

Exploring Banking Behaviour In The Kachchh Region: A Study On Economic Empowerment, Gender Inclusivity, And Financial Access

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Abstract

Banking sector plays an important role in economic. main aim of this study is finding awareness level of people and importance of banking behavior in Kachchh region. The data of the study was collected from primary and secondary sources. A total of 400 respondents have been selected from five block of Kachchh region through convenience sampling method. It found that a resounding majority of respondents believed that banking was essential to fostering the Kachchh regions social and economic development.

Keywords: Banking behavior, Rural economic empowerment, Financial awareness, Financial access,

Introduction

Banking sector plays an important role in economic development. The Bank provides its services to the medium scale enterprises. In modern times the importance of banks has increased a lot. The use of various services of banks has also increased. Also, the level of awareness among the people towards banking services has also been seen increasing. Nowadays digital banking, mobile banking, online services have increased. There are many rural areas where knowledge about banking services is very low. In the present research paper, an attempt has been made to know the behavior of the people in the rural areas of Kutch district towards banks and the level of awareness towards banking services. To know the awareness of rural people towards banking sector. People in rural areas are mostly engaged in agriculture. So the usage of banking services is reduced.

Literature review

Nguyen (2016) The study explores the correlation between quality banking services, customer satisfaction, and loyalty in the Vietnamese retail banking sector, revealing that superior service quality enhances customer satisfaction, emphasizing the need for improved banking services.

S. Ramji (2019) The study analyzed the banking habits of rural people in Karur district, focusing on current savings practices and suggesting improvements for financial development.

Maheshwari B. (2016) An empirical study conducted in Coimbatore city aimed to understand customers' perceptions of banking habits. With a Special Reference to rural areas, the study found that customers are more satisfied with bank branches located near their residence and with ATM transactions.

Prabhu, D., & Vijaya, G.S. (2016) The research paper 'An Examination of Financial Attitudes, Behaviors and Influences Towards Banking Services: A Pathway to Financial Inclusion' highlights the low level of financial literacy among rural people.

Objective

- To study the Importance of banking behavior in Kachchh region
- To study the Banking Awareness in Kachchh region

Research methodology

In this study Primary data was collected through a questionnaire from 400 respondents of 5 block of Kachchh region and convenience sampling method. collected data have analyzed through likert scale used for respondent's opinion, behaviors and attitudes by using the mean and Std. Deviation with table.

Limitation of the study

- data collection has been obtained from Kachchh region only
- primary information has been obtained by a certain time 2021-22

Data analysis and Interpretations

Table: 1 Banking Behavior of Customers in Kachchh region

Banking behaviour of kachchh regin	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
To uplift the rural economic empowerment	11	17	38	122	212	400
%	2.8	4.3	9.5	30.5	53	100
To empower women	9	14	50	155	172	400
%	2.3	3.5	12.5	38.8	43.0	100.0
To provide loans	10	17	71	152	150	400
%	2.5	4.3	17.8	38.0	37.5	100.0
To bridge the gap between the demand and supply of funds	14	21	60	161	144	400
%	3.5	5.3	15.0	40.3	36.0	100.0
To create wealth	14	20	85	142	139	400
%	3.5	5.0	21.3	35.5	34.8	100.0
To create financial awareness	13	19	54	183	131	400
%	3.3	4.8	13.5	45.8	32.8	100.0
To create opportunities	13	19	57	169	142	400
%	3.3	4.8	14.3	42.3	35.5	100.0
To provide funds to farming sector	14	14	49	156	167	400
%	3.5	3.5	12.3	39.0	41.8	100.0
To provide the technology financial services to poor	17	13	53	145	172	400
%	4.3	3.3	13.3	36.3	43.0	100.0
Overall economic development	15	13	56	164	152	400
%	3.8	3.3	14.0	41.0	38.0	100.0

Table 1 illustrates the responses of individuals in the Kachchh region concerning different dimensions of banking behavior, categorized into five levels ranging from "Strongly Disagree" to "Strongly Agree." Below is a descriptive analysis of the data:

1. To uplift the rural economic empowerment: The majority of respondents (53%) strongly agree that banking should focus on uplifting rural economic empowerment. A significant portion (30.5%) also agrees with this statement, while smaller percentages are undecided or disagree.
2. To empower women: There is a strong agreement (43%) among respondents that banking should focus on empowering women. Similar to the first statement, a substantial portion (38.8%) agrees, while fewer disagree or are undecided.
3. To provide loans: Responses are relatively evenly distributed across the options, with a notable proportion (37.5%) strongly agreeing that banks should provide loans. However, there is also a significant percentage (17.8%) who are undecided.
4. To bridge the gap between the demand and supply of funds: A substantial percentage (40.3%) agrees that banks should bridge the gap between demand and supply of funds. Similar to other statements, there is also a notable proportion (15%) who strongly disagree.
5. To create wealth: Respondents are divided, with a significant portion (34.8%) strongly agreeing and a similar percentage (35.5%) disagreeing. However, a substantial number (21.3%) agree that banks should create wealth.
6. To create financial awareness: The majority (45.8%) agrees that banks should create financial awareness. However, there is also a significant percentage (13.5%) who are undecided.
7. To create opportunities: Responses are similar to creating financial awareness, with a majority (42.3%) agreeing that banks should create opportunities. However, there is a notable proportion (14.3%) who are undecided.
8. To provide funds to the farming sector: There is strong support (41.8%) for providing funds to the farming sector. A smaller percentage (12.3%) disagrees with this statement.
9. To provide technology financial services to the poor: Similar to providing funds to the farming sector, there is strong support (43%) for providing technology financial services to the poor. A smaller percentage (13.3%) disagrees.
10. Overall economic development: Responses are evenly distributed across the options, with a notable portion (38%) agreeing and a similar percentage (41%) disagreeing. However, a significant percentage (14%) are undecided about the role of banking in overall economic development.

Table: 2 Banking Behavior of Customers in Kachchh region (Mean and S.D.)

Banking behaviour of Kachchh regin	Mean	Std. Deviation
To uplift the rural economic empowerment	4.27	0.987
To empower women	4.17	0.934
To provide loans	4.04	0.974
To bridge the gap between the demand and supply of funds	4	1.019
To create wealth	3.93	1.036
To create financial awareness	4	0.973
To create opportunities	4.02	0.991
To provide funds to farming sector	4.12	0.991
To provide the technology financial services to poor	4.11	1.033
Overall economic development	4.06	0.993

Table 2 provides a detailed insight into banking behavior perceptions within the Kachchh region, presenting frequency distributions, percentages, means, and standard deviations for each statement. The data breakdown is as follows:

1. To uplift the rural economic empowerment: Mean: 4.27, Std. Deviation: 0.987. Majority of respondents strongly agree or agree with this statement.
2. To empower women: Mean: 4.17, Std. Deviation: 0.934 Similar to the previous statement, respondents generally hold positive attitudes towards empowering women.
3. To provide loans: Mean: 4.04, Std. Deviation: 0.974 Respondents are generally positive about providing loans, although there's a slightly lower mean compared to other statements.
4. To bridge the gap between the demand and supply of funds: Mean: 4.00, Std. Deviation: 1.019 There's a relatively neutral stance with a mean around 4, indicating some level of agreement but with more variability compared to other statements.
5. To create wealth: Mean: 3.93, Std. Deviation: 1.036 This statement has a lower mean compared to others, indicating slightly less agreement in creating wealth through banking.
6. To create financial awareness: Mean: 4.00, Std. Deviation: 0.973 Respondents generally agree with creating financial awareness, with a mean around 4.
7. To create opportunities: Mean: 4.02, Std. Deviation: 0.991 Similar to financial awareness, respondents agree with creating opportunities, but with slightly more variability.
8. To provide funds to the farming sector: Mean: 4.12, Std. Deviation: 0.991 There's strong agreement with providing funds to the farming sector, with a relatively high mean.
9. To provide technology financial services to the poor: Mean: 4.11, Std. Deviation: 1.033 Respondents generally support providing technology financial services to the poor, with a mean slightly above 4.
10. Overall economic development: Mean: 4.06, Std. Deviation: 0.993 There's a positive attitude towards overall economic development, with a mean slightly above 4.

Findings and Conclusion

The data shows that a resounding majority of respondents believed that banking was essential to fostering the Kachchh region's social and economic development. The overall consensus is in favor of initiatives that enhance women's empowerment, lending, opportunities creation, supporting the agriculture sector, financial literacy, rural economic development, and funding for technological credit to the needy. Opinions differ about banks' role in creating wealth; a significant number of respondents disagree. This implies different points of view impacted by personal convictions and social class, among other factors. Additionally, it is evident that further information is needed to be made known on how banks contribute to the expansion of the national economy, as replies to this.

The Kachchh region's banking behavior is characterized by a strong endorsement of initiatives aimed at rural economic empowerment and women's empowerment, indicating a collective aspiration for socio-economic progress and gender equality. Despite slightly lower levels of agreement regarding providing loans and creating wealth through banking, the overall sentiment remains positive, suggesting a willingness to engage with financial services for various purposes. However, bridging the gap between demand and supply of funds highlights the need for further exploration and clearer communication regarding the benefits of such initiatives. This suggests the need for banks and policymakers to tailor their strategies to effectively address the diverse needs and priorities of the local population.

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