

An Investigation into the Awareness and Utilization of Banking Products and Services Among the Public

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Abstract

The provision of accessible and comprehensive banking products and services plays a pivotal role in promoting financial literacy and inclusivity. In this context, understanding the awareness and usage patterns of the public regarding these offerings is critical for the sustainable growth of the financial sector and the overall economic development of the region. This article presents a descriptive research study focused on understanding the level of awareness and utilization of banking products and services among the general public in the Saurashtra region. The research aims to investigate the extent to which the public is informed about a variety of banking products, services, and relevant regulations, as well as the factors influencing their decisions to use these services. The study employs a convenience sampling method to collect primary data through a structured questionnaire administered to 110 respondents. The findings from this research provide valuable insights for financial institutions and policymakers to enhance public awareness and encourage optimal usage of banking products and services, ultimately fostering financial inclusion and economic growth within the Saurashtra region.

Introduction

The banking sector is a crucial pillar of any economy, providing essential financial services to individuals, businesses, and governments. We shall have a look into the various aspects of the banking industry, including its evolution, key players, services, regulations, and technological advancements.

The banking sector is a crucial and integral part of any modern economy, serving as the backbone of financial stability and growth. It plays a fundamental role in facilitating monetary transactions, providing financial services, and mobilizing savings for productive investments. The sector acts as an intermediary between savers and borrowers, channeling funds from those with surplus resources to those in need of capital.

Banking institutions have a long and rich history, dating back centuries. From the earliest moneylenders and merchants exchanging coins to the modern-day complex financial institutions, banking has evolved significantly to adapt to changing economic landscapes and technological advancements.^{1,2}

Literature Review

Antony Beckett, Paul Hower, Barry Howcroft (February 2002)

An exposition of consumer behavior in the financial services industry

Consumer behavior has been significantly impacted by the extremely competitive market conditions brought about by deregulation and the introduction of new technologies. Therefore, bank service providers need to make an effort to learn more about their clients in order to influence and predict consumer purchasing behavior in addition to anticipating it. In light of this, the study proposes and creates a model that aims to explain and categorize consumer behavior in when it comes to making financial product and service purchases. Following that, the model's theoretical insights are applied to analyze qualitative research data gleaned from focus group conversations regarding the views of consumers toward their financial providers and financial products. Lastly, the potential lessons that bank providers might learn from these

results are explored in an effort to determine the best approaches that will boost client loyalty and profitability. ³⁻⁵ Antony Beckett, Paul Hewer, Barry Howcroft (January 2017)

Factors impacting the adoption of m-banking: understanding brand India's potential for financial inclusion

The purpose of this study has been to understand brand India's potential for financial inclusion in the future. Digital channels like mobile banking (m-banking) are likely to provide better coverage and more cost-effective services to the unbanked population of India. Thoughts on m-banking among Indian consumers, particularly those who have not yet embraced it, are crucial to comprehend in order to assess brand India's prospects for financial inclusion in the future. This would highlight m-banking's potential as a means of promoting financial inclusion in accordance with users' plans to use it. Financial inclusion is impossible until all Indians have access to a greater variety of financial services. Similarly, the Government of India's (GOI) ambitions for "Digital India" will remain unrealized until every Indian embraces digital channels to access a greater range of financial and non-financial services. Moreover, a survey of the literature reveals that there is surprisingly little research on mobile banking globally and much less in the Indian setting. Madhurima Deb (February 2019)

Financial inclusion, banking the unbanked: Concepts, issues, and policies for India

Through this article, the researcher analyzed financial inclusion in India using data from the World Bank Global Findex for the years 2011, 2014, and 2017 and then compared India's condition with that of the other BRICS countries. Recognized that achieving inclusive growth in an economy requires financial inclusion as a must-have strategy. Financial inclusion is a socio-economic concept rather than only an economic one because it gives individuals access to healthcare and education, as well as a better standard of living and a secure future. Though policies will assist in reaching out, the ultimate goal of financial inclusion, as we view it in India, is to eliminate obstacles to inclusion that are mostly brought on by voluntary discrimination. Priyanka Menon (June 2022)

Financial inclusion of women and gender gap in access to finance: A systematic literature review

Despite an increase in the global level of financial inclusion overall, World Bank Findex data suggests that there has been a persistent gender difference in financial inclusion over time. In keeping with the UN's 17 Sustainable Development Goals, which include promoting gender equality, women's financial inclusion is important. Studies on women's financial inclusion in academic literature are dispersed, and there are few systematic literature reviews to understand the state of the field and identify research gaps. In order to determine the causes influencing women's financial inclusion, the gender gap that results from it, and the significance of encouraging greater financial inclusion for women, this article attempts to undertake a structured, comprehensive literature review. Literature reviews are important to map the existing landscape of a study problem and develop further knowledge. This study reviews 75 peer-reviewed articles from 2000 to 2021 and presents the findings in a comprehensive manner following a conceptual model. Synthesized evidence reveals the existence of gendered financial inclusion mainly due to demand-side factors. Women's financial exclusion is also thought to be influenced by a number of socioeconomic and cultural variables. The study proposes future research possibilities based on the mapping of existing findings, with emergent themes linked to digital finance, financial self-efficacy, and financial literacy, all of which are critical for improving women's financial inclusion. Priyanka Roy

Research Methodology

Statement of problem

—The problem is people are still not that aware of various banking products, services, terminologies, and regulations. Also, they do not fully utilize advanced banking services and facilities. For example, online banking services.

Research objectives

The main research objective is to know the "Awareness and use of banking services and products." That would even help the bank and other related entities see the awareness among people and how much more attention is needed. The other objectives are -:

1. To know people’s familiarity with online banking and mobile banking.
2. To know how frequently people use online banking and mobile banking.
3. To the familiarity of people with various matters, rules, and procedures for the utilization of banking products and services.

Scope of study

The goal of the research study on public awareness and use of banking products and services is to examine in detail how people’s attitudes, knowledge, and behaviors relate to the many financial services that banks offer. This study intends to investigate how well-informed the general public is about various banking products and services, how well- informed they are about various rules and regulations, and what variables influence their decisions to use them.

Both classic banking products like savings accounts, checking accounts, loans, and credit cards as well as contemporary digital services like mobile banking, online payments, and digital wallets are investigated as part of the research.

The study will also look at how these products and services are used, as well as the users’ understanding of key concepts linked to banking and how banking operations are carried out. This study will reveal the efficacy of banking institutions’ promotional efforts as well as any potential gaps in their education and communication plans.

Table 1: Research design **Type of Research** **Descriptive**

research

Sampling Method	Convenience sampling
Sampling Universe	Saurashtra region
Sample Size	110 responses
Method of Data Collection	Primary data and Secondary data
Sample Instrument	Questionnaire
Tools of Analysis	Graphs and statistical tests such as Chi-square and
Annova	



Figure 1: Gender of respondents

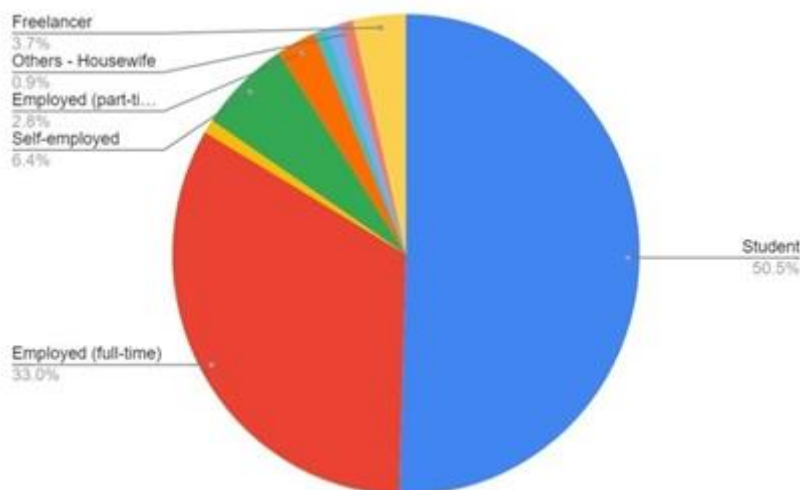


Figure 2: Occupation of respondents

Research hypothesis

4. H0: Gender and familiarity with mobile banking apps and online banking services do not depend on each other.
5. H1: Gender and familiarity with mobile banking apps and online banking services depend on each other.
1. H0: Usage of online banking services/mobile banking apps and occupation are not dependent on each other.
2. H1: Usage of online banking services /mobile banking apps and occupation depend on each other.
1. H0: People are unfamiliar with various matters for the utilization of banking products and services.
2. H1: People are not unfamiliar with various matters for the utilization of banking products and services.

Data analysis and interpretation

Mostly, people are familiar with online banking services and mobile banking service applications.

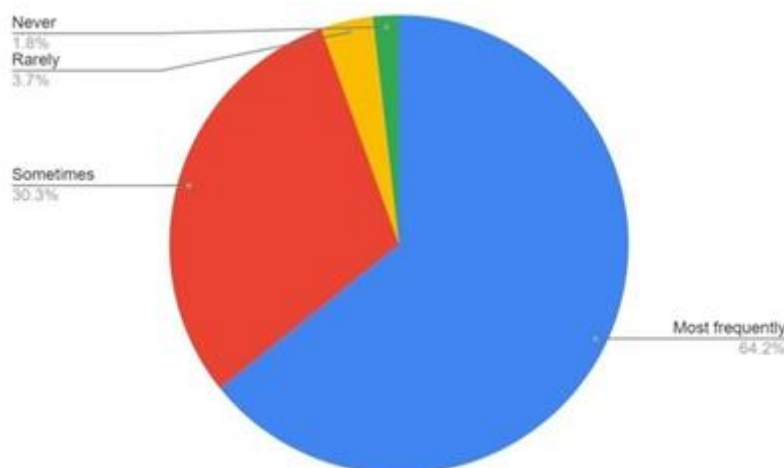


Figure 3: Familiarity of respondents with online banking and mobile banking.

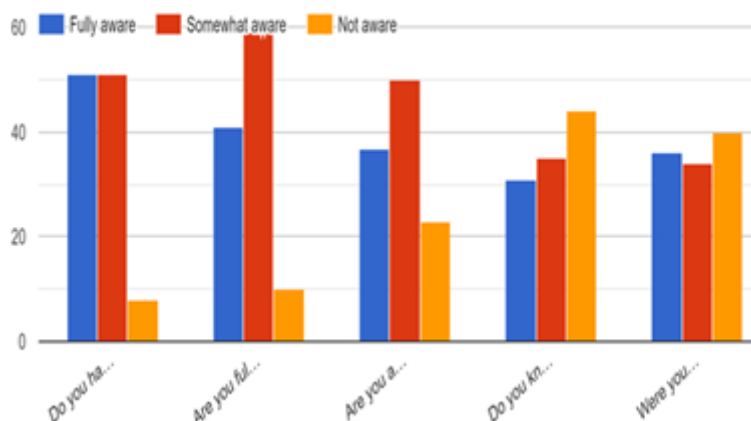


Figure 4: Frequency of usage of online banking services and mobile banking apps

As we can see, a maximum of 64.2 % of respondents are frequently using online banking services and mobile banking apps. And very few do not use it ever.

Clear understanding of the risks associated with various financial products and investments?

6. Awareness regarding various rules and regulations related to banking products and services? (E.g., loan terms, and interest, overdraft rules, FD rates, and benefits, etc.)
7. Awareness of the process for filing complaints or disputes with your bank or regulatory authority if you encounter issues with banking services?
8. What is "Chargeback" in credit card transactions?
9. Awareness of the fact that it's compulsory to buy a share of the bank in order to gain loans or FD in some cooperative banks?

As we can see in the graph, majorly people are either somewhat aware or not aware of the above matters. In particular, a maximum number of respondents don't know about the chargeback in credit cards (44 respondents) and the rule of buying shares for getting loans or FD facilities (40 respondents). But overall, there are also many respondents who are well aware of all the matters. (51 respondents are fully aware of various rules and regulations related to banking products and services?)

Application of tests

Table 2: Familiarity of people with online banking services and mobile banking apps?

Gender	Very familiar	Not familiar	Somewhat familiar	Total
Male	42	1	7	50
Female	38	6	16	60
Total	80	7	23	110

10. H0: Gender and familiarity with mobile banking apps and online banking services do not depend on each other.

11. H1: Gender and familiarity with mobile banking apps and online banking services depend on each other.

Let's assume the value of α is 5%.

The degree of freedom for chi-square is $(r-1)(c-1)$. Thus the value of degree of freedom is 2.

r = number of rows

c = number of columns Now,

Chi-square = χ^2

Criticalvalue=5.991

Calculated value = 6.437374996

Result: Here the Critical value is smaller than thecalculated value hence the null hypothesis is rejected

Therefore, gender and familiarity with mobile banking apps and online banking services are related to each other.

1. H0: Usage of online banking services/mobile banking apps and occupation are not dependent on each other.
2. H1: Usage of online banking services /mobile banking apps and occupation depend on each other.

Let's assume the value of α is 5%.

The degree of freedom for chi-square is (r-1)(c-1). Thus the value of the degree of freedom is 15

r= number of rows

c= number of columnsNow,

Chi-Square = χ^2

Critical Value = 24.996 Calculated value = 25.71009022

Result Here the Critical value is smaller than calculated value hence the null hypothesis is rejected.

Therefore, usage of online banking services or mobilebanking apps and occupation is related to each other.

FO	FE	FO-FE	(FO-FE)2	(FO-FE)2/FE
42	36.36363636	5.636363636	31.76859504	0.873636364
1	3.1818	-2.1818	4.76025124	1.49608751
7	10.4545	-3.4545	11.93357025	1.1414769
38	43.6363	-5.6363	31.76787769	0.728014925
6	3.8181	2.1819	4.76068761	1.246873474
16	12.5454	3.4546	11.93426116	0.951285823
				6.437374996

Table 3: Frequency of usage of online banking services and mobile banking apps?

Occupation	Most frequently	Sometimes	Rarely	Never	Total
Student	32	22	1	1	56
Employed (full-time)	27	8	2	0	37
Employed (part-time)	2	1	0	0	3
Self-employed	5	1	1	0	7
Freelancer	3	1	0	0	4
Other	2	0	0	1	3
Total	71	33	4	2	110

FO	FE	FO-FE	(FO-FE)2	(FO-FE)2/FE
32	36.14545	-4.14545	17.1847557	0.475433442
22	16.8	5.2	27.04	1.60952381
1	2.03636	-1.03636	1.07404205	0.527432305
1	1.01818	-0.01818	0.000330512	0.000324611
27	23.88181	3.11819	9.723108876	0.407134504

8	11.1		-3.1	9.61	0.865765766
2	1.34545	0.65455		0.428435703	0.318433017
0	0.67272	-0.67272		0.452552198	0.67272
2	1.93636	0.06364		0.00405005	0.002091579
1	0.9		0.1	0.01	0.011111111
0	0.10909	-0.10909		0.011900628	0.10909
0	0.05454	-0.05454		0.002974612	0.05454
5	4.51818	0.48182		0.232150512	0.051381422
1	2.1		-1.1	1.21	0.576190476
1	0.25454	0.74546		0.555710612	2.183195614
0	0.12727	-0.12727		0.016197653	0.12727
3	2.58181	0.41819		0.174882876	0.06773654
1	1.2		-0.2	0.04	0.033333333
0	0.14545	-0.14545		0.021155703	0.14545
0	0.07272	-0.07272		0.005288198	0.07272
2	1.93636	0.06364		0.00405005	0.002091579
0	0.9		-0.9	0.81	0.9
0	0.10909	-0.10909		0.011900628	0.10909
1	0.054545	0.945455		0.893885157	16.38803111
					25.71009022

Awareness of the following matters

12. Clear understanding of the risks associated with various financial products and investments?

13. Awareness regarding various rules and regulations related to banking products and services? (E.g., loan terms, and interest, overdraft rules, FD rates, and benefits, etc.)

14. Awareness of the process for filing complaints or disputes with your bank or regulatory authority if you encounter issues with banking services?

15. What is "Chargeback" in credit card transactions?

16. Awareness of the fact that it's compulsory to buy a share of the bank in order to gain loans or FD in some cooperative banks.

1. H0: People are unfamiliar with various matters for the utilization of banking products and services.

2. H1: People are not unfamiliar with various matters for the utilization of banking products and services.

Table 4: Summary of responses for ANOVA test

	Q.1	Q.2	Q.3	Q.4	Q.5
1	51	42	37	32	36
2	51		58	50	34
3	8		10	23	40
Total	110		110	110	110

(Here 1- Fully aware, 2- Somewhat aware, 3- Not aware)

ANOVAs	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Source of Variation	df	MS	F	P-value	F crit	
Between Groups	2.72	4	0.68	0.880380089	0.47535523	2.38828870
					7	4
Within Groups	420.9545455	545	0.77239366			

Total	423.6745455	549
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Result: - As the F critical value is greater than the P-value, therefore, we shall accept the null hypothesis.

This means that overall, people are unfamiliar with the various matters of utilization of banking products and services.

Conclusion

Hence, we can conclude that the general public is aware of online banking and mobile banking applications. And also use it very frequently. But, there seems to be some relation between the demographics and awareness as well as utilization of banking products and services. Also, people are still unfamiliar with various matters, rules, and terminologies for the utilization of banking products and services.

Still, there is a need to create awareness among people regarding the other banking services, matters, rules and terminologies, etc, which are not known and used more frequently. And that would lead to financial/banking inclusion of the whole society.

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