Chapter 5

Summary and Conclusion

This chapter comprises of summary of findings, recommendations of those findings and conclusion of this study. This chapter further includes scope for further research.

5.1 MAJOR FINDINGS

The following are major findings of the study that are fragmented as per descriptive and inferential statistics:-

5.1.1 MAJOR FINDINGS FROM DESCRIPTIVE STATISTICS

1. There were 28.5 per cent respondents own two bank accounts and 21.75 per cent own more than two bank accounts.
2. Respondents of 34.50 per cent have two bank account in their family members and there were 46.75 per cent respondents, which own only one bank account in a family.
3. More number of bank accounts were opened (42.25 per cent from 400 respondents) to receive income especially salary.
4. Respondents of 37.75 per cent have opened bank account by themselves and 32.25 per cent opened through Prathan Mantri Jhan Dan Yojana scheme initiated by Honourble Prime Minister of India, Mr. Narendra Modi.
5. Respondents of 47 per cent obtained loan (188 respondents from 400), from which, 48.4 per cent (91 respondents from 188) obtained loan from banks and 40.96 per cent (77 respondents from 188) availed from local moneylenders.
6. Personal loan was availed by more number of respondents, which is 35.10 per cent from 188 respondents.
7. The major reason for availing loan from bank was cumulative interest, which was said by 53.80 per cent from 91 respondents.
8. Respondents of 5.50 per cent from 91 said that they can renew jewel loan if they get loan from bank, which is not possible in pawn broker lending.
9. Major reason for availing loan from institutions other than bank was simplified formalities to avail loan, said by 42.27 per cent from 97 respondents.

10. Totally 212 respondents from 400 said that they did not avail loan. Respondents who did not avail loan from any institution said lack of collateral security as a major reason, which was 36.79 per cent from 212.

11. It was found that 63.50 per cent respondents are insured out of which, 37.80 per cent insured for their life.

12. Motor insurance was more than life insurance with 46.85 per cent from 254 respondents.

13. Non-affordability was the major reason for uninsured among 42.47 per cent of 146 uninsured respondents.

14. More number of respondents owns ATM / Debit card, which was 97.25 per cent and mobile banking was owned by only 11 per cent.

15. Accessibility to bank branch near residence was doubtful for 57.50 per cent of the respondents, whereas 12.30 per cent of respondents said that they have no bank branch at an accessible distance.

16. Respondents of 50 per cent were not sure about the ease of access to ATM centres nearby their residence and 4.80 per cent said that they have no ATM centres at an accessible distance.

17. Respondents of 54.80 per cent were not aware of availability of access to mobile internet in their mobile phone whereas 9.20 per cent said that they have no access to mobile internet in their mobile phone.

18. Access to bank application in mobile phone was not known to 69 per cent of the respondents and 20 per cent do not have access.

19. Respondents of 36.80 per cent frequently use ATM/Debit card for financial transaction, which was followed by the usage of business correspondent help with 27.50 per cent. Occasional usage of business correspondents help, savings account and ATM/Debit card was said by 67.20 per cent, 58 per cent and 46.20 per cent of respondents respectively.

20. Phone banking was not used by 96 per cent of respondents, followed by cheque book with 78.50 per cent.

21. Less money or no money was the core reason that blocked access to financial products and services. This was stated by 72.50 per cent of respondents.
Outreach problem was the second vital reason for lack of access, said by 53.70 per cent respondents.

22. High transaction charges, lack of help desk and more time consumption for bank transactions were the major causes for non-usage of financial products and services, which are responded by 55.80 percent, 55.80 percent and 50 percent of the respondents respectively.

23. This study have 58.75 per cent of male and 41.25 percent of female as respondents, 28.50 per cent falls in 26 to 35 age group, followed by 18 to 25 and 36 to 45 groups with percentage of 24 and 22 respectively. Respondents of 47 per cent earn income between Rs. 5,001 and Rs.15,000. Under Graduates were found more than other qualifications with 39 per cent and 24.50 per cent end up with schooling.

24. Salaried respondents were more in this study with 53.75 percent and 58 per cent of respondents were resided in semi-urban area.

5.1.2 MAJOR FINDINGS FROM INFERENTIAL STATISTICS

5.1.2.1 RESULTS FROM CHI-SQUARE TEST

1. It was found that respondents aged between 18 and 55 visited bank branches once in a week ($p = 0.000<0.003$), whereas respondents above 55 years of age did not visit ($p = 0.007>0.003$).

2. Respondents whose age group were from 18 to 25, 36 to 45 and above 55 visit bank branch whenever required ($p = 0.000<0.003$).

3. Respondents in the income group less than Rs.15,000 visit bank branch once in a week and whenever required ($p = 0.000<0.003$). Income group between Rs.15001 and 35,000, and less than Rs.5,000 transact in bank branch once in a month ($p = 0.000<0.003$).

4. Income of respondents between Rs.25,001 and Rs.35,000 do not visit bank branch once in a week ($p = 0.007>0.003$). Similarly, respondents who falls into the income group of Rs.35,000 and above do not visit bank branch once in a week ($p = 0.134>0.003$).

5. Respondents in the income group of Rs.5,000 and Rs.15,000 do not visit bank branch once in a week ($p = 0.005>0.003$).
6. Respondents in urban, semi-urban and rural visit bank branch frequently once in a month and whenever required (p = 0.000<0.005). Respondents in urban area have visited bank branch once in a week (p = 0.000<0.005).

7. Respondents resided in semi-urban did not visit bank branch frequently once in a week (p = 0.006>0.005) and similarly situation persisted for respondents in rural (p = 0.008>0.005).

8. Respondents who are into the income category of below Rs.15,000 saved money in bank every week (p = 0.0000<0.0025).

9. Respondents belonging to every income group saved money in bank every month and whenever required (p = 0.0000<0.0025).

10. Respondents of income group between 15,001 and Rs.25,000 did not save their money in bank once in a week (p = 0.0460>0.0025). Similarly income group between 25,001 and Rs.35,000 (p = 0.0890>0.0025).

5.1.2.2 RESULTS FROM ONE-WAY ANOVA WITH TUKEY POST HOC TEST

1. It is found that respondents in semi-urban region have more accessibility when compared to respondents in urban and rural region, which is found through highest Mean value of 3.000 for semi-urban whereas 1.991 for rural and 1.000 for urban.

2. Area of residence of the respondents was compared with the access frequency of ATM centres, which has statistically significant difference among urban, semi-urban and rural. Semi-urban scored high Mean value than other areas, depicting that respondents in semi-urban have better accessibility than others (Mean = 2.387 for semi-urban and 1.732, 1.000 for rural and urban respectively).

3. There was high non-accessibility to mobile bank application through mobile internet found in this study (Mean = 3.000).

4. Respondents within the age group of 18 and 25 have more proximity between residence and bank branch. The same age group lack money to save in bank.

5. The remembrance of transaction passwords was a serious problem that blocks financial access among respondents below 25 years of age.
6. There was a lack of understanding the banking process among respondents in the age group of 18 to 25.

7. Respondents under the income group of less than Rs.5000 found outreach as a major obstacle to financial access. Respondents below income of Rs.15,000 found lack of sufficient money to put in the bank.

8. The purpose of saving money in the bank was very less or NIL to the respondents whose income is less than Rs.5,000. These respondents additionally faces password remembrance problem.

5.1.2.3 RESULTS FROM PEARSON CORRELATION

1. Bank branch near residence had a very strong positive relationship with business correspondents help to use financial products and services (r = 0.879, p = 0.000).

2. Usage of ATM/Debit card had a very strong positive relationship with ATM centre nearby residence (r = 0.859, p = 0.000).

3. There was a weak positive correlation found between mobile internet and phone banking (r = 0.228, p = 0.000), followed by mobile bank application and mobile internet (r = 0.382, p = 0.000).

4. A very strong negative relationship was identified between access to ATM near residence and lack of frequent purpose for financial transactions, which is statistically proved by high negative r-value, -0.884, which is followed by a correlation with complex process (r = -0.800, p = 0.000).

5. There was a very strong negative relationship found between internet banking and offering superfluous products (r = -0.891, p = 0.000).

6. ATM/Debit card usage has a very strong negative significant relationship with lack of transparent charges (r = -0.842, p = 0.000) and high transaction charges (r = -0.817, p = 0.000).

7. Moderate negative correlation was found between mobile banking and high transaction charges (r = -0.401, p = 0.000).
5.1.2.4 RESULT FROM FINANCIAL INCLUSION INDEX (FII)

The level of financial inclusion was tested using the index formulated as per the availability of data in the study area. The score of financial inclusion in the study area was 0.74, which is an above average score, where above average scores lies between 0.51 and 0.75.

5.2 SUGGESTIONS

From the lights of findings, the following suggestions were made:

1. Most of the bank branches in Tamil Nadu provide product and services in two languages only namely English and Hindi. Tamil Nadu has much regional language speakers who cannot read, speak and write English and Hindi. For them, both conventional and electronic bank transactions in these languages are not easy. Banks can provide pay-in-slip, withdrawal form and other transaction forms in regional language, which will help regional language people to transact independently.

2. Biometric ATMs need to be widespread all over the nation, which will be an aid for old age people who are unable to transact in machines. In biometric ATM, either insertion of card and fingerprint or insertion of card, fingerprint impression and PIN entry, people can easily transact.

3. Business correspondents should be given enough scope by banks to help old age and people who are in remote regions, which will expand banking services with less cost.

4. There is a high imbalance between usage of smart phones, usage of mobile internet and usage of mobile banking in India. Most of the people are not aware of Immediate Payment System (IMPS), which provides banking services 24 × 7 through mobile phone, subject to internet connectivity.

5. In many bank branches, bank employees per se help desk and there is no separate person to help people who have doubt in transaction. Currently, banks zonal offices and head offices have help desk, which can be spread to branches. It will help people who do not understand process of transaction. As
one person is required as help desk for every branch, banks can create job opportunities suitable for that job.

6. Some of the banking transactions in statement of accounts are not understandable. For instance, if bank is charging a transaction cost of Rs.10, it is recorded in the statement of account as "*****", which has no particulars. Banks can print text like 'transaction charges' so that people will understand the purpose of such charge.

7. Like management, banking should also be taught to college students irrespective of discipline because every person will do transaction with banks once they start earning.

8. The RBI can bring mobile banking again because it can serve many physically challenged people who cannot visit bank branch and transact.

9. Respondents in this study found transaction charges as one of the core problem for not using financial products and services. The cost levied by the banks for withdrawal through ATM can be reduced because for a Rs.100 transaction, people are not ready to lose Rs.20.

10. More petty shopkeepers should come forward to offer banking services through electronic commerce such as paytm and m-pesa, which will increase cashless transactions.

11. Through Point of Sales (POS) are available in some shops and petrol bunks, it is unavailable for domestic transactions like groceries and stationery shops. Increase in POS will increase cashless transaction.

12. It was found that one-third ATMs are not working in India, which takes more time to repair especially off-site ATMs because only branch or assistant branch manager of respective bank should repair it. It may sometimes take two to three days to make the machine workable. In this case, banks can train the security person who is in-charge of that ATM centre so that he will take care of fault and rectify it immediately.

13. The habit of savings through banks should be increased, which will help people to face emergency situation like accidents or sudden illness and at that time, they do not want to borrow from unscrupulous lenders for high rate of interest and suffer to repay that amount.
5.3 CONCLUSION

Banking sector in India has shown a relentless growth through initiation of many welfare schemes by the Reserve bank, Central Government and State Governments as well. The financial inclusion policy has become one of the objectives to be achieved in 2020, after the Indian Prime Minister empowered it. On one hand, the banks are providing enough products and services to all the people, but on the other hand, people are not ready to accept. Despite of not all the banks are providing all kinds of product and services, the focus is more on negligence of people than what the banks are providing. India is a nation populated with more youths (Economic Times, 2014). In this population, college students are found to be more negligent in knowing about banking transactions. Some of the educational institutions compel students to use banking services and at that juncture, students learn about banking.

The previous research such as Shah and Dubashi (2015), Sahay et al., (2015), Kumar and Misra (2015) and Indira (2015) said that it is the duty of the government to alter the policies of financial transaction in India like cost-effectiveness and transparency in transactions, prompt response from bank to customer on service request. These are supply side implications. However, this study focused on the bank customers, who belong to demand side. This study concludes that to achieve financial inclusion as a whole, it is a collective responsibility of financial institutions and people as well to contribute equally, whereas banks should alter their services according to people need, and people should come forward to know the necessity of transaction through formal financial institutions.

5.4 SCOPE FOR FURTHER RESEARCH

This study is conducted in select districts of Tamil Nadu that consists of four districts. It can be further expanded to other districts of Tamil Nadu and other states of India. Comparative study between districts and states can also be studied. Some of the technological banking products like e-wallet and e-purse were not included in this study, which can be compiled for further research. Some of the secondary data like number of insured is unavailable, which can be made available and can be included in index.