

Journal of
Economic and Social Thought

www.kspjournals.org

Volume 2

June 2015

Issue 2

Rural Perspective Towards Financial Inclusion

By M. SELVAKUMAR ^{a†} Jacob MATHAN ^b
& V. SATHYALAKSHMI ^c

Abstract. Financial Inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. For the purpose of giving such financial services in easy and convenient way government has developed many financial plans in the rural areas. These plans are helpful for people who want to access financial services. The availability of banking and payment services to the entire population without discrimination is the prime objective of this public policy. Thus the term Financial Inclusion can be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The nations should takeover and remedy to reach the financial services to the weaker sections. So, this study has been undertaken to analyse the prospects of financial inclusion in rural areas.

Keywords. Bank, Financial Services, Financial Inclusion, Rural Perspective.

JEL. G20, G29, G30.

1. Introduction

Now a day's money is one of the basic requirements of human beings. Growth of a country is depends on how money is utilized by its citizens. Savings of the citizen's has also some importance. Financial Inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. For the purpose of giving such financial services in easy and convenient way government has developed many financial plans in the rural areas. These plans are helpful for people who want to access financial services.

Normally the weaker sections of the society are completely ignored by the formal financial institutions in the race of making chunk of profits or the complexity involved in providing finance to the weaker section. There have been many formidable challenges in financial inclusion area such as bridging the gap between the sections of society that are financially excluded and the ambit of the formal financial system, providing financial

^{a†} PG and Research Department of Commerce, Ayya Nadar Janaki Ammal College, India.
☎. 9600868448 ✉. professorselvakumar@gmail.com

^b Department of Business Administration, Ayya Nadar Janaki Ammal College, India.
☎. 9994240024 ✉. sm1976ster@gmail.com

^c PG and Research Department of Commerce, Ayya Nadar Janaki Ammal College, India.

literacy and strengthening credit delivery mechanisms so as to improvise the financial economic growth.

The availability of banking and payment services to the entire population without discrimination is the prime objective of this public policy. Thus the term Financial Inclusion can be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The nations should takeover and remedy to reach the financial services to the weaker sections.

The Government of India and the Reserve Bank of India have traditionally played a large role in establishing banks and other financial infrastructure in order to increase who are excluded from the financial inclusion and access to the quality financial products. Banks and other top financial institutions such as National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) have supported and aided the government in a variety of ways towards this end.

2. Review of Literature

The researcher has reviewed the following literatures relating to the study. Mahadeva (2008), suggests that the financial inclusion, in any economy, is a precondition for achieving industrial growth and overall development. On the demand side, lack of awareness, illiteracy, unemployment, low income status, social exclusion of people etc are some of the major hindrances for financial inclusion. Some alternative measures may come in term of re-examine credit needs of people, maintaining a good relation between financial institution and rural inhabitants, building strong links between financial institutions and rural-based institutions, creating a financial inclusion fund under the NABARD and initiating a special motivational training to the workforce. Chitta (2009) noted that the financial inclusion offers incremental and complementary solutions to tackle poverty to promote inclusive development and to address the MDGs. Findings and analysis from field research point to four key pillars that are required to strengthen FI and FI-PR-MDG nexus - private sector development, financial literacy, microfinance and public sector support. Kumar & Sharma (2011) concluded that the microfinance has an evolving role in the empowerment of people and the realization of financial inclusion India. While microfinance continues to be the center offering financial services to low income population, it has been proactive in the process of inclusive growth in India by innovative approaches. Accessibility, accountability and sustainability in all operations will help the MFIs to lift themselves as social engineers, effectively. Paramasivan (2011) said that the financial inclusion mainly focuses on the poor who do not have formal financial institutional support and getting them out of the clutches of local money leaders. The reserve bank has facilitated collective decision making by the poor and provide 'Door Step' banking. This will help to open a 'No Frill' account without identify proof and address proof. Mukherjee & Chakraborty (2012) observed that the every bank, be it in the public sector or private sector, reports to the RBI on its achievement on financial inclusion more frequently as a statutory requirement. The bank auditors seldom are found to make comments on the state of affairs of the work done by banks on promoting financial inclusion RBI has a rating procedure of the commercial banks not only on the basis of

their achievements in the process of promoting financial inclusion in the state. Anjum & Rajeshtiwari (2012) expressed that the private sector banks are providing their services in all the population groups. They have started expansion plans in semi urban and rural areas. This is a good sign for ensuring financial inclusion and better quality of service in these areas. Information and communication technology offers the opportunity for the private banks to improve financial inclusion for the unbanked people. Band, et al. (2012) emphasized that, the financial inclusion denotes delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low - income groups. Financial inclusion will strengthen financial deepening and provide resources to the banks to expand credit delivery. Thus, financial inclusion will lead to financial development in our country which will help to accelerate economic growth. Bhatt (2012) concluded that the role of kisan credit card as an instrument for financial inclusion and the progress made so far. Kisan credit card has emerged as an innovative and indispensable credit delivery mechanism to meet the credit needs of farmers in a timely and hassle free manner. Right from its inception the farmers are enjoying the embedded advantages. Gaikwad (2012) discussed about the role of SBI to achieve the financial inclusion in rural areas. He also found that SBI is one among the largest third employers in India and also concluded with SBI plays a vital role for achieving financial inclusion in India. Sharma & Tuli (2012) indicated that the financial inclusion is becoming the 'Growing Roots' in India banking with providing economic as well as easier banking and financial services to poor and slum peoples of the economy. RBI and other reputed government institutions like as NABARD, SIDBI, etc and also playing very dominant role for the successful implementation of this system. Bagli & Duta (2012) indicate that the mass financial literacy and awareness among the marginalized sections of people are absolutely necessary to achieve financial inclusion. The level of financial inclusion of the states in India have a low mean and high disparity financial institutions will have to be socially responsible as well as approachable to achieve complete financial inclusion. Rahman (2012) highlights that the financial inclusion plays a major role in driving away the poverty from the country. Financial inclusion refers to delivery banking services to mass including privileged and disadvantaged people at an affordable terms and conditions. It not only enhances overall financial intensity of agriculture but also help in increasing rural nonfarm activities which lead to development of rural economy and improve economic condition of people. Financial inclusion plays a major role in driving away the poverty from the country. In India a day will come when all Indian have their bank accounts and everybody will take part in financial inclusion. Srijanani (2012) stated that the banks need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income group treating it both a business opportunity as well as a corporate social responsibility. They have to make use of all available resources including technology and expertise available with them as well as the MFIs and NGOs. Rural India still remains a laggard in financial inclusion despite the massive campaign to bring 'unbanked' population into the banking fold is a major concern. Financial inclusion is virtually banking at doorstep. The banks are prepared to think outside the box then financial inclusion can emerge as commercially profitable business. Khaki & Sangmi (2012) conclude that the prime focus of government remained development for sustainability and inclusive growth. In order to combat poverty and to

Journal of Economic and Social Thought

achieve uniform growth all over, various measures have been taken from time to time which include building and strengthening rural co-operative sector, nationalization and privatization and expansion of financial sector. No doubt a significant progress has already been achieved in the state of Jammu and Kashmir to achieve the wider objective of inclusive growth financial inclusion. Roy (2012) focused on the majority of the people living in rural areas remains from the purview of the financial institutions even after 64 years of independence. To bring a large segment of the society under the umbrella of financial inclusion, banks have setup their branches in remote corners of the country India's fastest growing economics have become possible through financial inclusion. In spite of that, still there are large segments of the society outside the financial system. Kumar et al. (2012) revealed that the government should include financial literacy in the curriculum of schools and colleges. The government should also raise the financial inclusion fund and a financial inclusion technology fund to reach banking services to the unbanked areas. The government should pay all the social security payments through the bank account of the beneficiary. ATMs are one of the most cost effective ways of reaching the rural poor. Thus new biometric ATMs have to be established to assist the customers who are unable to memorize PIN. The banks should constitute grievance redressal machinery to redress the customer's promptly. Shashikumar et al., (2013) discussed about the issues and challenges involved in financial inclusion for inclusive growth and have also successfully attempted to highlight the factors that can aid in achieving financial inclusion for inclusive growth in India. Financial inclusion is one such intervention that seeks to overcome the frictions that hinder the functioning of the market mechanism to operate in favors of the poor and underprivileged. Nanjibhai (2013) analyzed that the self help group - bank linkage programmer and other government scheme have also seen a tremendous progress in the state. The state banking community has developed a time bound comprehensive action plan for achieving the objective of 100% financial inclusion in the state, even the bankers and the government agencies have shown earnestness I implementing the financial inclusion plan in a coordinated manner. Saritha (2013) suggests that there are individuals who want to access microfinance, but are not able to do so due to various reasons. These include requirements such as attendance at weekly group meetings, documentation such as address proof, and a lack of market-oriented economic activity. The findings also indicate that microfinance does not imply ongoing access to financial services, as it is found in a number of cases that access is temporary as member's drop-outs due to migration and marriage. Such portability could also reduce overall resource costs of providing microfinance services. Anupama & Kukreja (2013) emphasized that opening of no frill bank accounts is not the purpose or the end of financial inclusion while formal financial institutions must gain the trust and goodwill of the poor through developing strong linkages with community-based financial ventures and co-operative. Financial inclusion has not yielded the desired results and there is long road ahead but no doubt it is playing a significant role and is working on the positive side. Paramasivan & Kumar (2013) mentioned in their study that the financial inclusion is an innovative concept which makes alternative techniques to promote the banking habits of the rural people because, India is considered as largest rural people consist in the world literacy is a prerequisite for creating investment awareness and hence intuitively it seems to be a key tool for financial inclusion. Chiurisa, et al., (2013) found that

financial inclusion has the potential to lose new risks to the financial system, that if not properly managed would become a source of financial instability. A regulatory mechanism that would ensure that financial inclusion leads to financial stability would include regulation biased consumer protection, financial literacy and financial integrity. Sahu (2013) suggests that the financial services are in a very dismal state in the country. The key components of the 'Inclusive Growth' strategy includes a sharp increase in investment in rural areas, rural infrastructure and agriculture sprit in credit for farmers, increase in rural employment through a unique social safety net, and a sharp increase in public spending on education and health care. Reserve bank clearly stated that an important criterion for processing the applications from private sector for entering the banking field would be their business model which should provide for financial inclusion. Banks should be asked to take up financial inclusion as a business opportunity to help the poor come under the banking operation net. Divya (2013) discussed about the financial inclusion is a very useful tool for financial growth of daily wage earners. Conduct awareness programs in various industrial areas to increase the utilization of financial inclusion services. Bank should establish separate counters in the bank for financial inclusion services. There is more need to educate and create some new instruments for daily wage earners and also make them a part of financial inclusion. Thapar (2013) depicted that, the business correspondents should be employed in villages for promoting financial inclusion program. Banks need to open its more branches within rural areas and creating more awareness about banking services among the rural people by telling them about the benefits of the banking services. Financial inclusion requires efforts on the parts of three parties - RBI, all the banks as well as general public for its better progress.

To achieve the main objective of the financial inclusive programme in India, the rural mass can't be avoided because majority of the people in India is living in rural areas. Hence what feel by rural people towards financial inclusion should be studies. This research fulfills this cap by analyzing the perspective of rural mass towards financial inclusion.

3. Statement of the Problem

An inclusive financial system has several merits. It facilitates efficient allocation of financial service to the vulnerable groups. The importance of an inclusive financial system is widely recognized in the policy circle and recently financial inclusion has become a policy priority in rural areas. The financial service is a dynamic concept and what is good today may not be so in future. In present days, drastic changes have been occurring in banking industry. Few years back banks had concentrated only on deposit money. Now-a-days they are giving much importance to financial services. The need for each group of customer is different from that of others. It is therefore necessary to identify different groups of customers, find out their needs and satisfy them in the best possible manner. Therefore, some bank setup franchise which grants various types of loans. They converse directly to the mass marketing of banking services stimulates large level of competitions among banks. So, the customers are facing a lot of difficulties in finding which bank is suitable to deposit and obtain loans.

Though banks are able to deliver quality and quick service, they are not up to the mark. Some of the innovative banking services are availed only by reputed customers. Ordinary customers and small establishments are not

aware of those services or they think that it is luxurious. Also there are some procedures for obtaining the banking services. People who use the service do not have complete knowledge about the banking service. There is no separate service cell in the banks to educate the customers. Further, the banks are adopting proper marketing strategies to induce the customers to use the banking service. So, there is a lack of quality financial services. Even though, most of the banks provide the same type of loans or funds under different schemes, the public prefer only a particular bank provides a satisfying service to customers. So, this study has been undertaken to analyse the rural perspective of financial inclusion in Sivakasi Taluk.

3.1. Scope of the Study

The study involves the analysis of the rural perspective towards financial inclusion in Sivakasi. This study has been undertaken from the point of view of rural people in Sivakasi. The study also attempts to understand the factors which influence the respondents to follow the banking services.

3.2. Objectives of the Study

The objectives of the present study are as follows:

To examine the opinion of the customer towards financial services rendered by the banks in Sivakasi.

To analyse the perspectiveness of rural people towards the financial inclusion.

To offer suggestions on the basis of findings of the study.

3.3. Methodology

In order to achieve the objectives of the study, the following methodology has been employed. The research study is descriptive and analytical in nature. For this purpose researcher have taken a primary and secondary data for study. The primary data is collected through the pretested interview schedule. The researcher has collected necessary secondary data from various sources like magazines, diaries, articles, newspapers, reports of various committees, annual report of the banks, websites and so on.

3.4. Sampling Design

The researcher is concerned with the study on the rural perspective towards financial inclusion in Sivakasi Taluk. It is not feasible to collect data from all the people in the study area therefore it is decided to use sampling technique. The size of the sample for this study is 198 which is decided by using software available in www.samplesurvey.com. The samples were selected by using purposive sampling technique.

3.5. Statistical Tools

The researcher has used statistical tools for analysis such as Percentage, Mann-Whitney Rank Sum U-Test, Kruskal Wallis Test, Weighted Arithmetical Mean, Chi-square Test and One Way ANOVA.

3.6. Period of Study

The researcher has collected the data relating to Rural Perspective towards Financial Inclusion in Sivakasi Taluk during the period of one year i.e., 2013-2014. The field work has been conducted during the period from November 2013 to March 2014.

4. Results and Discussion

4.1 Socio Economic Status of the Respondents

The researcher has analyzed the socio-economic status of the respondents and the gathered information is presented in the Table 1.

Journal of Economic and Social Thought

Table 1. *Socio Economic Status of the Respondents*

S. No	Particulars	No. of Respondents	Percent to total
Gender Wise Classification			
1.	Male	112	56.57
2.	Female	86	43.43
	Total	198	100.00
Age Wise Classification			
1.	Below 30 years	88	44.44
2.	31 - 40 years	54	27.27
3.	41 - 50 years	31	15.66
4.	Above 50 years	25	12.63
	Total	198	100.00
Marital Status			
1.	Married	131	66.16
2.	Unmarried	67	33.84
	Total	198	100.00
Educational Status			
1.	Literate	166	83.84
2.	Illiterate	32	16.16
	Total	198	100.00
Literacy Level			
1.	Post Graduate	32	19.28
2.	Graduate	46	27.71
3.	Diploma	25	15.06
4.	Below 10 th	63	37.95
	Total	166	100.00
Family Type			
1.	Joint	72	36.36
2.	Nuclear	126	63.64
	Total	198	100.00
Monthly Income			
1.	Below Rs.10,000	48	24.24
2.	Rs.10,001-Rs.20,000	59	29.80
3.	Rs.20,001-Rs.30,000	50	25.25
4.	Rs.30,001-Rs.40,000	19	9.60
5.	Above Rs.40,000	22	11.11
	Total	198	100.00
Occupation			
1.	Salaried	78	39.39
2.	Business Man/Professionals	44	22.22
3.	Coolie	36	18.18
4.	House Wife/Students	29	14.65
5.	Agriculture	11	5.56
	Total	198	100.00

Source: Primary Data

Table 1 shows that out of 198 respondents, 112 respondents are male, 88 respondents are in the age group of below 30 years, 131 respondents are married, 166 respondents are literate, 63 respondents are having education below 10th, 126 respondents' family are nuclear family, 59 respondents earn monthly income of Rs.10, 001 to Rs.20, 000 and 78 respondents are the salaried people.

4.2. *Opinion of the Customer towards Financial Services Rendered by the Banks*

Table 2 highlights the attitude of the customer towards the financial services rendered by the banks in Sivakasi.

Table 2. *Opinion of the Customer towards Financial Services*

S. No	Particulars	No. of Respondents	Percent to total
Awareness about Financial Inclusion			

Journal of Economic and Social Thought

1.	Known	141	71.21
2.	Not Known	57	28.79
Total		198	100.00
Sources to know about the Financial Inclusion			
1.	Bank websites	25	17.73
2.	Bank employees	44	31.21
3.	Seminar/Conferences	34	24.11
4.	Friends/Relatives	38	26.95
Total		141	100.00
Awareness about the Financial Services			
1.	Awared	113	80.14
2.	Not Awared	28	19.86
Total		141	100.00
Bank Account			
1.	Have	198	100.00
2.	Not Have	0	0.00
Total		198	100.00
Sector wise Classification			
1.	Public Sector bank	58	29.29
2.	Co-operative bank	60	30.30
3.	Private Sector bank	58	29.29
4.	Regional rural bank	22	11.12
Total		198	100.00
Number of Bank Account in Household			
1.	One	63	31.82
2.	Two	68	34.34
3.	Three	42	21.21
4.	Four	15	7.58
5.	More than four	10	5.05
Total		198	100.00
Operative Account			
1.	Two	89	65.93
2.	Three	29	21.48
3.	Four	11	8.15
4.	Five	6	4.44
Total		135	100.00
Non Operative Account			
1.	Have	68	34.34
2.	Not Have	130	65.66
Total		198	100.00
Reasons for Non Operative Bank Account			
1.	I have no money/little money to put in	9	13.24
2.	Living in different area	11	16.18
3.	No point-benefits received in cash	6	8.82
4.	No point-paid in cash	9	13.24
5.	There may be to many charges	9	13.24
6.	Tried to open but was refused	8	11.76
7.	Lengthy process	3	4.41
8.	Not important to me	6	8.82
9.	Anticipated rejection	3	4.41
10.	Purpose is fulfilled	4	5.88
Total		68	100.00
Loans			
1.	Borrowed	136	68.69
2.	Not Borrowed	62	31.31
Total		198	100.00
Reasons for Borrowed Loan from Banks			
1.	Low rate of Interest	59	49.59
2.	Was offered/arranged by the banks	14	11.76
3.	It is easy	32	26.89
4.	Trustworthy lender	14	11.76
Total		119	100.00

Source: Primary Data

Table 2 shows that out of 198 respondents, 141 respondents know the concept of financial inclusion, 44 respondents know about the financial inclusion through bank employees, 113 respondents know what are the services are included under financial inclusion, 198 respondents all are having bank account, 60 respondents are having accounts in co-operative banks, 68 respondents are having two account with the banks, 89 respondents are having two operative account with the banks, 130 respondents are using their account in the banks, 11 respondents feel that living in different area, 136 respondents have borrowed loan from their banks and 59 respondents are having low rate of interest while borrowed loan from banks.

4.3. Analysis of Rural Perspective towards Financial Inclusion

The researcher makes an attempt to analyze the rural perspective towards the financial inclusion activities of banks through the study of

- (i) Level of Interest with Financial Services
- (ii) Level of Importance of Bank Products/Services
- (iii) Level of Expectation of Customer towards Financial Inclusion

4.3.1. Level of Interest with Financial Services

The researcher has gathered information regarding level of interest with financial services. The details are presented in the following Table 3

Table 3. Level of Interest with Financial Services

S. No.	Level of Interest	Very Interested	Fairly Interested	Not Very Interested	Not at all Interested	Not Sure	Total
i.	Saving small amounts of money	85	69	25	12	7	198
ii.	Take out a loan at reasonable interest	38	85	40	20	15	198
iii.	Taking a business loan	32	54	68	20	24	198
iv.	Advice about managing debts	24	73	40	35	26	198
v.	Advice on welfare benefits	28	60	63	31	16	198
vi.	More information about financial matters	49	65	45	23	16	198

Source: Primary Data

Table 3 shows that out of 198 respondents about the level of interest with financial services. It is understand from that for the statement serial number one customers say very interested, for the statements serial number two, four and six customers feel fairly interested and the statements serial number three and five customers say not very interested.

4.3.1.1. Socio Economic Status and Level of Interest with Financial Services- Application of Mann-Whitney Rank Sum U-Test

Journal of Economic and Social Thought

In order to test the homogeneity in the level of interest with financial services, the MANN-WHITNEY RANK SUM U-TEST has been applied.

For that purpose the hypothesis that “*There is no significant association between socio economic factors like gender, marital status, type of family of the respondents and level of interest with financial services.*”

In order to test the above hypothesis the researcher use MANN-WHITNEY RANK SUM U-TEST by using SPSS.

Table 4: *Socio –Economic Status and Level of Interest with Financial Services: Mann-Whitney Rank Sum U-Test Result*

S.No	Particulars	Mann-Whitney Rank Sum U-Test Value	Hypothesis	Result
1.	Gender	0.706	Accepted	No Significant
2.	Marital Status	0.805	Accepted	No Significant
3.	Type of Family	0.652	Accepted	No Significant

Source: Computed Data

Table 4 shows that there is no significant relationship between Gender, Marital Status, and Type of Family of the respondents and level of interest with financial services.

4.3.1.2 Socio Economic Status and Level of Interest with Financial Services- Application of Kruskal-Wallis Test

In order to test the homogeneity in the level of interest with financial services, the KRUSKAL-WALLIS TEST has been applied.

For that purpose the hypothesis that “*There is no significant association between socio economic factors like age, educational level, monthly income, occupation level of the respondents and level of interest with financial services.*”

In order to test the above hypothesis the researcher use KRUSKAL-WALLIS TEST by using SPSS.

Table 5. *Socio –Economic Status and Level of Interest with Financial Services: Kruskal-Wallis Test Result*

S.No	Particulars	Kruskal-Wallis Test Value	Hypothesis	Result
1.	Age	0.059	Accepted	No Significant
2.	Educational Level	0.902	Accepted	No Significant
3.	Monthly Income	0.000	Rejected	Significant
4.	Occupation Level	0.145	Accepted	No Significant

Source: Computed Data

Table 5 shows that there is no significant relationship between Age, Education Level and Occupation Level of the respondents and level of interest with financial services. There is a significant relationship between Monthly Income and level of interest with financial services.

4.3.2 The Level of Importance of Bank Products/Services

The perspective of rural people towards the financial services, the level of importance of bank products/services is taken as one of the factor. For that some statements are identified and asked the rural people to given their importance level for the bank products/services. The level of importance of rural people towards bank products/services is given in Table 6.

Table 6. *Level of Importance of Bank Products/Services*

Journal of Economic and Social Thought

S.No.	Level of Importance	Very Interested	Fairly Interested	Not Very Interested	Not at all Interested	Not Sure	Total
i.	Bank Account	114	62	19	3	0	198
ii.	Small Personal Loan	30	72	60	19	17	198
iii.	Credit Card	39	39	64	33	23	198
iv.	Financial Counseling	30	68	51	44	5	198
v.	Investment Advice	36	68	53	33	8	198
vi.	Financial Education	65	50	37	32	14	198

Source: Primary Data

Table 6 shows the level of importance of bank products/services. It is understood from that for the product serial number one and six, customers say “*very interested*”, for the product serial number two, four and five, customers feel “*fairly interested*” and the product serial number three, customers say “*not very interested*”.

In order to rank the bank products/services, the weightages given below are assigned to opinion given by the respondents.

Very Important	–	(2) Points
Fairly Important	–	(1) Point
Not Very Important	–	(-1) Point
Not at All Important	–	(-2) Points
Not Sure	–	(0) Point

On the basis of weightages, the weighted scores are calculated. Table 7 shows the weighted average score and the weighted ranks.

Table 7. Weighted Arithmetic Mean for Level of Importance

S. No.	Level of Importance	VI	FI	NVI	NAAI	NS	Total	Total Score	WAM	Rank
i.	Bank Account	114	62	19	3	0	198	265	1.34	I
ii.	Small Personal Loan	30	72	60	19	17	198	34	0.17	III
iii.	Credit Card	39	39	64	33	23	198	-13	-0.66	VI
iv.	Financial Counseling	30	68	51	44	5	198	-11	-0.06	V
v.	Investment Advice	36	68	53	33	8	198	21	0.11	IV
vi.	Financial Education	65	50	37	32	14	198	79	0.40	II

Source: Computed Primary Data

Table 7 shows that, weighted arithmetic mean of opinions about the level of importance in various bank products/services. The first rank is given to

Journal of Economic and Social Thought

the bank account, the second rank is given to the financial education, the third rank is given to the small personal loan, the fourth rank is given to the investment advice, the fifth rank is given to the financial counseling and the sixth rank is given to the credit card.

4.3.2.1. Socio Economic Status and Level of Importance of Bank Products/Services - Application Of ANOVA

In order to test the homogeneity in the interest level of respondents towards various bank products/services, the ANOVA test has been applied.

For that purpose the hypothesis that “There is no significant association between the factors of socio economic status such as gender, age, marital status, literate, monthly income, occupation and type of bank of the respondents and the level of importance of bank products/services”.

In order to test the above hypothesis the researcher use One Way ANOVA test by using SPSS.

Table 8. Socio –Economic Status and Level of Importance Bank Products/Services: One Way ANOVA Test Result

S.No	Particulars	One Way ANOVA Test Value	Hypothesis	Result
1.	Gender	0.481	Accepted	No Significant
2.	Age	0.029	Rejected	Significant
3.	Marital Status	0.154	Accepted	No Significant
4.	Literate	0.821	Accepted	No Significant
5.	Monthly Income	0.327	Accepted	No Significant
6.	Occupation	0.065	Accepted	No Significant
7.	Type of Bank	0.153	Accepted	No Significant

Source: Computed Data

Table 8 shows that there is no significant relationship between Gender, Marital Status, Literate, Monthly Income, Occupation and Type of Bank of the respondents and level of importance of bank products/services. There is a significant relationship between Age of the respondents and level of importance of bank products/services.

4.3.3. Level of Expectation of Customers towards Financial Inclusion

Level of expectation towards financial inclusion, somewhat, necessary to understand the perspective towards financial inclusion. Therefore, the researcher asked the respondents to give their opinion on various statement of expectation. Table 9 shows the level of expectation of rural people on financial inclusion.

Table 9: Customer Expectation

S.No.	Customer Expectations	SA	A	NO	DA	SDA	Total
i.	I have satisfied with the services provided by the banks.	68	58	38	27	7	198
ii.	The SHG/NGO doing a good work for financial Education of the villagers.	36	71	53	24	14	198
iii.	The Government doing satisfactory work for financial Inclusion.	29	48	56	33	32	198
iv.	I am satisfied with the products which are offered by the banks.	17	52	46	52	28	198

Source: Primary Data

Table 9 shows the level of expectation of customers towards financial inclusion. It is understood from that for the customer expectations serial number one, customers say “strongly agree”, for the customer expectations serial number two and four, customers feel “agree”, for the customer expectations three, customers say “no opinion” and the customer expectations serial number four, customers say “disagree”.

4.3.3.1. Socio-Economic Variables and the Level of Expectation of Customers towards Financial Inclusion - Application of Chi-Square Test

The Socio - Economic condition of the people indicates the overall status of the rural area. Chi square test is applied to study the influences of socio-economic conditions of respondents on the overall opinion about the banks in financial inclusion.

The χ^2 test is one of the simplest and most widely used non – parametric tests in statistical analysis. The symbol of the Greek letter Chi is χ^2 . The χ^2 test was first used by Karl Person in the year 1900. The quantity χ^2 describes the magnitude of the discrepancy between theory and observation.

In order to test the relationship between socio-economic variables such as Gender, Age, Material Status, Literate, Type of Family, Monthly Income and Occupation of the respondents and the level of expectation of customers towards financial inclusion, the following hypothesis is formulated.

There is no significant association between socio economic factors like Gender, Age, Material Status, Literate, Type of Family, Monthly Income and Occupation of the respondents and the level of expectation of customers towards financial inclusion.

In order to test the above hypothesis CHI-SQUARE TEST has been applied by using SPSS.

Table 10: Socio –Economic Status and the Level of Expectation of Customers towards Financial Inclusion: Chi-Square Test Result

S.No	Particulars	Chi-Square Test Value	Hypothesis	Result
1.	Gender	0.278	Accepted	No Significant
2.	Age	0.026	Rejected	Significant
3.	Marital Status	0.361	Accepted	No Significant
4.	Literate	0.586	Accepted	No Significant
5.	Type of Family	0.971	Accepted	No Significant
6.	Monthly Income	0.000	Rejected	Significant
7.	Occupation	0.554	Accepted	No Significant

Source: Computed Data

Table 10 shows that there is no significant association between Gender, Marital Status, Literate, Type of Family and Occupation of the respondents and the level of expectation of customers towards financial inclusion. There is a significant relationship between Age and Monthly Income of the respondents and the level of expectation of customers towards financial inclusion.

5. Findings and Conclusion

The following are the findings of the study: The research depicts that majority of the respondents are male, are in the age group of below 30 years, are married, are literate, are having education below 10th, are nuclear family, earn monthly income of Rs.10, 001 to Rs.20, 000 and are the salaried people.

Journal of Economic and Social Thought

It is also known through the research that majority of the respondents know the concept of financial inclusion, know about the financial inclusion through bank employees, know what are the services are included under financial inclusion, all are having bank account, are having accounts in co-operative banks, are having two account with the banks, are having two operative account with the banks, are using their account in the banks, feel that living in different area, have borrowed loan from their banks and are having low rate of interest while borrowed loan from banks. It is concluded that there is no significant association between gender, marital status, type of family of the respondents and level of interest with financial services. It is concluded that there is no significant association between age, educational level and occupation of the respondents and level of interest with financial services. There is a significant association between Monthly Income and level of interest with financial services. The first rank is given to the bank account, the second rank is given to the financial education, the third rank is given to the small personal loan, the fourth rank is given to the investment advice, the fifth rank is given to the financial counseling and the sixth rank is given to the credit card. It is concluded that there is no significant association between gender, marital status, literate level, monthly income, occupation, type of bank of the respondents and the level of importance of bank product/services and there is a significant association between age of the respondents and the level of importance of bank products/services. It is concluded that there is no association between gender, marital status, literate level, family type, occupation and level of expectation of customers towards financial inclusion and there is association between age, monthly income and level of expectation of customers towards financial inclusion. The following model has been framed for the rural perspective on financial inclusion from the results drawn from this study.

This research entitles “*Rural Perspective towards Financial Inclusion*” concentrates on the analysis of perception of rural people on financial inclusion. The people in rural areas have moderate knowledge on the banking and other financial services. The major portion of India lives in rural areas. Therefore the inclusive development in rural areas definitely makes the country super power. In that angle this research helps little bit the banker and policy makers. And also it is base for the future research.

References

- Anjum, B., & Rajeshtiwari, (2012). Role of private sector banks for financial inclusion, *International Journal of Multidisciplinary Research*, 2(1), 270-280.
- Anupama, S., & Kukreja, S. (2013). An Analytical shidy: Relerance of Financial Inclusion for Developing Nations - Research Inventry. *International Journal of Engineering science*, 2(6), 15 -20.
- Bagli, S., & Dutta, P. (2012). A study of Financial Inclusion in India, *Radix International Journal of Research in Economics and Business Management* 1(8). 1-18.
- Band, G., Naidu K., & Mehadia, T. (2012). Opportunities and Obstacles to Financial Inclusion, *Arth Prabhand: A journal of Economics and Management*, 1(1), 60-73.
- Bhatt, S. (2012). Kissan Credit card An Instrument for Financial Inclusion, *International Indexed & Referred Research Journal*, 1(1), 49-51.
- Chitta, M. (2009). Financial Inclusion, poverty Reduction and the Millennium Development goals, *European Journal of Development Research*, 21(2), 213 - 230. doi:10.1057/ejdr.2008.17

Journal of Economic and Social Thought

- Chiurisa, O., Tadu, R., & Muyambiri, B. (2013). Financial inclusion and financial stability: The important role of financial regulation in explaining the relationship. Empirical review, *Journal of Research in International Business and Management*, 3(4), 139-149.
- Divya, H. K. (2013). A study on Impact of Financial Inclusion with reference to daily wage earners, *Journal of Business Management & social sciences Research*, 2(6), 85-92.
- Gaikwad, S. R. (2012). Successful role played by states bank on India in promoting financial inclusion in India. *International Interdisciplinary Research Journal*. 1(2), 4-11.
- Khaki, A. R., & Sangmi, M. (2012). Financial inclusion in Jammu & Kashmir: A study on banker's initiatives, *Journal of Art, science & commerce*, 3(4), 115-123.
- Kumar, H. N., Majunath S. J., & Kumar, A. G. (2012). Role of Banks in achieving financial inclusion, *International Journal of Business and Management Research*, 2(10), 518-521.
- Kumar, P., & Sharma, C. S. (2011). People empowerment & financial inclusion through microfinance in India, *Journal of Applied Management & Computer Science*, 4, 1 - 10.
- Mahadeva, M. (2008). Financial Growth in India: whither financial Inclusion? *Margin - The journal of Applied Economic Research*, 2(2), 177-197. doi: 10.1177/097380100800200202
- Mukherjee, A., & Chakraborty, S. (2012). Financial Inclusion of the poor and Marginalised in Jharkhand: Analysis of the Existing Model, *International Journal on Research and Development - A Management Review*, 1(1), 1-8.
- Nanjibhai, R. D. (2013). Financial inclusion in Gujarat: A study on Bankers' Initiatives, *International Journal of scientific Research*, 2(2), 32-34.
- Paramasivan, C. (2011). Financial Inclusion through commercial Banks in India, *Proceedings of Financial Inclusion for Inclusive Development*, 1(2), 39-42.
- Paramasivan, C., & Kumar V. G. (2013). Overview of financial inclusion in India, *International Journal of Management and Development studies*, 2(3), 45-49.
- Rahman, A. (2012). Financial inclusion and Growth of Indian banking system, *Journal of Business and Management*, 1(3), 25-29.
- Roy, S. K. (2012). Financial Inclusion in India: An Overview, *Asian Journal of Multidimensional Research*, 1(5), 136-138.
- Sahu, K. K. (2013). Commercial Banks, financial Inclusion and Economic Growth in India, *International Journal of Business and Management Invention*, 2(5), 1-6.
- Savita, S. (2013). Financial Inclusion in India: Do Microfinance Institutions Address Access Barriers?. *ACRN Journal Entrepreneurship perspectives*, 2(1), 60-74.
- Shashikumar, T. P., Rangaswamy, K., & Kiran, S. P. (2013). Financial Inclusion in India: An overview, *Research Explorer journal*, 2(6), 13-15.
- Sharma, P., & Tuli, R. (2012). Financial inclusion plans (FIPs) - Growing roots in the light of good governance of RBI, *International Journal of Management, IT and Engineering*, 2(8), 597-604.
- Srijanani, D. (2012). Financial Inclusion: Taking Banking services to the common man, *International journal of Management and Business studies*, 2(3), 54-58.
- Thapar, A. (2013). A study on the effectiveness of the financial inclusion program in india, *International Journal of Business and Management Research*, 3(6), 211 - 216.



Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal. This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by-nc/4.0>).

