

A STUDY ON CUSTOMER AWARENESS TOWARDS SMALL FINANCE BANK

Submitted in partial fulfillment of the requirement for the reward of

BACHELOR OF BUSINESS ADMINISTRATION

By

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BACHELOR OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

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DEPARTMENT OF BUSINESS ADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bona-fide work of **VINODH KUMAR.N (39280103)** who has done the Project work entitled “**A STUDY ON CUSTOMER AWARENESS TOWARDS SMALL FINANCE BANK**” under my supervision from December 2021 to March 2022.

Dr.Shetty Deepa Thangam Geeta

Internal guide

Dr.Bhuvaneshwari G Dean , School of Business Administration

Submitted for Viva voice Examination held on _____

Internal Examiner

External Examiner

DECLARATION

I **VINODH KUMAR.N (39280103)**. Hereby declare that the Project Report entitled “**A STUDY ON CUSTOMER AWARENESS TOWARDS SMALL FINANCE BANK**”” done by me under the guidance of **Dr.Shetty Deepa Thangam Geeta M.Com,; B.Ed: PhD**, School of Business Administration is submitted in partial fulfillment of the requirements for the award of BACHELOR OF BUSINESS ADMINISTRATION DEGREE.

VINODH KUMAR.N

Place:Chennai

Signature of the candidate

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ABSTRACT

Small Finance Banks are a type of niche banks in India which can provide basic banking services of acceptance of deposits and lending. The aim behind setting up of such bank is to provide financial inclusion to sections of the society and not being served by the traditional banks, such as small business unit, small and marginal farmers, micro and small industries and unorganized sector. RBI on 16 September 2015 kicked off transformative changes in the financial system of the country by granting license to 10 Small Finance Banks which are like the last bricks to be laid in the wall of financial inclusion cemented together by the RBI guidelines. The report discusses the objectives, challenges and opportunities for the Small Finance Banks in the light of transforming economic landscape of the country.

KEYWORDS

Small finance bank

Deposits

Lending

Economic landscape

Small industries

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CHAPTER-1

1.1INTRODUCTION

The title of the project is “A study on customer awareness towards small finance bank”. This topic been chosen because day by day development happens in all the field including banking. The small finance bank which was introduced for helping people to middle class and low class is also growing, this study is chosen to measure the awareness of people about the small finance bank.

Consumer Awareness is an act of making sure the buyer or consumer is aware of the information about products, goods, services and consumer rights. Consumer awareness is important so that buyer can take the right decision and make the right choice. Consumer have the right to information, right to choose, right to safety.

Small Finance Banks is a specific segment of banking created by RBI under the guidance of Government of India with an objective of furthering financial inclusion by primarily undertaking basic banking activities to un-served and undeserved sections including small business units, small and marginal farmers, micro and small industries and unorganized entities. Like other commercial banks, these banks can undertake all basic banking activities including lending and taking deposits.

1.2. INDUSTRY PROFILE

A bank is a financial institution that accepts deposits and recurring accounts from the people and creates Demand Deposits. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial stability of a country, banks are highly regulated in most countries. Most nations have institutionalized a system known as fractional reserves banking under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to other regulation intended to

ensure liquidity, banks are generally subject to minimum capital requirements based on an international set of capital standards, known as the Basel Accords.

Banking in its modern sense evolved in the fourteenth century in the prosperous cities of Renaissance Italy but in many ways was a continuation of ideas and concepts of credit and lending that had their roots in the ancient world. In the history of banking, a number of banking dynasties – notably, the Medicis, the Fuggers, the Welsers, the Berenbergs, and the Rothschilds – have played a central role over many centuries. The oldest existing retail bank is Banca Monte dei Paschi di Siena, while the oldest existing merchant bank is Berenberg Bank.

HISTORY

The concept of banking may have begun in ancient Assyria and Babylonia, with the merchants offering loans of grain as collateral within a barter system. Lenders in ancient Greece and during the Roman Empire added two important innovations: they accepted deposits and changed money. Archaeology from this period in ancient China and India also shows evidence of moneylending.

The present era of banking can be traced to medieval and early Renaissance Italy, to the rich cities in the centre and north like Florence, Lucca, Siena, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th-century Florence, establishing branches in many other parts of Europe. One of the most famous Italian banks was the Medici Bank, set up by Giovanni di Bicci de' Medici in 1397. The earliest known state deposit bank, Banco di San Giorgio (Bank of St. George), was founded in 1407 at Genoa, Italy.

Fractional reserve banking and the issue of banknotes emerged in the 17th and 18th centuries. Merchants started to store their gold with the goldsmiths of London, who possessed private vaults, and charged a fee for that service. In exchange for each deposit of precious metal, the goldsmiths issued receipts certifying the quantity and

purity of the metal they held as a bailee; these receipts could not be assigned, only the original depositor could collect the stored goods.

Gradually the goldsmiths began to lend the money out on behalf of the depositor, and promissory notes (which evolved into banknotes) were issued for money deposited as a loan to the goldsmith. The goldsmith paid interest on these deposits

notes were payable on demand, and the advances (loans) to the goldsmith's customers were repayable over a longer time period, this was an early form of fractional reserve banking. The promissory notes developed into an assignable instrument which could circulate as a safe and convenient form of money backed by the goldsmith's promise to pay, allowing goldsmiths to advance loans with little risk of default. Thus, the goldsmiths of London became the forerunners of banking by creating new money based on credit.

The Bank of England was the first to begin the permanent issue of banknotes, in 1695. The Royal Bank of Scotland established the first overdraft facility in 1728. By the beginning of the 19th century a bankers' clearing house was established in London to allow multiple banks to clear transactions. The Rothschilds pioneered international finance on a large scale, financing the purchase of the Suez canal for the British government.

1.3 COMPANY PROFILE

In India, where extending banking services to the underserved and unserved sections of the population is a challenge, there is merit in considering access to bank credit and services through expansion of small banks in unbanked and under-banked regions.

In India an experiment with small banks was taken up following an announcement made by the then Finance Minister in the Union Budget in August 1996 and the RBI issued guidelines for setting up of Local Area Banks (LABs) vide its Press Release dated August 24, 1996. The LABs were conceived as low cost structures which would provide efficient and competitive financial intermediation services in a limited area of operation, i.e., primarily in rural and semi-urban areas. LABs were required to have a minimum

capital of Rs. 5 crore and an area of operation comprising three contiguous districts. Presently, four LABs are functioning satisfactorily.

Taking into account the above and that small finance banks can play an important role in the supply of credit to micro and small enterprises, agriculture and banking services in unbanked and under-banked regions in the country, the RBI has decided to licence new “small finance banks” in the private sector. While permitting small banks, however, the issues relating to their size, capital requirements, area of operations, exposure norms, regulatory prescriptions, corporate governance and resolution need to be suitably addressed in the light of experience gained. Hence RBI has come out with following guidelines for licensing of small finance banks in the private sector. . Initially 10 institutions got license to operate their dealings in the group of small finance bank they are:

Ujjivan Small Finance Bank

Jana Small FinanceBank

Equitas Small FinanceBank

Fincare Small FinanceBank

ESAF Small FinanceBank

Suryoday Small FinanceBank

1.4 STATEMENT OF THE PROBLEM

“TO STUDY THE CUSTOMER AWARENESS TOWARD SMALL FINANCE BANK”

1.5 OBJECTIVE OF THE STUDY

1. To identify the role of small finance banks in India.
2. To measure the awareness level of customers on small finance banks.
3. To analyse the customers perspective on small finance banks in India.

1.6 SCOPE OF THE STUDY

This study analysis about the awareness of the customer about small finance bank and its activities. Need and wants of different business entities directly supported by nationalised banks, schedule banks, private banks, foreign banks and corporate banks with well designed policies and guidelines of RBI. Among this multiple entry are continuously trying to apply different competitive strategies to attract more customers at the same time very few less performers are unable to sustain in its field in turn slowly becoming a sick unit due to the high amount of non-performing assets. At this juncture the RBI immediately apply different remedial measure to overcome the issue cash ratio, adequate ratio mergers and acquisitions policies are some of the strategical ideas to encounter the related demerits in the critical journey the one more banking baby has also been included as new financial inclusion scheme and to provide basic financial services to Micro Small and Medium Enterprise (MSME) with the entry like Small Finance Banks. Therefore, the researcher wants to pursue research in “study on customer awareness towards small finance bank”

CHAPTER-2

REVIEW OF LITERATURE

2.1 LITERATURE REVIEW

Banking industry is one of the most technologically advanced industries with vast networks of branches empowered by strong banking systems, their wide range of product and effective distribution channel capabilities. However, regulatory, structural and technological factors are significantly changing the banking environment throughout the world. One of the most important factors that is motivating the growth of the Indian banking institutions is the liberalization. The financial sector reforms in India were designed to infuse greater competitive vitality in the banking system. The Narsimhan Committee report suggested wide ranging reforms for the Indian banking sector in 1992, including the important one to introduce internationally accepted banking practices so as to enable Indian banks to achieve service excellence. The Committee recommended a liberal policy towards the entry norms of private sector banks and foreign banks into the Indian banking sector.

The Interest rate structure has been deregulated to a great extent and banks have been given a great degree of freedom in determining their rate structure for deposits and advances, as well as their other product range. Banking has also become more competitive in respect of branch network. The end result is that market power is getting shifted from banks to their customers. Financial liberalization has led to intense competitive pressures, and retail banks are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. With such a high potential in the Indian banking industry, allleading.

V. Raja, Joe A. (2012), "Global e-banking scenario and challenges in banking system", this paper is an attempt to explore the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking transactions. It also analyses how E-banking can be useful for banking industry during this global financial meltdown.

Van B., Paul, Veloso, Francisco M. and Oliveira, P., (2012), "Innovation by Users in Emerging Economies: Evidence from Mobile Banking Services", this paper examined the extent to which users in emerging economies innovate, and whether these innovations are meaningful on a global stage. To study this issue, the researcher conducted an empirical investigation into the origin and types of innovations in financial services offered via mobile phones, a global, multi-billion dollar industry where emerging economies play an important role. The researcher used the complete list of mobile financial services, as reported by the GSM Association (GSMA), and collected detailed histories of the development of the services and their innovation process. Analysis of this study shows that 85% of the innovations in this field originated in emerging markets. The researcher also conclude that at least 50% of all mobile financial services were pioneered by users, approximately 45% by producers, and 5% jointly by users and producers. Additionally, services developed by users diffused at more than double the rate of producer-innovations. Finally, the researcher observed that three quarters of the innovations that originated in emerging markets have already diffused to OECD countries and that the (user) innovations are therefore globally meaningful.

Nel J., Boshoff C., Raleting T., (2012), "Exploiting the technology cluster effect to enhance the adoption of WIG mobile banking among low-income earners" This study investigated the attitude formation of low-income, non-users of Wireless Internet Gateway (WIG) mobile banking, by including use of the Short Message Services (SMS) as a moderator of attitude formation. A non-probability sample of 465 South African non-users of mobile banking was drawn and clustered into High users and Low users of

the SMS, based on the average number of text messages sent in a week. The moderating effect of “use of the SMS” was investigated by means of a structural equation multi-group analysis. The findings revealed that the influence of Ease of use on Attitude and of Self-efficacy on Ease of use were stronger for High users and significantly different from Low users, while the opposite was true for the influence of Facilitating conditions on Usefulness.

Oliveira P., Eric V. H., (2011), “Users as service innovators: The case of banking services” Found that 55% of today’s computerized commercial banking services were first developed and implemented by non-bank firms for their own use, and 44% of today’s computerized retail banking services were first developed and implemented by individual service users rather than by commercial financial service providers. Manual precursors to these services – manual procedures that carried out functions similar to computerized services in our sample – were almost always developed by users as self-services.

Alain Y. C., Keng B. O., Binshan L., Boon I. T., (2010) “Online banking adoption: an empirical analysis” showed that perceived usefulness, trust and government support all positively associated with the intention to use online banking in Vietnam. Contrary to the technology acceptance model, perceived ease of use was found to be not significant in this study.

Kenneth B. Y., David H. W., Claire L., Randall B, (2010) “Offline and online banking – where to draw the line when building trust in e-banking?”, found that Traditional service quality builds customer trust in the e-banking service. The size and reputation of the bank were found to provide structural assurance to the customer but not in the absence of traditional service quality. Web site features that give customers confidence are significant situation normality cues.

Agarwal R., Rastogi S., Mehrotra A., (2009), "Customers" perspectives regarding ebanking in an emerging economy" Determining factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank's strategy formulation process in an emerging economy like India. To gain this understanding in respect of Indian customers, the study was conducted on respondents taken from the northern part of India. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking

. Khan M. S., Mahapatra S. S., (2009), "Service quality evaluation in internet banking: an empirical study in India" Demographic analysis of data reveals that gender is hardly a bias for use and evaluation of service quality of i-banking in most of the cases across various categories of customers. A valid mathematical model is proposed to assess the overall service quality using regression analysis. The results show that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfilment, but least satisfied with the 'user-friendliness' dimension. The empirical findings not only prioritise different parameters but also provide guidelines to bankers to focus on the parameters on which they need to improve.

Petrus G., Nelson O. N., (2006) "Borneo online banking: evaluating customer perceptions and behavioural intention", the results indicate that perceived usefulness and perceived ease of use are strong determinants of behavioural intention to adopt online banking. There is also an indirect effect of computer self-efficacy and prior general computing experience on behavioural intention through perceived usefulness and perceived ease of use.

Kari P., Tero P., Heikki K., Seppo P., (2006) "The measurement of end-user computing satisfaction of online banking services: empirical evidence from Finland", The survey results support three constructs (content, ease of use, accuracy) from the original model, indicating that the modified EUCS model labelled EUCS2 can be utilized in analysing user satisfaction with online banking among private customers.

Heikki K., Minna M., Tapio P., (2002) "Factors underlying attitude formation towards online banking in Finland", The study explored the effect of different factors affecting attitude formation towards Internet banking (online banking) in Finland. The purpose of this paper is to determine those factors that influence the formation of attitude towards Internet banking on the one hand, and their relation to the use of online banking services, on the other. To attain these, a large survey (1,167 responses) was carried out during the summer of 2000 in Finland. Attitude formation was studied by the use of a structural equation model. The results are expected to provide both theoretical and practical contributions in the area of electronic retail banking and understanding of consumer behaviour in the turbulent financial services industry.

Aladwani A. M. (2001), "Online banking: a field study of drivers, development challenges, and expectations", the results of a quantitative study of the perceptions of banks' executive and IT managers and potential customers with regard to the drivers, development challenges, and expectations of online banking. The findings will be useful for both researchers and practitioners who seek to understand the issues relevant to online banking

Chou D. C., Chou A. Y. (2000), "A Guide to the Internet Revolution in Banking", shown that Banking is an industry that is expected to undergo drastic change because of the E-commerce revolution. This article maps out the direction of the Internet revolution in banking by surveying the phenomenon's history, its technological development, and associated managerial and technological issues.

Furst, K., Lang, William W. and Nolle, D. E., (2000) "Internet Banking: Developments and Prospects", addresses significant gaps in existing knowledge about the Internet banking landscape. Using information drawn from a survey of national bank examiners, we find that while only 20 percent of national banks offered Internet banking in Q3 1999,

these transactional Internet banks accounted for almost 90 percent of national banking system assets and 84 percent of the total number of small deposit accounts. All of the largest national banks offered Internet banking, but only about 7 percent of the smallest banks offered it. Among institutions offering Internet banking, large banks are more likely than small banks to offer a broad range of services on the Internet. Matching call report data to the examiner survey information, we also find that banks in all size categories offering Internet banking tend to rely less on interest-yielding activities and deposits than do non-Internet banks, and institutions with Internet banking outperformed non-Internet banks in terms of profitability. Excepted from the superior performance of Internet banks versus non-Internet banks are de novo Internet banks, which were less profitable and less efficient than non- Internet de nova's. Projections based on banks 'plans as of Q3 1999 indicate that 45 percent of all national banks will be offering Internet banking by the beginning of 2001. While most of the Growth in new Internet banking will be due to small banks coming online, almost half of all national banks had no plans to offer Internet banking. Large banks have more aggressive plans to offer business Internet banking services in the future than small institutions

CHAPTER-3

RESEARCH METHODOLOGY

3.1 METHODOLOGY

Research methods are the techniques and tools by which you research a subject or a topic. Research methodology involves the learning of various techniques to conduct research and acquiring knowledge to perform tests, experiments, surveys, and critical analysis.

3.2 RESEARCH DESIGN

Descriptive research design are used in this study. Descriptive research is also called statistical research. The main goal of this type of research is to describe the data characteristics about what is being studied. The idea behind this type of research is to study frequencies, averages, and other statistical calculations. Although this research is highly accurate, it does not gather the causes behind a situation. Descriptive research is used to obtain information concerning the current status of the phenomena to describe “what exists” with respect to variables or conditions in a situation.

- Statement of the problem
- Identification of information needed to solve the problem.
- Selection or development of instruments for getting the information.
- Design of procedure for information collection.
- Collection of information.
- Analysis of information
- Generalization and predictions.

3.3 SOURCES OF DATA COLLECTION

PRIMARY DATA

This includes designing questionnaire for collection of data through google form study, collecting data from target respondents, processing and analysing the data and arriving at conclusions.

SECONDARY DATA

This data is collected from the book from journals, newspapers, magazines and online information.

3.4 TOOLS OF ANALYSIS

PERCENTAGE ANALYSIS

Percentage analysis is applied to create a contingency table from the frequency distribution and represented the collected data for better understanding.

Percentage analysis was done and the bar diagram and pie Figure was generated.

CHAPTER-4

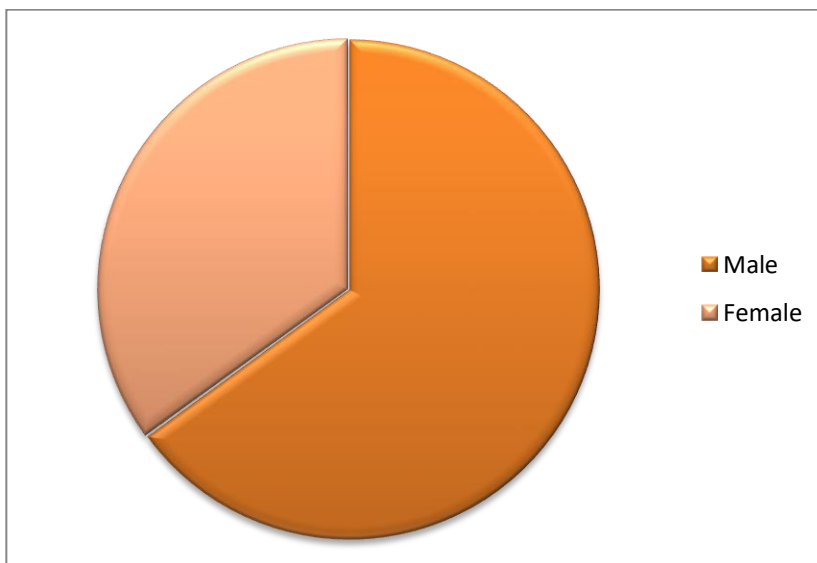
DATA ANALYSIS AND INTERPRETATION

4.1 DATA ANALYSIS AND INTERPRETATION

Table No 4.1

Gender wise classification of the respondents.

GENDER	NO.OF RESPONDENTS	PERCENTAGE
MALE	65	65%
FEMALE	35	35%
TOTAL	100	100%

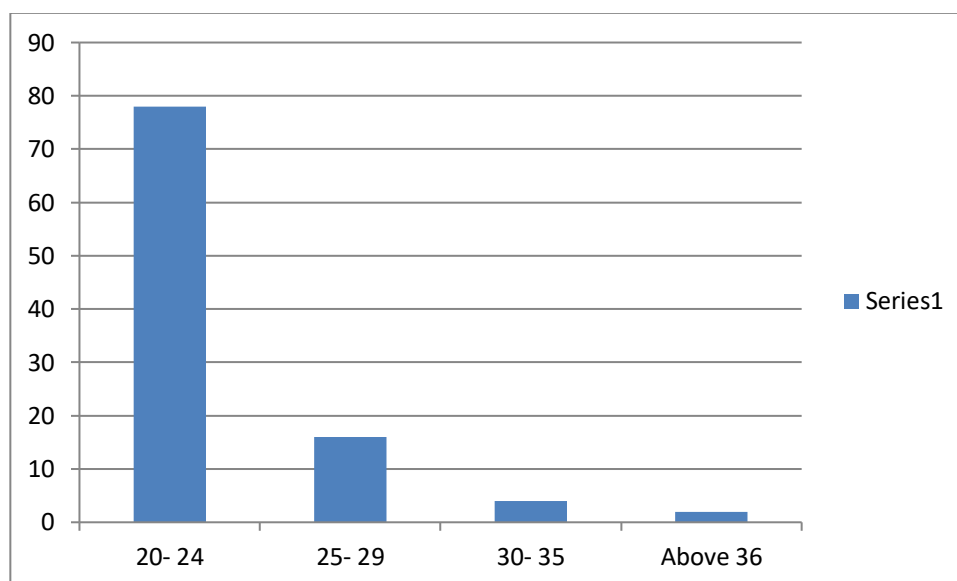


INTERPRETATION

From the above data ,it was found that65 %of responder were male and 35% were female.

TABLE 4.2**AGE WISE CLASSIFICATION OF RESPONDENTS**

AGE	NO.OF RESPONDENTS	PERCENTAGE
20-24	78	78%
25-29	16	16%
30-35	4	4%
ABOVE 36	2	2%

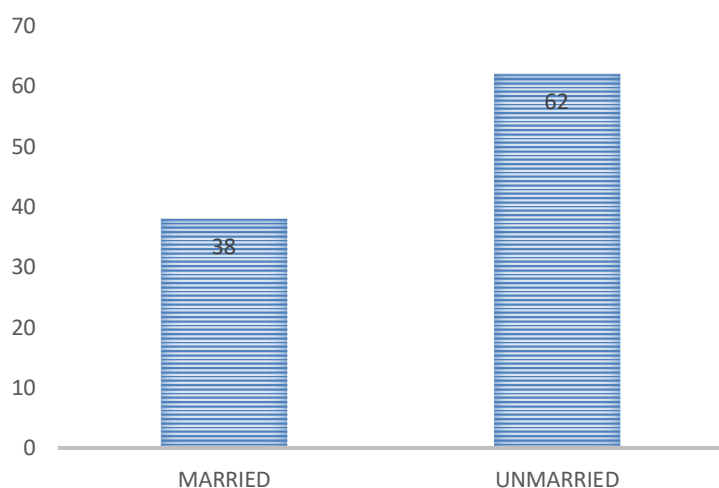
**INTERPRETATION**

From the above data ,it was found that78%of the responder were between20-24,25-29were16% ,30-35 were 4%and above 36 were 2%.

TABLE 4.3

MARTIAL STATUS WISE CLASSIFICATION OF STUDENTS

MARTIAL STATUS	NO.OF RESPONDENTS	PERCENTAGE
MARRIED	38	38%
UNMARRIED	62	62%
TOTAL	100	100%



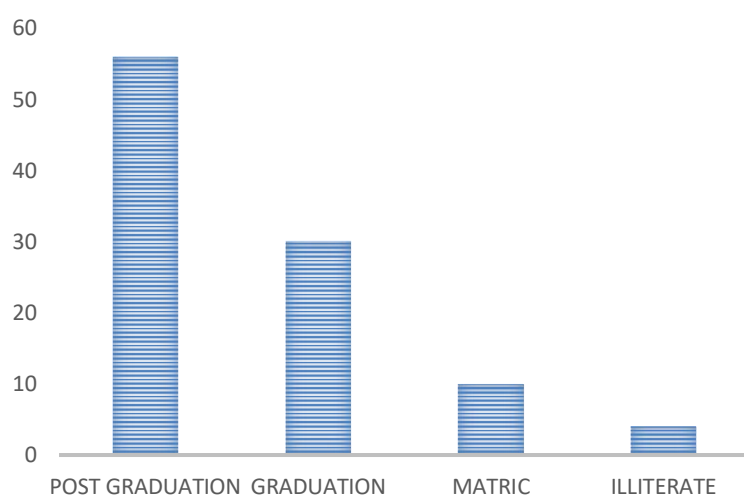
INTERPRETATION

From the above data ,it was found that 38% of the responder were single, 62% were married.

TABLE 4.4

EDUCATION OF THE RESPONDENT

EDUCATION	NO.OF RESPONDENT	PERCENTAGE
POST GRADUATION	56	56%
GRADUATION	30	30%
MATRIC	10	10%
ILLITERATE	4	4%
TOTAL	100	100%



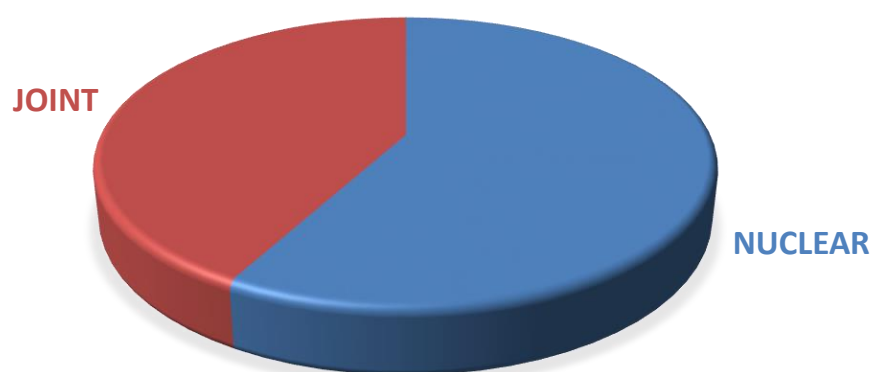
INTERPRETATION

From the above data ,it was found that 56% had done post graduation,30% were graduation10,% completed matric,4% were illiterate.

TABLE 4.5

TYPE OF FAMILY OF RESPONDENTS

TYPE OF FAMILY	NO.OF RESPONDENTS	TOTAL
NUCLEAR FAMILY	58	58%
JOINT FAMILY	42	42%
TOTAL	100	100%



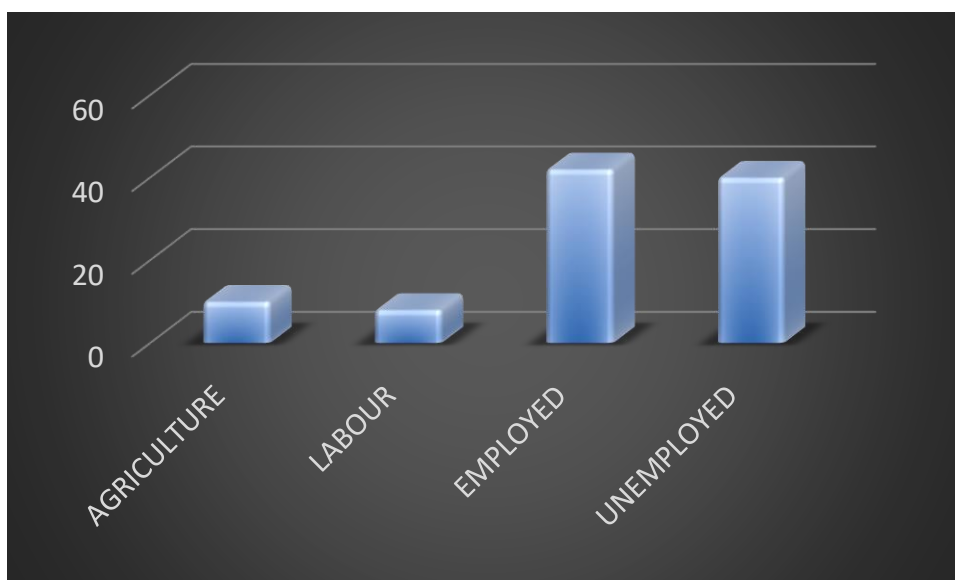
INTERPRETATION

From the above data ,it was found that 58% of the responder belong to nuclear family and 42% from were from joint family.

TABLE 4.6

OCCUPATION OF THE RESPONDENT

OCCUPATION	NO.OF RESPONDENTS	PERCENTAGE
AGRICULTURE	10	10%
LABOUR	8	8%
EMPLOYED	42	42%
UNEMPLOYED	40	40%
TOTAL	100	100%



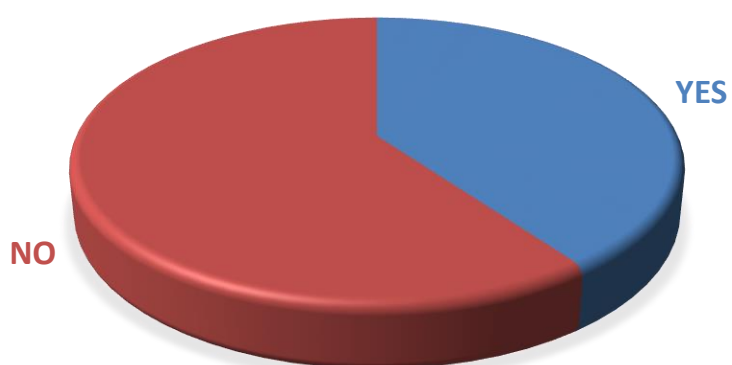
INTERPRETATION

From the above data, it was found that 40% of the responder were unemployed, 42% were employed, 8% were labour and 10% did agriculture

TABLE 4.7

MULTIPLE SOURCE OF INCOME OF RESPONDENTS

INCOME	NO.OF RESPONDENTS	PERCENTAGE
YES	40	40%
NO	60	60%
TOTAL	100	100%



INTERPRETATION

From the above data ,it was found that 60% of the responder did not had multiple source of income and 40% had multiple source of income.

TABLE 4.8

OTHER SOURCE OF INCOME OF RESPONDENTS

OTHER SOURCE OF INCOME	NO.OF RESPONDENTS	TOTAL
FAMILY BUSINESS	56	56%
HOUSE RENTING	44	44%
TOTAL	100	100%

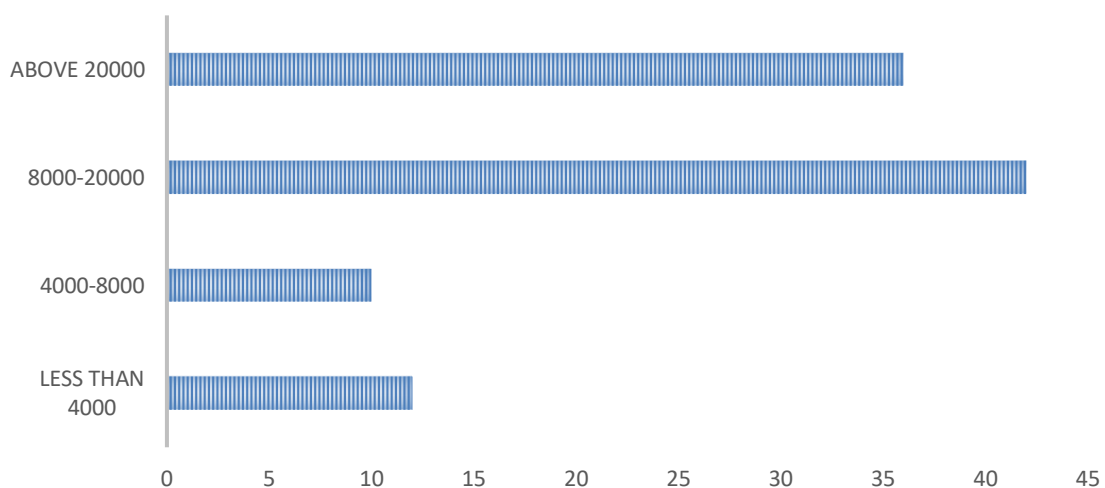


INTERPRETATION

From the above data ,it was found that 44% of the responder sourced their income from house renting and while the rest 56% sourced it from family business.

TABLE 4.9**MONTHLY INCOME OF RESPONDENTS**

INCOME	NO.OF RESPONDENTS	PERCENTAGE
LESS THAN 10000	12	12%
4000-8000	10	10%
8000-20000	42	42%
ABOVE 20000	36	36%
TOTAL	100	100%

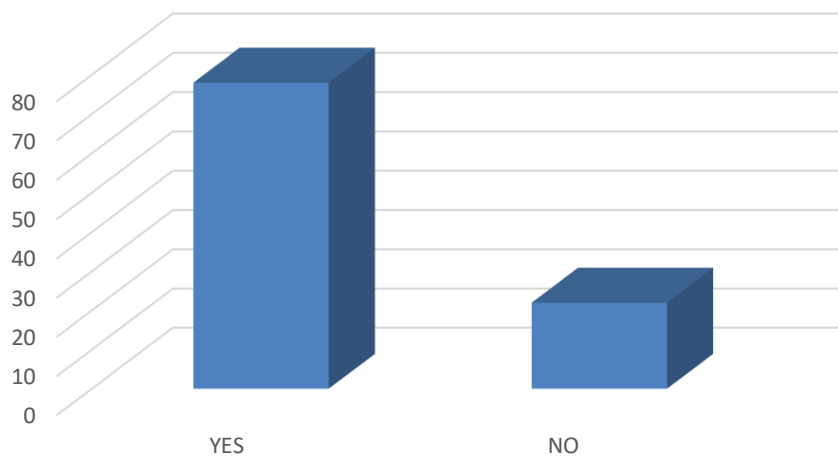
**INTERPRETATION**

From the above data ,it was found that the monthly income of 36% of the responder were above 20000,42% between 8000-20000,10% between 4000 -8000 and 12% below 4000

TABLE 4.10

DO YOU KNOW ABOUT SMALL FINANCE BANK?

	NO.OF RESPONDENTS	PERCENTAGE
YES	78	78%
NO	22	22%
TOTAL	100	100%



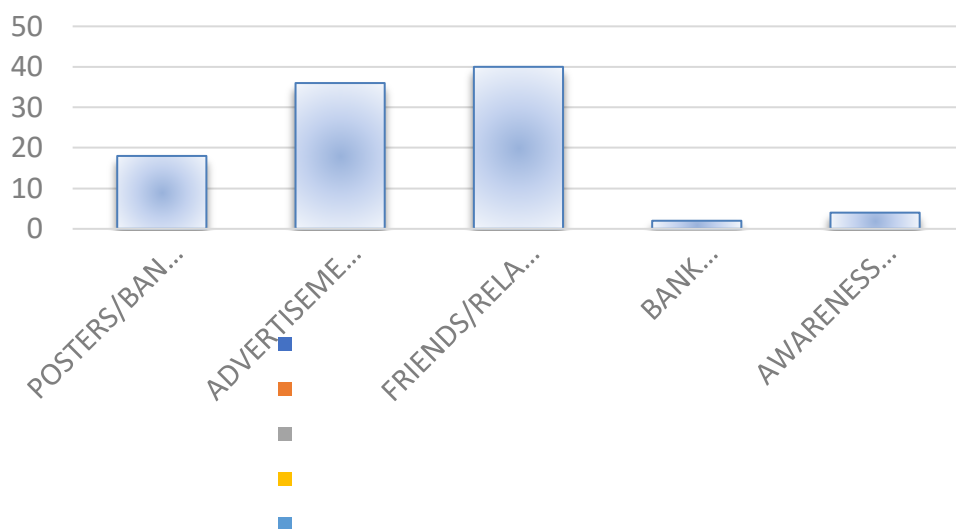
INTERPRETATION

From the above data, it was found that 78% of the responder knew about small finance bank and 22% didn't know about small finance bank.

TABLE 4.11

WHAT IS THE SOURCE OF INFORMATION AND AWARENESS OF SUCH SERVICE?

	NO.OF RESPONDENT	PERCENTAGE
POSTERS/BANNERS/HOARDINGS	18	18%
ADVERTISEMENTIN TV RADIO/NEWSPAPER	36	36%
FRIENDS/RELATIVES/NEIGHBOURS	40	40%
BANK REPRESENTATIVE	2	2%
AWARENESS CAMPAIGN ORGANISED BY INSTITUTION	4	4%
TOTAL	100	100%



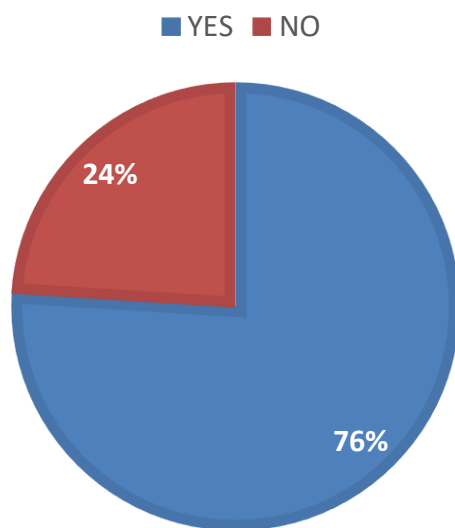
INTERPRETATION

From the above data, it was found that 4% of the responder became aware because of the awareness campaigns, 2% because of bank representatives, 40% from friends/relatives/neighbour, 18% from poster/banner/hording and 36% came to know about small finance bank through advertisement in TV /radio/newspaper.

TABLE 4.12

DO YOU HAVE ACCOUNT IN BANK?

	NO.OF RESPONDENTS	PERCENTAGE
YES	76	76%
NO	24	24%
TOTAL	100	100%



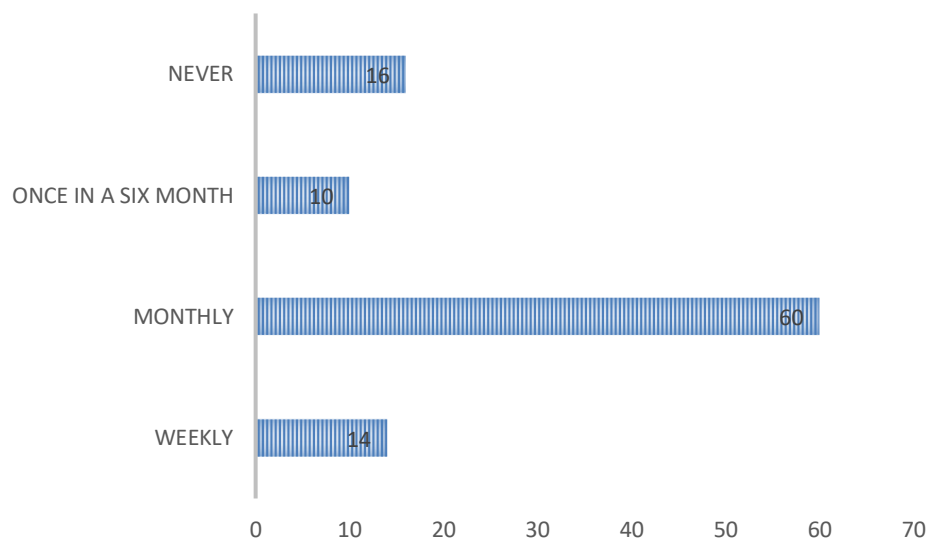
INTERPRETATION

From the above data, it was found that 76% of the responder had bank account while 24% didn't.

TABLE 4.13

HOW OFTEN YOU VISIT BANK?

	NO.OF RESPONDENTS	TOTAL
WEEKLY	14	14%
MONTHLY	60	60%
ONCE IN A SIX MONTH	10	10%
NEVER	16	16%
TOTAL	100	100%



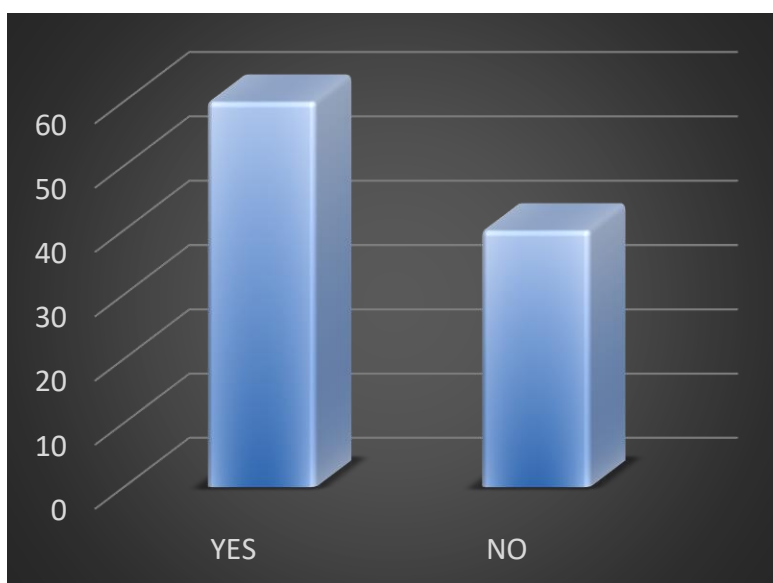
INTERPRETATION

From the above data, it was found that 60% of the responder goes to the bank monthly, 16% have never been to a bank and 14% go once in week, 10% goes to bank once in a six month.

TABLE 4.14

HAVE YOU EVER TAKEN LOAN FROM ANY KIND OF SOURCE BEFORE?

	NO.OF RESPONDENTS	PERCENTAGE
YES	60	60%
NO	40	40%
TOTAL	100	100%



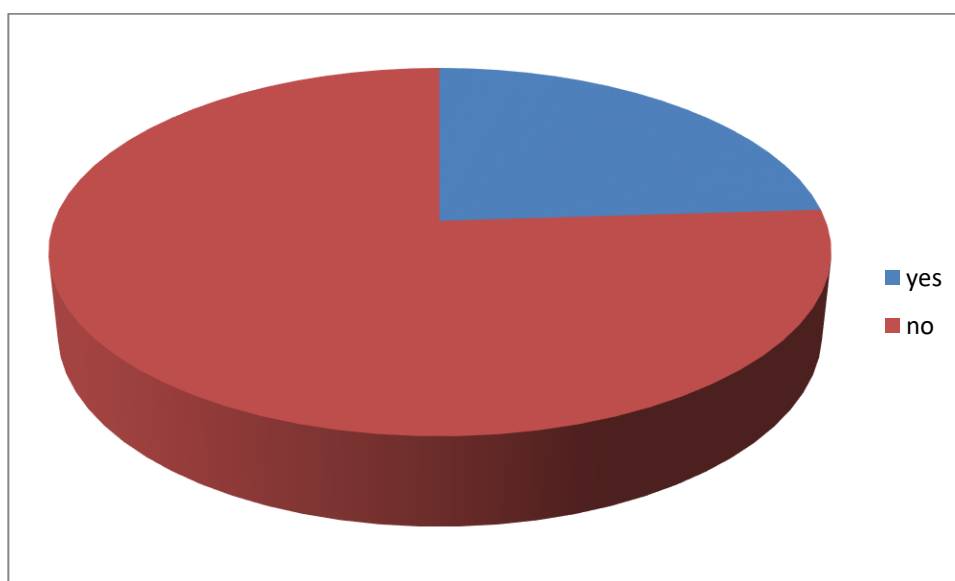
INTERPRETATION

From the above data, it was found that 40% of the population has taken loan while the rest 60% have not taken any kind of loan.

TABLE 4.15

IF YES, DID YOU GOT THE LOAN FROM SMALL FINANCE BANK?

	NO. OF RESPONDENTS	PERCENTAGE
YES	26	26%
NO	74	74%
TOTAL	100	100%



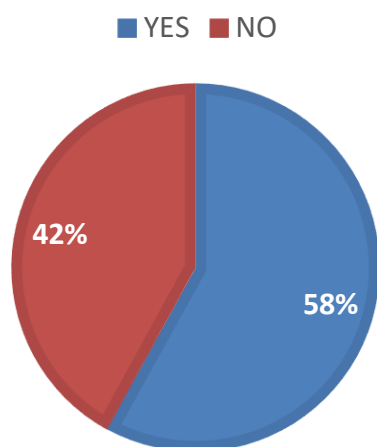
INTERPRETATION

From the above data , it was found that 74% of the respondents has not taken loan from small finance bank while 26% has taken loan from it.

TABLE 4.16

IF NO, ARE YOU NOT AWARE THAT SMALL FINANCE BANK GIVES LOAN AT LESS INTEREST RATES ?

	NO.OF RESPONDENTS	PERCENTAGE
YES	58	58%
NO	42	42%
TOTAL	100	100%



INTERPRETATION

From the above data, it was found that 58% of the responder were aware that small finance bank gives loan at less interest and 42% didn't know about it.

CHAPTER-5

5.1 FINDINGS

From the questionnaire, the following points are found and noted

- Majority (65%) of the respondents of my Questionnaire are Male.
- Majority (78%) of the respondents of my questionnaire belong to the age group 20-24.
- Majority (62%) of the respondents are married.
- Majority (58%) of the respondents belong to nuclear family.
- Majority (56%) of the respondents had done post graduation.
- Majority (42%) of the respondents were employed.
- Majority (60%) of the respondents did not had multiple sources of income.
- Majority (56%) of the respondents had their income from family business.
- Majority (42%) of the respondents had their monthly income between 8000-20000.
- Majority (72%) of the respondents knew about small finance bank.
- Majority (40%) of the respondents became awareness because of friends/relatives/neighbours.
- Majority (76%) of the respondents have their bank account.
- Majority (60%) of the respondents goes to the bank monthly.
- Majority (60%) of the respondents have not taken any loan.
- Majority (74%) of the respondents has not taken loans from small finance bank.
- Majority (58%) of the respondents were aware that small finance bank gives loans at less interest.

5.2 SUGGESTIONS

- The Government and RBI should take necessary steps to reduce the interest rate of loans provided by SFB formed by conversion of MFI.
- With additional scrutiny by the RBI, the SFBs will require to strengthen their governance structures.
- Banking Agents model can be devised to attract and help people for account opening, loan sanctioning etc.
- The study can be expanded to entire India.

5.3 LIMITATION OF THE STUDY

- Due to COVID-19 in depth study was restricted
- The study only covers a period of six weeks.
- The data collection will be done through designed questionnaire only.
- Due to time limitation only 100 sample size has been taken for this work.

5.4 CONCLUSION

Small Finance Banks reiterate the Reserve Bank of India's commitment to achieve financial inclusion by supporting the development of institutions that offer innovative 'high technology, low-cost operations' driven financial services. Eight out of the 10 institutions who have been granted provisional licenses are MFIs that have a track record of providing scalable microcredit services. The researcher made a sample study on the awareness and perception of small finance banks among the people in India

The study reveals that there is high awareness and a positive attitude among the respondents towards SFB. There are tremendous opportunities for NBFC-MFIs transforming into Small Finance Banks. SFBs will also need to approach their technology requirements with a different lens compared to the traditional banks as the former will be serving a customer base that is markedly different from that of a typical commercial bank. Hence, there is a need for cost-effective mobile-based technology deployments that are better suited to reach underserved areas. The performance of the Small Finance Banks in the next five years will, in a way, determine the path that the microfinance sector will take.

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APPENDIX

A STDUY ON CUSTOMER AWARENESS TOWARDS SMALL FIANCE BANK

1. NAME OF THE RESPONDENT _____

2. Gender of the respondent

A. Male

B. Female

3. Age of the respondent

A. 20-24

B. 25-29

C. 30-35

D. Above 36

4. Martial status

A. Married

B. Unmarried

5. Education

A. Post Graduation

B. Graduation

C. Matric

D. Illiterate

6. Type of family

- A. Nuclear family
- B. Joint family

7. Occupation

- A. Agriculture
- B. Labour
- C. Employed
- D. Unemployed

8. Do you have multiple sources of income?

- A. Yes
- B. No

9. If yes, what are the other sources of income?

- A. Family business
- B. House renting

10 Monthly income

- A. Less than 10000
- B. 4000-8000
- C. 8000-20000
- D. Above 20000

11. Do you know about small finance bank?

- A. Yes
- B. No

12.What is the source of information and awareness of such services?

- A. Posters/banners/hoardings
- B. Advertisement in tv/ radio/newspaper
- C. Friends/relatives/neighbours
- D. Bank representative
- E. Awareness campaign organized by institution

13.Do you have account in bank?

- A. Yes
- B. No

14 .How often you visit bank?

- A. Weekly
- B. Monthly
- C. Once in a six month
- D. Never

15.Have you ever taken loan from any kind of source before?

- A. Yes
- B. No

16. If yes, from were you got the loan?

- A. Friends/ Relatives
- B. Private moneylenders
- C. Employer
- D. Colleagues
- E. Commercial banks

F. Landlords

G. Pawnshops

17. If no, are you not aware that small finance bank gives loan at less interest rates?

A. Yes

B. No.