

A Study On Rural Household's Cognizance And Conduciveness In Banking Services (With Reference To Gujiniguda, Jeypore Mandal Koraput Dist, Odisha)

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Abstract

The paper aims to understand and conduciveness the present status of banking services of rural area in Gujiniguda, Jeypore Mandal Koraput Dist, Odisha. The study is descriptive in nature. The study was conducted to analyze the cognizance and conduciveness levels regarding banking services in rural area of Koraput dist. The respondents were interviewed through structured non-disguised questionnaire. The respondents were asked about their cognizance and conduciveness, usage and level of satisfaction from various formal and informal banking services. Statistical tools like frequency test and chi-square test were used to analyze the data. The focus of the study is to find out the level of cognizance, conduciveness and satisfaction in banking services.

Keywords: Banking services, cognizance, conduciveness, rural area, households.

Introduction

The banking industry in India has been witness to several regulatory changes during the last decade that have resulted in a heightened level of competition. India's banking system responded to the post liberalization reforms in a creditable manner by showing admirable alacrity in absorbing the impact of reforms (Kaushik, 1997). Today, the focus of marketing in banks has shifted to managing relationships with customers. This necessitates an in-depth study to understand the banking service quality on rural household's cognizance and conduciveness. In Indian banks as they strive for a competitive advantage in an atmosphere characterized by liberalization, privatization and globalization which have brought the customer-focus to the forefront. Thus, the present study seeks to provide an appropriate platform for investigating the critical issues involved. The main objective is to assess the level of cognizance and conduciveness in banking services and find out the level of satisfaction

they have with the services provided by the bank.

OBJECTIVES OF THE STUDY

1. To examine the present status of banking services of rural area of Gujiniguda, Jeypore Mandal Koraput Dist. Odisha.
2. To study the effect of cognizance and conduciveness in banking services in rural area.
3. To evaluate the financial cognizance of banking services and the level of conduciveness on rural households.

Area of the Study

The present study has been carried out in selected village Gujiniguda, Jeypore Mandal Koraput Dist. Odisha. Which are Agriculturally, Industrially, business-wise potential, the sample group characterizes rural households with different age groups, education background and

income levels with an accreditation of various social, cultural and religious traits. And villages were selected on the basis of stratified random sampling method. In the second stage, the household's are selected based on random sampling method representing different demographic characteristics.

Data Collection

Data collection plays a very crucial role in the statistical analysis. In research, there are different methods used to gather information, all of which fall into two categories, i.e. primary data, and secondary data. As the name suggests, primary data is one which is collected for the first time by the researcher while secondary data is the data already collected or produced by others.

Hypotheses of the Study

On the basis of the objectives considered for the study, the following null hypotheses were developed for the purpose of the present study.

HYPOTHESIS 1:

There is no significant difference in rural household's have more cognizance to banking services.

HYPOTHESIS 2:

There is no significant difference in cognizance and conduciveness in banking services in rural area

HYPOTHESIS 3:

There is no significant difference in level of financial and technological Conduciveness of banking services in rural households.

Sampling technique and sample size for the study

A descriptive-analytic research design is adopted in order to conduct this study. Descriptive research is used to obtain information concerning the status of the quality of services in banks to describe, "What exists" with respect to variables or conditions in bank services. This design was found to be most suitable for understanding the households' cognizance and conduciveness with the services provided to them in the banks. The items with

respect to the various dimensions have been jumbled and arranged in a random order in the instrument. The sampling procedure used for the study was stratified random sampling. 112 Households have been randomly identified by avoiding samples of convenience. The stratified random sampling has also been used to select samples from different demographic profiles such as Gender, Age, Occupation, etc. And judgment sampling has also been deployed as the researcher judged the potential respondents who could provide finally accurate information to provide possible solutions to the defined problem. Validity and reliability of the questionnaire were already established in earlier researches, which ultimately supported the investigator to retain the responses of all the respondents and to make use of them in the analysis of primary data. The stratified disproportionate random sampling method was made based on the following.

Statistical Techniques used for Data Analysis

Frequency Analysis is used where percentage and cumulative percentages are calculated. For testing of hypothesis, results are analysed by Pearson Chi-Square, and Likelihood ratio.

Limitations of the study

Though the study is carefully designed, it has certain limitations, they are

1. The study is based on a sample size of 112 household respondents and hence the interpretations are based on approximations.
2. The present study is confined only to Gujiginiguda, Jeypore Mandal Koraput Dist., Odisha.
3. Some families are not responding to give proper information.
4. Time and resources were sufficient to cover only the samples and hence an attempt was not made to cover all the districts in the state.
5. The information on usage of financial services given by the household respondent is subject to severe limitations like unwillingness of the respondent to provide information properly. Further, some of the households may

have gone for over reporting to attract government aid by projecting over indebtedness

Review of literature

An attempt has been made to present, in brief, a review of past studies, which have a direct or indirect relevance to this study. This is likely to provide a glimpse of work done on the studies related to financial services in rural areas. These studies have been placed in chronological order so that proper perspective may be developed for pursuing the present project.

Kumar and Gulati (2019) also found monopolistic competition in the banking sector in India in their study for the period from 1998-99 to 2015-16. Based on the risk-adjusted Lerner Index, Arrawatia et al. (2019) found improvement in competitive condition for the overall period 1996 to 2016 in Indian banking.

Rakshit and Bardhan (2019) found that the Indian banking system was competitive in general in their study for the period 1996-2016 based on the Lerner index, adjusted Lerner index, and Boone indicator. Li et al. (2019) also found monopolistic competition for the banking sector in India in their study for the period 2005 to 2018.

According to World Bank (2008) Access to finance eases the external financing constraint that prevents firms' expansion. Low access also leads to increased income inequalities, poverty, and low growth rates. Thus access to finance and an inclusive financial system which caters for all groups of people has been advocated as a means to reduce inequalities and poverty in developing countries

Ayushi Raichoudhury Vision (2020). Major determinants of financial inclusion: State-level evidences from India. Financial inclusion is one of the essential barometers for all-encompassing growth in any country. Past studies have linked financial inclusion as an economic instrument for inclusive growth. It is therefore imperative to know the determinants of financial inclusion.

Swati Agrawal, Prabhati Panda, Lopamudra Mishra (2021). Role of financial inclusion in promoting inclusive growth: a case study of Jharsuguda & Sundargarh districts of Odisha. Financial inclusion is the delivery of financial services at reasonable costs to sections of

underprivileged & low-income segments of the society.

Banking Correspondent (B C)

SEED is one of the largest "Business Correspondents" in India with a comprehensive reach across 17 states. The business correspondent services facilitate both public and private banks to reach the underserved and unserved rural masses to offer a range of financial services. It also facilitates government's EBT and remittance schemes to beneficiaries across India. Under financial inclusion projects, SEED created a customer base of 1.5 million smart-card savings accounts holders. The business model derives its strength from the versatility of operations, scale of the channel and customer know-how. It has been trusted by many of the largest Indian banks as their preferred Business correspondent such as Punjab National Bank (PNB), State Bank of India (SBI), State Bank of Hyderabad (SBH), State Bank of Bikaner & Jaipur (SBBJ), Central Bank of India (CBI), Union Bank of India (UBI), Dena Bank, ICICI Bank, Yes Bank, Indian Bank, IDBI and Bank of Baroda etc.

BC should identify the villages/areas where there is less awareness in banking services and conduct awareness sessions through BC for encourage the villagers in using banking services. So, that the villagers will take the lead in using the banking services and their time will not be wasted.

Rural household's cognizance and conduciveness in banking services – An analysis and interpretation Socio Economic Profile of the Sample households

This present study is attempted to discuss the socio economic and demographic profile of the sample households of the Gujiginiguda, Jeyporein Odisha

Table-1: I. Characteristics of respondents
(Sample distribution of 112 respondents)

Characteristics of Respondents (Demographic & Personal profiles)		Respondents (112)	Per cent age (%)
Age-wise Classification	Below 20	30	20.79
	20-30	44	39.29
	30-40	28	25
	40 above	10	8.93
	Total	112	100.00
Gender- wise classification	Male	80	71.43
	Female	32	28.57
	Total	112	100.00
Literacy-wise classification	Illiterate	23	20.54
	Primary	48	42.86
	Secondary	21	18.75
	Post-Secondary	21	18.75
	Total	112	100.00
Occupation-wise classification	Cultivator	18	16.07
	Agricultural Labour	38	33.93
	Construction Labour	20	17.86
	Industrial Labour	7	6.25
	Household Industry	5	4.46
	Trade/Commerce	6	5.36
	Salaried People	12	10.71
	Profession/Self-employee	6	5.36
	Total	112	100
Source of income-wise classification	Crop Income	24	21.43
	Wage Income	54	48.21
	Livestock	7	6.25
	Rearing of Cattle	4	3.57
	Household Industry	3	2.68
	Trade/Commerce	4	3.57
	Salaried income	13	11.61
	Profession/ Self-employment	3	2.68
	Total	112	100

Source: Computed from Primary Data.

Table-2: II. Conduciveness to finance
(Sample distribution of 112 respondents)

Conduciveness to finance		Respondents (112)	Per cent age (%)
Have Bank Account	Yes	112	100.00
	No	-	-
	Total	112	100.00
Type of account	Savings A/c	112	100.00
	Current	-	-
	Joint	-	-
	SHG Group	-	-
	Total	112	100.00
Who will help to use the banking or ATM Services	Family Members	-	-
	Friends	-	-
	Existing staff in the Bank	48	42.86
	BC staff	64	57.14
	Total	112	100.00
Frequency of deposits and withdrawals by account holders	Within week	5	4.46
	Within two weeks	2	1.79
	Within three weeks	3	2.68
	Within one month	84	75
	Every two months	12	10.71
	Every six months	6	5.36
	Total	112	100.00
Type of services getting from bank/BC	Small value deposits	17	15.18
	Limited withdrawals	79	70.54
	Pensions	7	6.25
	Small value of SHG Linkage	9	8.04
	Small value of remittances	-	-
	Micro Insurances	-	-
	Total	112	100

Source: Computed from Primary Data.

Table-3: III. Banking cognizance
Sample distribution of 112 respondents)

Banking cognizance		Respondents (112)	Per cent age (%)
Banking Services	Poorly aware	72	64.29
	Fairly aware	28	25
	Well aware	12	10.71
	Total	112	100.00
Internet banking	Don't know	75	66.96
	Poorly aware	9	8.04
	Fairly aware	15	13.39
	Well aware	13	11.61
	Total	112	100.00
Mobile banking	Don't know	61	54.46
	Poorly aware	19	16.96
	Fairly aware	17	15.18
	Well aware	15	13.39
	Total	112	100.00
Debit card/ Credit card	Don't know	69	61.61
	Poorly aware	13	11.61
	Fairly aware	19	16.96
	Well aware	11	9.82
	Total	112	100.00
Online Banking	Don't know	65	58.04
	Poorly aware	17	15.18
	Fairly aware	17	15.18
	Well aware	13	11.61
	Total	112	100
Banking quality services.	Normal Service	16	14.29
	Poor quality service	-	-
	Good quality service	84	75
	Better quality service	12	10.71
	Total	112	100.00

Source: Computed from Primary Data.

Interpretation

I. Characteristics of Respondents

- Age-wise distribution from the sample of 112 households reveals that, majority of the sample respondent's age group of 20 -30 years.
- Gender-wise distribution from the sample of 112 household's reveals that, majority of the sample respondents are male.
- Literacy-wise distribution from the sample of 112 household's reveals that, majority of the sample respondents are Primary education level.
- Occupation-wise distribution from the sample of 112 household's reveals that, majority of the sample respondents are agriculture labour.
- Source of income-wise distribution from the sample of 112 household's reveals that, majority of the sample respondents are wage income holders.

II. Conduciveness to finance

- Bank account- wise distribution from the sample 112 household's reveals that all are having bank account.

- Type account- wise distribution from the sample 112 household's reveals that all are having saving bank account.

- Help to use the banking or ATM services-wise distribution from the sample 112 households reveals that BC staff 64 and Existing staff 48.

- Frequency of deposits and withdrawals by account holders - wise distribution from the sample 112 household's reveals those 84 members within a month.

- Type of services getting from bank/BC-wise distribution from the sample 112 household's reveals those 79 members limited withdraws.

III. Banking cognizance

- Banking Services -wise distribution from the sample of 112 household's reveals that, majority of the respondents are poorly aware.

- Internet banking -wise distribution from the sample of 112 household's reveals that, majority of the respondents are don't know.

- Mobile banking- wise distribution from the sample of 112 household's reveals that, majority of the respondents are don't know.

- Debit card/ Credit card- wise distribution from the sample of 112 household's reveals that, majority of the respondents are don't know.

- Online Banking- wise distribution from the sample of 112 household's reveals that, majority of the respondents are don't know.

- Banking quality services for rural households- wise distribution from the sample of 112 household's reveals that, majority of the respondent's opinion good quality services.

Table-4: Level of significance

I. Characteristics of respondents	Chi-Square Calculated Value	Chi-Square Table value	P Value	Level of Significance	Ho
Age	20.86	7.81	0.050106	Significant at P<0.05	Reject
Gender	20.57	3.84	0.050044	Significant at P<0.05	Reject
Literacy	18.46	7.81	0.050106	Significant at P<0.05	Reject
Occupation	63.57	14.07	0.04995	Significant at P<0.05	Reject
Source of income	156.57	14.07	0.04995	Significant at P<0.05	Reject
II. Conduciveness to finance	Calculated	Tabulated	P Value	Level of Significance	Ho
Bank Account	0.00	3.84	0.050044	Not Significant at P<0.05	Accept
Type of account	0.00	3.84	0.050044	Not Significant at P<0.05	Accept
Who will help to use the banking or ATM Services	0.214	3.84	0.050044	Significant at P<0.05	Reject
Frequency of deposits and withdrawals by account holders	277.68	11.07	0.05001	Significant at P<0.05	Reject
Type of service	106.57	11.07	0.011353	Significant at P<0.05	Reject
III Banking cognizance	Calculated	Tabulated	P Value	Level of Significance	Ho
Banking Services	51.759	5.99	0.050037	Significant at P<0.05	Reject
Internet banking	105.86	7.81	0.050106	Significant at P<0.05	Reject
Mobile banking	52.14	7.81	0.050106	Significant at P<0.05	Reject
Debit card/ Credit card	81.29	7.81	0.050106	Significant at P<0.05	Reject
Online Banking	65.57	7.81	0.050106	Significant at P<0.05	Reject
Banking quality services.	87.451	5.99	0.050037	Significant at P<0.05	Reject

Result of Testing of Hypothesis

I. Characteristics of respondents

It is inferred from the table that the calculated Chi-square value for the Characteristics of respondents (age, Gender, Literacy, Occupation, Source of income) are significant at 5 per cent level and thus, the null hypothesis is rejected. This implies that there is a significant relationship between the levels of Characteristics of respondents on banking

II. Access to Conduciveness

It is inferred from the table that the calculated Chi-square value for the Access to Conduciveness on bank account and type of bank account are insignificant at 5 per cent level and thus, the Null hypothesis is accepted. This implies there is an insignificant relationship between the levels of Access to Conduciveness on banking by the people.

It is incidental from the table that the calculated Chi-square value for the Access to

Conduciveness on are significant at 5 per cent level and thus, the null hypothesis is rejected. This implies that there is a significant relationship between the levels of cognizance on banking by the people.

III. Banking cognizance

It is inferred from the table that the calculated Chi-square value for the cognizance on banking services, Internet banking, Mobile banking, Debit card/ Credit card, Online Banking, Banking quality services are significant at 5 per cent level and thus, the null hypothesis is rejected. This implies that there is a significant relationship between the levels of cognizance on banking by the people.

Findings and suggestions

- There are many other advanced services offered by the bank but people are not aware of them and there are people who knew about these services, still don't know how to access these services. Therefore, it is suggested that banks must simplify design by introducing simple applications which are understood by common.
- The ease of financial inclusion which means no difficulty in opening bank account, no trouble in obtaining cheaper credit, no bother for insurance, facility in savings, facileness in financial advice, effortlessness in transfer of funds and simplicity in the total financial inclusion process. This process must be made understand by the rural people.

Scope for future research

There is a wide scope to extend the research study further in the future. Researchers may continue the same study topic in new areas Therefore, further research in this area may be undertaken comparative study between two different districts, rural and urban areas.

Conclusion

The fact is, many of the world's poor still lack access to stable financial services, be it savings, credit or not. A major challenge before us is to address the constraints that exclude full participation in the financial sector. By

achieving better economic performance by creating equal opportunities, banking services through education and enabling socially excluded people to better integrate into the economy and actively contribute to development and protect themselves from economic shocks (RBI, 2009).

The main reason behind such reflections are due to lack of education, less family income and lack of awareness of formal financial institutions in rural and remote areas. There is a need to address the issues like education, income, financial awareness, bankers' cooperation as a top priority so that the rural households may be included in the mainstream of financial inclusion. Apart from that, there is a need for banks to identify the backward villages and make them aware of bank services through business correspondents; it can be said from the results of this study.

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