

Understanding The Preference Of Financial Inclusion Schemes Among Rural Customer: A Case Study Of District, Jaunpur

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ABSTRACT

The term "financial inclusion" refers to the practice of providing affordable access to financial services and products for those in need. The objective of financial inclusion can be attained if these services are made available to those who now lack access to traditional banking. The Reserve Bank of India and the Government of India have taken several measures and created numerous initiatives to bring those living in unbanked areas into the formal financial system. The current state of affairs demonstrates that the current administration has been successful, at least to some extent, in its mission to expand financial inclusion by means of the Pradhan Mantri Jan Dhan Yojana (PMJDY). However, research shows that the vast majority of the rural market from jaunpur is still untapped. As a result, the purpose of this work is to investigate the level of knowledge concerning financial inclusion plans among rural consumers of jaunpur district.

Keywords: Financial Inclusion, Awareness, Rural customer, Knowledge, Services

INTRODUCTION

India has been a free nation for 67 years, but the country still has a long way to go before it can boast universal access to banking services; about half of all families lack bank accounts, and nearly 90% of all towns lack bank branches. And residents in these places without banks often don't understand why formal sector loans are preferable to those offered by shady lenders. An inclusive financial strategy has several benefits. The Direct Cash Transfer programme is an example of how the unbanked and the economically disadvantaged can get timely and accurate payments for social welfare and employment initiatives.

In order to achieve goals like sustainable economic and social development, empowering of underprivileged women, and improving their financial literacy, financial inclusion is a crucial instrument. In addition to the foregoing, it facilitates the availability of financial services, which in turn increases the promotion of investment across sectors like commerce, education, insurance, etc. without ignoring the needs of the most vulnerable among us. Even after many

years, a sizable portion of rural communities still lack access to basic financial services. This is due to a number of issues, including low income and a lack of financial knowledge.

In the Indian context, the majority of the people is still unbanked despite the fact that the country's economy is growing faster than those of most wealthy nations in recent years. The goal of the new socioeconomic idea of "financial inclusion" in India is to improve people's access to financial goods and services by making them more affordable for those who previously couldn't afford them. As part of the financial inclusion strategy, educating these populations on the financial products that are available to them is also explored. Recent events throughout the world have highlighted the need of expanding access to financial services for all members of society in order to realise the objective of financial inclusion and foster widespread economic growth and development in economically disadvantaged communities.

It's important to assist the rural populace in managing their finances and processing their payments and receipts as their incomes rise and their savings habits develop. The objective of financial inclusion may be advanced in rural regions by easing "know your customer" regulations, letting individuals open basic checking accounts, and applying subsidies and other benefits directly to account holders.

BENEFITS OF FINANCIAL INCLUSION

Payments, deposits, and withdrawals from automated teller machines (ATMs) can all be made and received in cash by the rural populace. People in rural areas will get knowledge about personal finance as a result.

People in rural regions will not have access to any kind of savings account. If people in remote areas have access to banking services, they are more likely to start saving regularly.

There will be an uptick in capital creation and a general boost to the economy if people develop the habit of saving money.

Subsidies and benefits are more likely to reach their intended recipients when they are paid electronically into their bank accounts rather than in hard currency.

Small and medium-sized industrial units in the country would benefit from the public's increased exposure to and practise of entrepreneurialism made possible by improved access to finance through traditional banking channels.

RESEARCH METHODOLOGY

Research Design

To do this, we have used a descriptive method of study. This aids in characterizing the many facets of financial inclusion programs, as well as the level of knowledge about such schemes and the primary factors that contribute to that knowledge among rural consumers.

Population and Scope of the study

Customers from rural areas of Jaunpur district are the focus of this research because they are the only ones eligible to open a bank account through the new financial inclusion scheme Pradhan Mantri Jan Dhan Yojana (PMJDY).

Sampling method and Sample size

Since the study's population is unknown, we were unable to use scientific probabilistic sampling to draw from that population. We have recruited respondents (actual and potential rural customers) for the study through a non- probabilistic convenience sampling strategy. For this reason, a sample of 150 people from rural areas of Jaunpur, who are either eligible for the new financial inclusion scheme PMJDY or who have already enrolled in it were selected using a convenience sampling technique.

Sources of Data

Primary and secondary sources have both been utilized. Using existing secondary sources, specifics on financial inclusion have been compiled. The data for the new financial inclusion strategy was compiled from a number of online publications and websites.

To better understand the extent to which rural customers are aware of financial inclusion schemes and the factors that influence that awareness, primary data has been collected. We have constructed a thorough survey in order to gather primary information.

DATA ANALYSIS

Awareness banking and banking related services

Table 1: Do you visit Bank?

	Frequency	Percent
Yes	96	64.0
No	54	36.0
Total	150	100.0

Table 2: Are you having Bank account?

	Frequency	Percent
Yes	105	70.0
No	45	30.0

Total	150	100.0
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It is clear from the data presented above that despite the introduction of PMJDY, the rural market is still not being fully exploited by the various banking services. More than 30% of the market remains untapped because they do not have a bank account, and even more than 36% of the population rarely if ever goes into a bank. All survey participants who use bank services report having only checking and/or savings accounts. No other forms of banking are utilised by them.

Table 3: Are bankers interested in helping their customer?

Source of Help	Frequency	Percent
Colleagues	52	50.0
Friends	50	48.0
Relative	43	41.0
Neighbours	35	32.0
Bankers	18	17.0
Any other	10	9.0

The data in the above tables suggests that bank employees are either less committed to helping their customers than they once were or have failed to inspire sufficient confidence in rural customers to use banks for their financial needs.

Table 4: What is the most admirable banking service, you have come across?

	Frequency	Percent
Deposit	33	22.0
ATM	54	36.0
Fund Transfer	18	12.0
Online Banking	30	20.0
Loan	9	6.0
Any other	6	4.0

Total	150	100.0
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Based on the data presented above, we can conclude that ATM, Deposit and Withdrawal, and Online services are the most admired by rural customers and therefore most attractive to banks. Evidently, technological advancements have an impact on shopping habits in rural areas as well.

Table 5: Awareness about various banking services

Banking Services	Well known	Moderate aware	Less aware
Deposit and Withdrawal	62.0%	25.7%	12.3%
Loan	52.4%	31.4%	16.2%
ATM Related Services	52.4%	16.2%	31.5%
Draft	51.4%	22.9%	25.7%
Online services	48.6%	22.9%	28.6%
Tax related services	40.0%	12.4%	47.6%
Reference	39.0%	13.3%	47.7%
Agency Work	35.2%	24.8%	40.0%
Fund Transfer	26.6%	37.1%	36.2%
Pension	26.7%	13.3%	60.0%

It is clear from the above that many rural residents are completely unaware of the myriad banking services available to them, despite the government's efforts to encourage them to create savings accounts. About 12% of the population has been found to be completely unaware of the most fundamental banking services.

Table 6: Awareness about Government Financial Inclusion Plans: PMJDY and Swabhimaan

PMJDY			Swabhimaan		
	Frequency	Percent		Frequency	Percent
Fully aware	39	26.0	Fully aware	30	20.0

Somewhat aware	57	38.0	Somewhat aware	45	30.0
Not aware at all	54	36.0	Not aware at all	75	50.0
Total	150	100.0	Total	150	100.0

Based on these numbers, we can conclude that 36% of rural consumers still do not know about the advantages of the PMJDY. However, we can at least say that, in comparison to the older financial inclusion plan Swabhimaan, awareness of PMJDY is higher because of agreeable and positive campaigning about PMJDY.

Table 7: Do you feel banking services are needed for your growth?

	Frequency	Percent
Not very useful	39	26.0
Somewhat useful	63	42.0
Very useful	48	32.0
Total	150	100.0

Even now, many people in rural areas fail to appreciate the significance of banking services. However, about 75 percent of rural customers are aware of the benefits banking services can provide to their company.

CONCLUSION

Since many individuals in developing countries like India still lack access to formal financial services like bank accounts, insurance, and credit, this type of funding is crucial to the economic growth of the country. The results of this research show that rural consumers not only do not have sufficient access to a range of financial services, but they also fail to appreciate the value of these options. However, we discovered that a lack of knowledge about the crucial function of banking services in monetary advancement is the primary cause for the low level of awareness regarding financial inclusion plans. Thus, the government must try to educate rural customers on the value of using a variety of banking services to increase their financial well-being if financial inclusion initiatives are to succeed.

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