking for small coin change   |      |
| c      | Shopkeeper would be unhappy, as he does not want to give coin change.            |      |
| d      | Customers do not know where to complain if shop does not give coin even if asked |      |
| e      | Coins cannot be used elsewhere and so did not make sense to demand coins         |      |
| f      | People do not want to make an issue on a small amount in front of others         |      |

11. Why do Customers not give correct coin change? Tick any of the following reasons:

| S. No. | Reasons for not giving correct coin change   | Tick |
|--------|--|------|
| a      | Customers do not want to carry coin change in their pockets                            |      |
| b      | Customers do not want to spend time and effort in selecting, counting and giving coins |      |
| c      | Coins are not easily available from any source   |      |
| d      | Customers do not want to be considered as misers                                       |      |
| e      | Shopkeepers do not accept small coin change  |      |

12. Do you think people will use correct coin change if

| S. No. | Reason to encourage use of coin change                         | Tick |
|--------|--|------|
| a      | Coins are made easily available                                |      |
| b      | Size and weight of coins are made smaller for ease of carrying |      |
| c      | Coins are easily available from Banks and Post Office          |      |
| d      | Banks and Post Office are willing to accept coin change        |      |
| e      | People know where to complain if coin change is not accepted   |      |

13. Do you prefer to get coins from any source?

Yes \_\_\_\_ No \_\_\_\_

If yes, where do you prefer to get coins?

| S. No. | Source      | Rank |
|--------|-------------|------|
| a      | Banks       |      |
| b      | Post-office |      |
| c      | P.C.O.      |      |
| d      | Paan Shop   |      |
| e      | Any other   |      |

14. (a) Are you aware of RBI rules/ guidelines on use of coins?

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) If yes, what are the rules/ guidelines?

| S. No. | Guidelines  | Tick |
|--------|---|------|
| 1      | Small denomination coins of 25ps and 50 ps are in use |      |
| 2      | Banks are required to accept and give coin change     |      |
| 3      | Unable to state                                       |      |

(c) Where did you get to know of these guidelines?

| S. No. | Source                 | Tick |
|--------|------------------------|------|
| a.     | Television             |      |
| b      | Newspaper              |      |
| c.     | Bank Notice Board      |      |
| d      | Bank staff             |      |
| e.     | Internet (RBI Website) |      |
| f      | Any other              |      |

15. If the trader does not follow the RBI guidelines what do you do to make the trader follow RBI guidelines?

| S. No. | Action                               | Tick |
|--------|--------------------------------------|------|
| a.     | Tell the trader about the guidelines |      |
| b      | You are unable to do anything        |      |



16. If the trader does not follow RBI guidelines even after telling them about the guidelines, what will you do?

| <b>S. No.</b> | <b>Action</b>                                     | <b>Tic<br/>k</b> |
|---------------|---|------------------|
| a.            | Complain to RBI                                   |                  |
| b.            | Do nothing as do not want to get into any problem |                  |
| c             | Do not know what to do                            |                  |
| d.            | Complain to Police/ Govt. Official                |                  |
| e             | Any other   |                  |

### ANNEXURE 3

#### TRADE QUESTIONNAIRE Need and Use Behavior for Small Denomination Coins

1. Shop Name: \_\_\_\_\_

2. Shop Address: \_\_\_\_\_

3. Type of shop: Grocery  General Store  Medical Shop   
Paan Shop  Hotel / Sweet Shops  STD/PCO  Others

4. Do shops in this market generally accept small denomination coins?

| S. No. | Denomination | Accept | Do not accept |
|--------|--------------|--------|---------------|
| a      | 25 ps coins  |        |               |
| b      | 50 ps coins  |        |               |
| c      | 1 Re coins   |        |               |
| d      | 2 Rs coins   |        |               |
| e      | 5 Rs coins   |        |               |

5. What could be the reason for shops not accepting small denomination coins? Indicate the most important reasons

| S. No. | Reason  | Tick |
|--------|---|------|
| a      | Stocking the coins blocks money                                       |      |
| b      | Counting and giving takes time  |      |
| c      | Small denomination coins do not have value                            |      |
| d      | There is no place where the small denomination coins can be converted |      |
| e      | Any other   |      |

6. What is it that most traders do when they do not have change (coins)? Tick the most common action.

| S. No. | What traders do                         | Tick |
|--------|---|------|
| a.     | Ask the customer to give correct amount |      |
| b.     | Get coins from nearby shop              |      |
| c.     | Give another item in place of coins     |      |
| d.     | Round-off to next higher denomination   |      |
| e      | Any other                               |      |

7. How do most customers react to coin change? Mark the most common reaction for both 25 ps and 50 ps

| S. No. | Customer reaction                                | 25 ps | 50 ps |
|--------|--|-------|-------|
| a      | Customers do not want coin change                |       |       |
| b      | Customer asks for an item instead of coin change |       |       |
| c      | Customers accept coin change if given            |       |       |

|   |   |  |  |
|---|---|--|--|
| d | Customers demand coin change if not given         |  |  |
| e | Customers switch shop if coin change is not given |  |  |

8. Is availability of small denomination coins satisfactory?

| S. No. | Denominations | Satisfactory | Unsatisfactory |
|--------|---------------|--------------|----------------|
| a      | 25 ps         |              |                |
| b      | 50 ps         |              |                |
| c      | 1 Re          |              |                |
| d      | 2 Rs          |              |                |
| e      | 5 Rs          |              |                |

9. To how many customers are you able to give coin change out of the 10 customers who have to be given change (coins)?

| S. No. | Number of Customers             | Occurrence out of 10 |
|--------|---------------------------------|----------------------|
| a      | To all customers                |                      |
| b      | About 8 customers (between 7-9) |                      |
| c      | About 5 customers (between 4-6) |                      |
| d      | About 2 customers (between 1-3) |                      |
| e      | No customer                     |                      |

10. What could be the reason that some traders do not give small denomination coin change to customers? Tick the important reasons.

| S. No. | Reasons for not giving coin change                          | Tick |
|--------|---|------|
| a      | Trader does not stock small denomination coins              |      |
| b      | Coins are not easily available in the market                |      |
| c      | Customer prefers some item instead of coin change           |      |
| d      | Customers do not bother about small amount of 50 ps or less |      |
| e      | Counting and giving small denomination coins take time      |      |
| f      | Supplier fixes MRP to indirectly provide a higher margin.   |      |

11. Where do you get coins for doing your business? Tick among the options.

| S. No. | Source of coins                       | Tick |
|--------|---------------------------------------|------|
| a.     | From supplier of coins for commission |      |
| b.     | From bank                             |      |
| c.     | From customers                        |      |
| d      | From other traders/ Wholesaler        |      |
| e      | Nearby shop                           |      |
| f      | Others                                |      |

12. If you want coins to be made easily available, from where would you prefer to get the coins? Rank them according to preference.

| S. No. | Source            | Rank |
|--------|-------------------|------|
| a      | Banks             |      |
| b      | Post Office       |      |
| c      | Wholesalers       |      |
| d      | Other shops (Paan |      |

|   |            |  |
|---|------------|--|
|   | shop)      |  |
| e | Coin agent |  |
| f | Any other  |  |

13. \*How often would you like to get coin change?

| S. No. | Frequency | Tick |
|--------|-----------|------|
| a      | Daily     |      |
| b      | Weekly    |      |
| c      | Monthly   |      |
| d      | Any other |      |

\*If do not need coin change include it in 'd' and indicate against 'any other'

14. If you want coins to be made available, in what lot size (No. of coins) do you prefer?

|       | 50 Nos. | 100 Nos. | 200 Nos | 500 or > |
|-------|---------|----------|---------|----------|
| 25 ps |         |          |         |          |
| 50 ps |         |          |         |          |
| 1 Re  |         |          |         |          |
| 2 Rs  |         |          |         |          |
| 5 Rs  |         |          |         |          |

15. What is your experience when you go to the bank for depositing small denomination coins?

| S. No. | Response  | Tick |
|--------|---|------|
| a.     | Easily accepted                                   |      |
| b.     | Made to wait before acceptance                    |      |
| c.     | Made to visit 2 or 3 times before accepting coins |      |
| d.     | Refuse to accept coins                            |      |
| e.     | Any other   |      |

16. (a) Are you aware of RBI rules/ guidelines on use of coins?

Yes \_\_\_\_\_ No \_\_\_\_\_

(c) If yes, what are the rules/ guidelines?

| S. No. | Guidelines  | Tick |
|--------|---|------|
| 1      | Small denomination coins of 25ps and 50 ps are in use |      |
| 2      | Banks are required to accept and give coin change     |      |
| 3      | Unable to state                                       |      |

(c) Where did you get to know of these guidelines?

| S. No. | Source                 | Tick |
|--------|------------------------|------|
| a.     | Television             |      |
| b      | Newspaper              |      |
| c.     | Bank Notice Board      |      |
| d      | Bank staff             |      |
| e.     | Internet (RBI Website) |      |
| f      | Any other              |      |

**ANNEXURE 4**

**QUESTIONNAIRE FOR BANKS**  
**Need and Use Behavior for Small Denomination Coins**

1. Name of Bank : \_\_\_\_\_

2. Address : \_\_\_\_\_

Action: Ask for coin change and observe whether you get coin change or not?  
 Observation: Got coin change \_\_\_\_\_, Did not get coin change \_\_\_\_\_

3. Do you have currency Chest here? Yes \_\_\_\_\_ No \_\_\_\_\_

4. Do you have adequate stock of small denomination coins? Yes \_\_\_\_\_  
 No \_\_\_\_\_

5. Even when coins are available many banks find it difficult to give coins across the cash counter to the public. What is the difficulty that most banks experience in giving coin change?

| S. No. | Reason banks are not able to give coin change        | Rank |
|--------|--|------|
| a.     | Inadequate staff                                     |      |
| b      | Takes lot of time and effort to count and give coins |      |
| c.     | It inconveniences other customers                    |      |
| d      | Any other ( )  |      |

6. If stock of coins is not available, is it because:

| S.No. | Reason for non-availability of coins             | Tick |
|-------|--|------|
| a     | You don't get coins from RBI/Currency Chest/Bank |      |
| b     | Got Coins but exhausted                          |      |
| c     | No Sufficient Staff                              |      |
| d     | Too much of an effort                            |      |
| e     | Any Other  |      |

7. Is your branch open on Sundays, for distributing coins? Yes \_\_\_\_\_  
 No \_\_\_\_\_

8. How much time will it take to get coins if you request for coins from RBI/Bank?

| S. No. | Time period | Tick |
|--------|-------------|------|
|        |             |      |

|    |                     |  |
|----|---------------------|--|
| a. | One day             |  |
| b. | One week            |  |
| c. | One month           |  |
| d. | More than one month |  |

9. (a) Are you aware of RBI rules/ guidelines on use of coins? Yes \_\_\_\_\_  
 No \_\_\_\_\_

(d) If yes, what are the rules/ guidelines?

| S. No. | Guidelines   | Tick |
|--------|--|------|
| 1      | Small denomination coins of 25ps and 50 ps are in use  |      |
| 2      | Banks are required to accept and give coin change  |      |
| 3.     | Make available polythene sachet (for 100 coins) to customers for depositing coins  |      |
| 4      | In case the stocks of coins reach beyond the holding capacity of the currency chest/small coin depot, the Issue Department of the Circle may be approached for remittance of coins |      |
| 5      | Unable to state  |      |

(c) Where did you get to know of these guidelines?

| S. No. | Source                           | Tick |
|--------|----------------------------------|------|
| a.     | Television                       |      |
| b      | Newspaper                        |      |
| c.     | Bank Notice Board                |      |
| d      | Colleagues from the bank (staff) |      |
| e.     | Internet (RBI Website)           |      |
| f      | RBI/ Bank Circular               |      |
| g      | Any other                        |      |

## ANNEXURE – 5

## RESPONDENT DISTRIBUTION PROFILE BY LOCATION

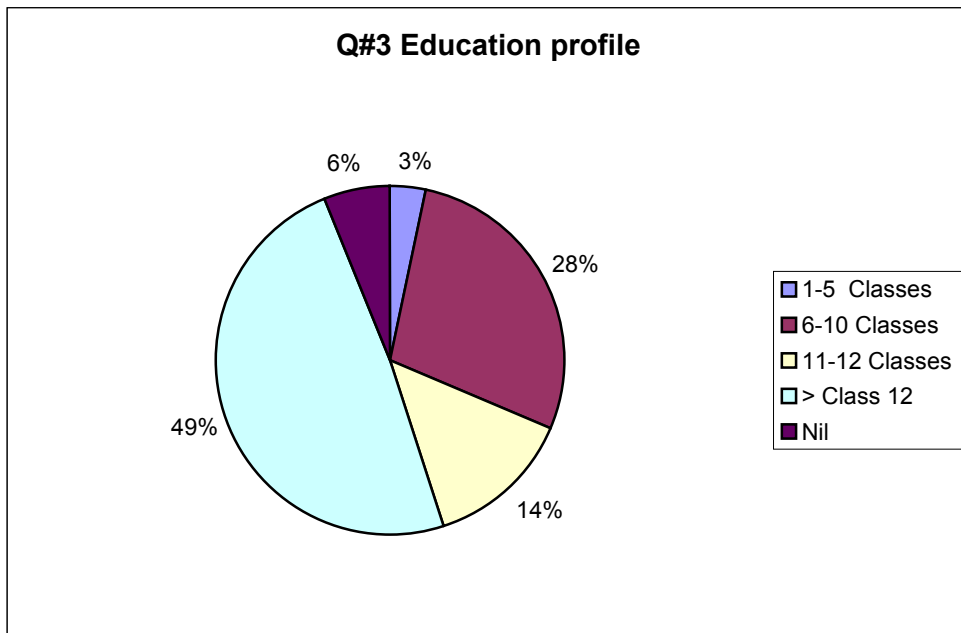
| State              | Location          |                            | Customer   |            | Trade      |           | Banks     |           |
|--------------------|-------------------|----------------------------|------------|------------|------------|-----------|-----------|-----------|
|                    | District          | Place/Village name         | Urban      | Rural      | Urban      | Rural     | Urban     | Rural     |
| Bihar              | Samastipur        | Samastipur/Kushyari        | 31         | 10         | 20         | 2         | 5         | 1         |
|                    | Patna             | Patna/Fatua                | 30         | 10         | 19         | 2         | 5         | 1         |
|                    | Nalanda           | Nalanda/Noorsarai          | 30         | 10         | 20         | 2         | 5         | 1         |
|                    | Katihar           | Katihar/Bastaul            | 30         | 10         | 21         | 2         | 5         | 1         |
|                    | Muzaffarpur       | Muzaffarpur/Rampurjaipal   | 30         | 10         | 20         | 2         | 5         | 1         |
| <b>Total</b>       |                   |                            | <b>151</b> | <b>50</b>  | <b>100</b> | <b>10</b> | <b>25</b> | <b>5</b>  |
| Uttar Pradesh      | Lucknow           | Lucknow/Dasholi            | 31         | 11         | 21         | 2         | 5         | 1         |
|                    | Kanpur            | Kanpur/Mitha               | 30         | 11         | 20         | 2         | 6         | 1         |
|                    | Varanasi          | Varanasi/Goshila           | 31         | 11         | 20         | 2         | 5         | 2         |
|                    | Bareilly          | Bareilly/Jead              | 31         | 10         | 20         | 2         | 5         | 1         |
|                    | Aligarh           | Aligarh/Hajipur            | 30         | 12         | 21         | 4         | 5         | 1         |
| <b>Total</b>       |                   |                            | <b>153</b> | <b>55</b>  | <b>102</b> | <b>12</b> | <b>26</b> | <b>6</b>  |
| West Bengal        | Kharagpur         | Kharagpur/Mawa             | 30         | 10         | 20         | 2         | 5         | 1         |
|                    | Suri              | Suri/Bhorkuna              | 30         | 10         | 20         | 2         | 5         | 1         |
|                    | Asansol           | Asansol/Bhanora            | 30         | 10         | 20         | 2         | 5         | 1         |
|                    | South 24 Parganas | South 24 Parganas/Bandipur | 30         | 10         | 20         | 2         | 5         | 1         |
|                    | Darjeeling        | Darjeeling/Sonada          | 30         | 10         | 20         | 2         | 5         | 1         |
| <b>Total</b>       |                   |                            | <b>150</b> | <b>50</b>  | <b>100</b> | <b>10</b> | <b>25</b> | <b>5</b>  |
| <b>Grand total</b> |                   |                            | <b>454</b> | <b>155</b> | <b>302</b> | <b>32</b> | <b>76</b> | <b>16</b> |

**ANNEXURE-6**  
**STATE WISE DATA ON SAMPLE PROFILE FOR CUSTOMER AND TRADE**

**A: RESPONDENT PROFILE FOR CUSTOMERS**

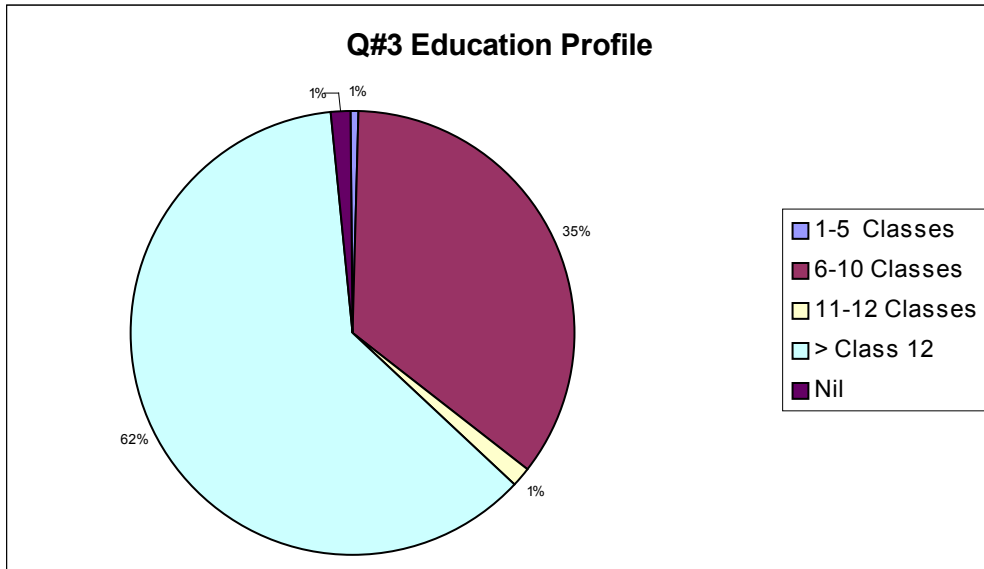
**Education profile in urban area**

**Chart A6-1: Bihar-Urban: Education profile**

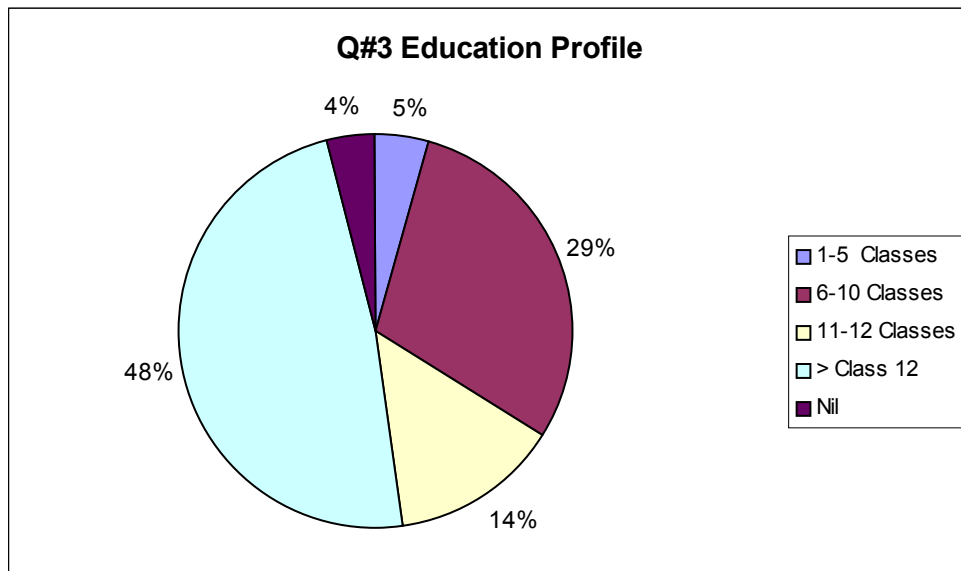




**Chart A6-2: U.P.-Urban: Education profile**

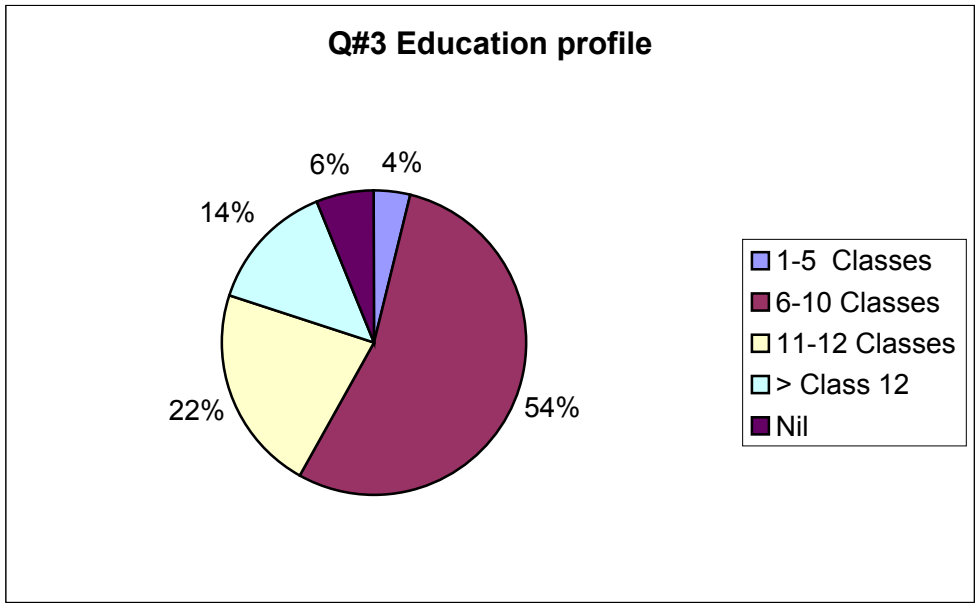


**Chart A6-3: WB-Urban: Education profile**

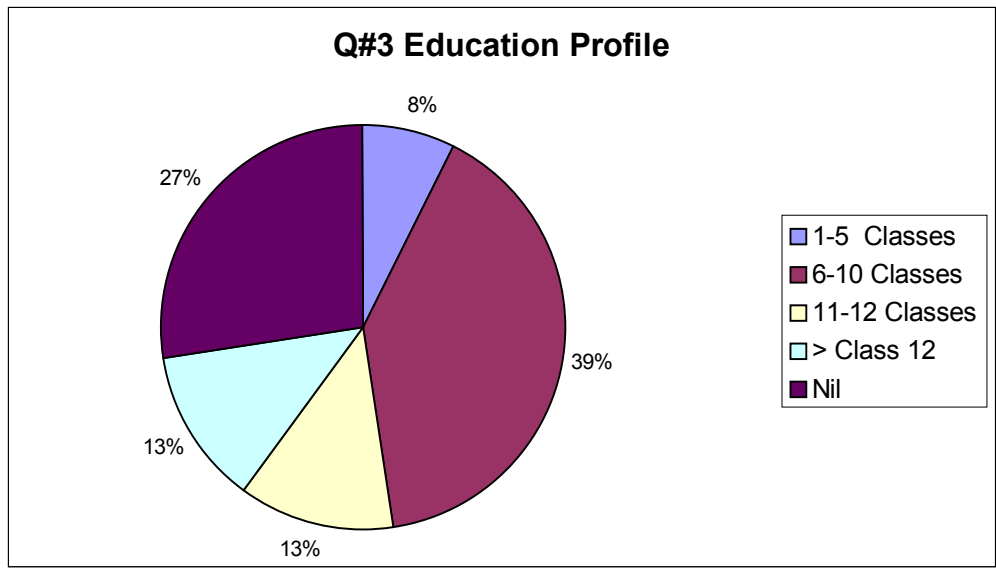


### Education profile in rural area

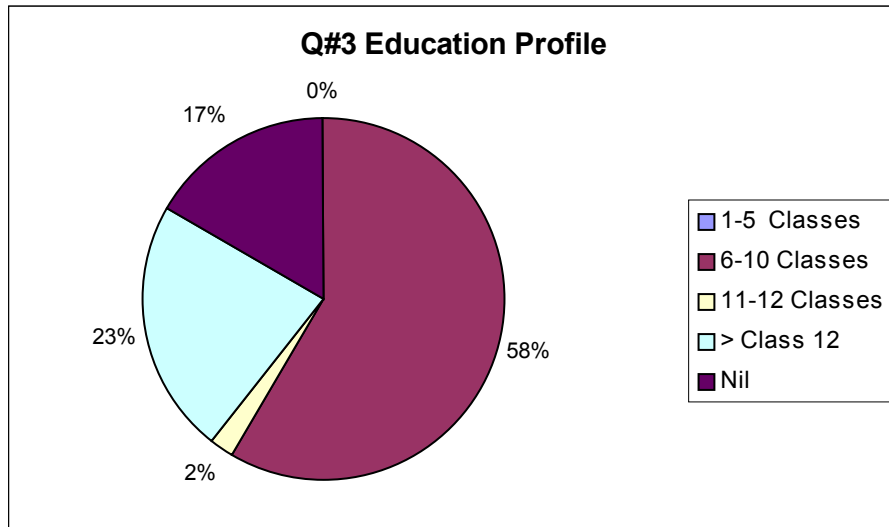
**Chart A6-4: Bihar-Rural: Education profile**



**Chart A6-5: UP-Rural: Education profile**

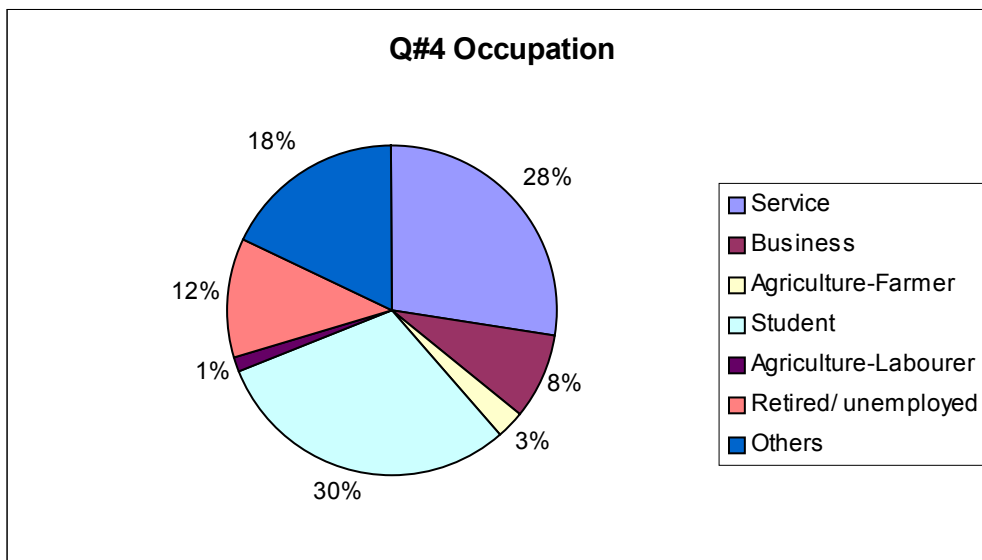


**Chart A6-6: WB-Rural: Education profile**

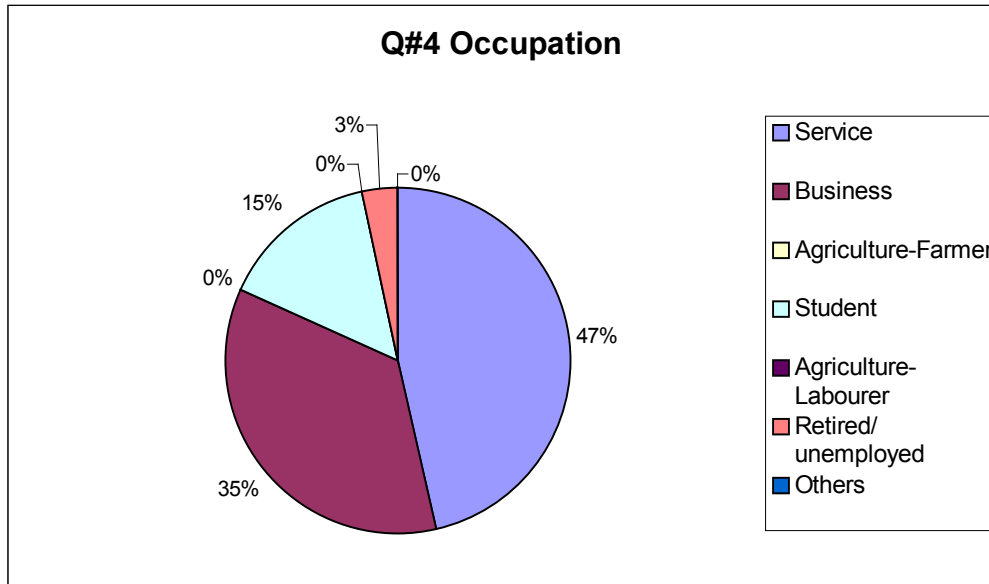


**Occupation profile in urban area**

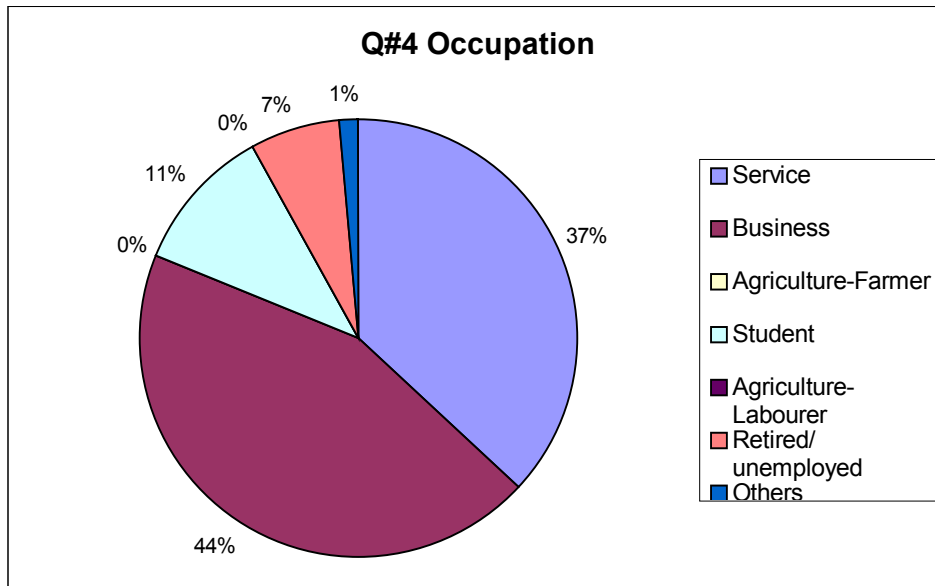
**Chart A6-7: Bihar-Urban: Occupation profile**



**Chart A6-8: UP-Urban: Occupation profile**

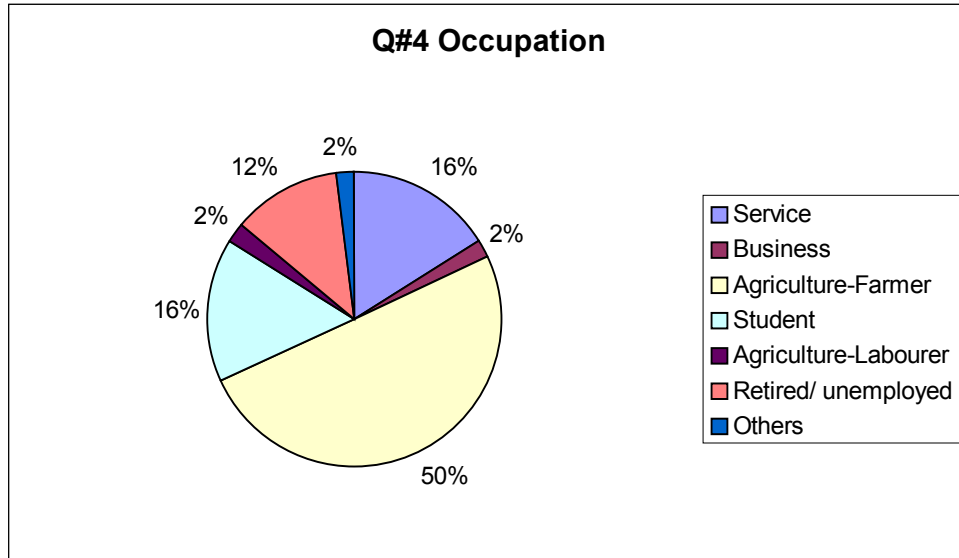


**Chart A6-9: WB-Urban: Occupation profile**

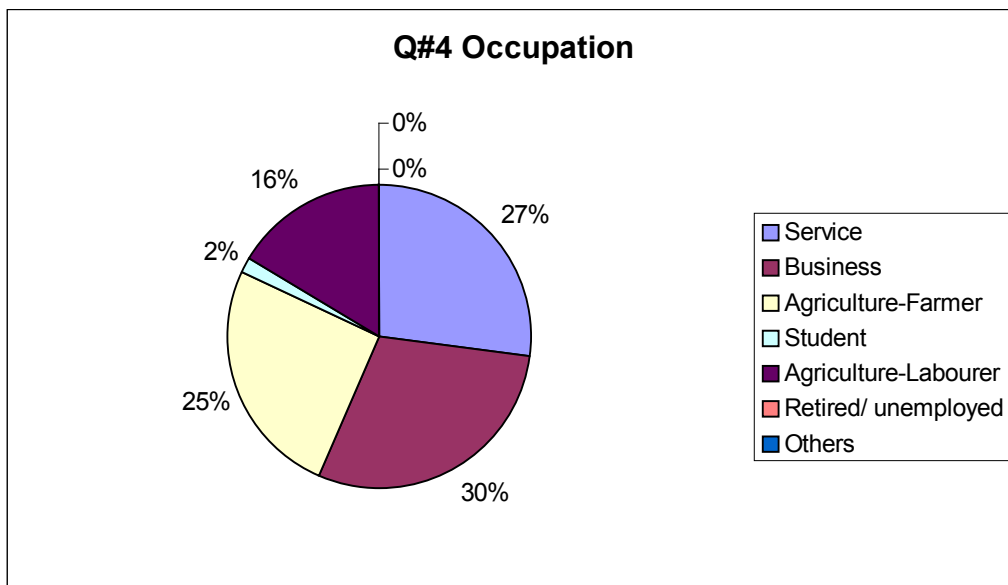


### Occupation profile in rural area

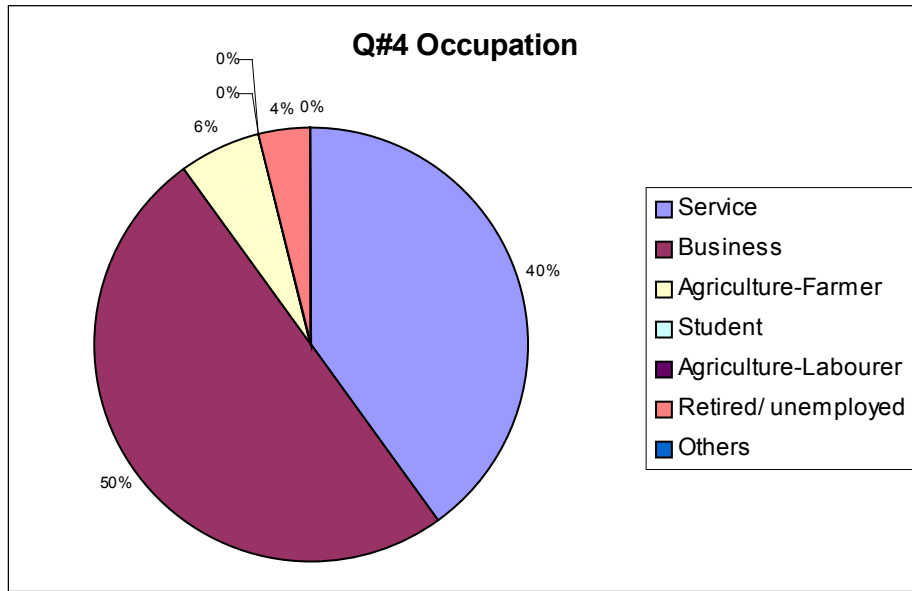
**Chart A6-10: Bihar-Rural: Occupation**



**Chart A6-11: UP-Rural: Occupation profile**



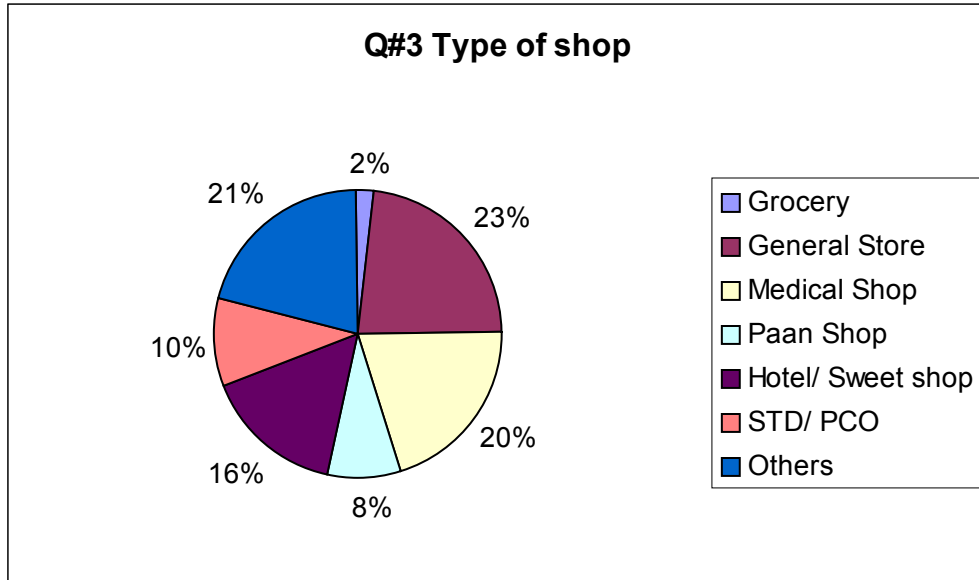
**Chart A6-12: WB-Rural: Occupation profile**



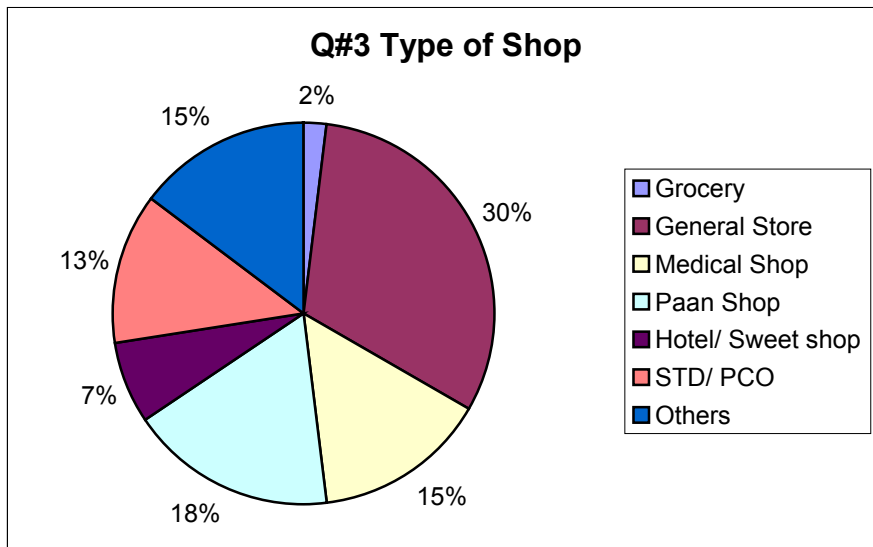
**B: RESPONDENT PROFILE FOR TRADE**

**Trader profile in urban area**

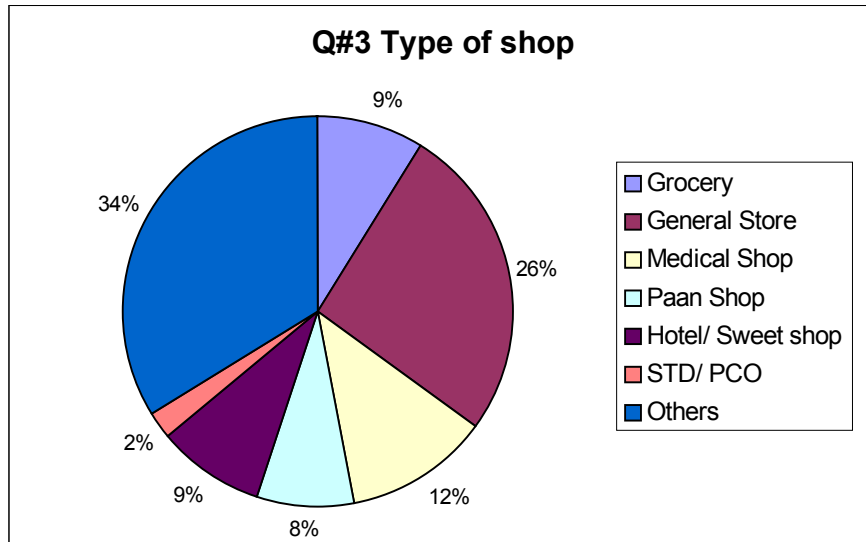
**Chart A6-13: Bihar-Urban: Type of shop**



**Chart A6-14: UP-Urban: Type of shop**

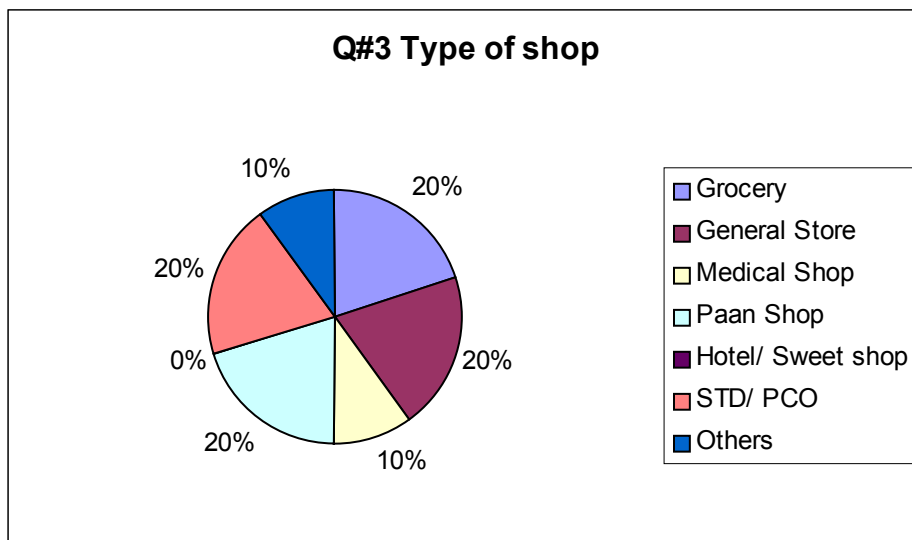


**Chart A6-15: WB-Urban: Type of shop**



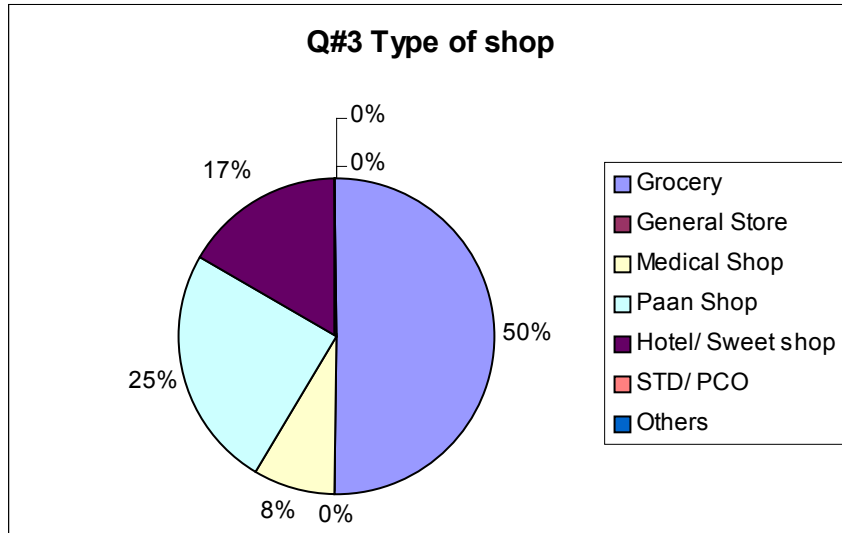
**Trader profile in rural area:**

**Chart A6-16: Bihar-Rural: Type of shop**





**Chart A6-17: UP-Rural: Type of shop**



**Chart A6-18: WB-Rural: Type of shop**

