

Financial Inclusion And Online Banking: A Study On Women Customers Of Hamirpur, Himachal Pradesh

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Abstract

Financial inclusion aims that every household and person should have a bank account so that they can use basic financial services. RBI and the government take various initiatives to promote financial inclusion among people like no-fill accounts, Jan Dhan Yojana, etc. They want to promote financial inclusion through online banking and cashless transactions in the country. In 2016, the Government introduced demonetisation to reduce the circulation of black money and promote online banking services in India. For achieving 100% financial inclusion women must play an important role. The objectives of the present study are to check the demographic influence on the usage of online banking by females in Hamirpur district of Himachal Pradesh. Random sampling technique applied, both primary and secondary data used for the study. A structured questionnaire was used to collect the primary data and the same was analysed with the help of SPSS. The study reveals that income has a statistically significant relationship with the usage of online banking services. Whereas, age and occupation have a statistically insignificant relationship with the usage of online banking services. Further, online banking is useful, time-saver, and helpful for women empowerment.

Keywords: Financial Inclusion, Online Banking, Banking Services, Financial Services, Digital Banking.

1. Introduction

For the development of any economy or country, financial inclusion plays a vital role. Financial inclusion means to provide basic financial services to those who are not using such services yet. In India, the word financial inclusion was first introduced by Y V Reddy in April 2005 after that it gained importance in whole India. In 2008, Rangarajan Committee defined financial inclusion as “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost.”

Financial inclusion aims that every household and person should have a bank account so that they can use basic financial services. These financial services are depositing money, transferring and availing loan facility etc. RBI introduced a no-fill account to promote financial inclusion in the country, due to that any person can open this account without having the minimum balance or zero balance. The Government of India also took initiative and introduced Jan Dhan Yojana in August 2014, that became the biggest step for achieving financial inclusion in India.

The Government encourages financial transactions through online mode to promote the cashless economy. Demonetisation was the stepping stone laid by the Prime Minister to move the country from the cash-based to cashless economy. Banks are now providing all their basic facilities through online mode such as they introduced net banking and mobile banking to transfer the money, pay bills, check account details, submit KYC, and also the e-wallet for performing all the banking transactions. In addition to urban customers, now banks also target rural customers to open bank accounts digitally so that they can get the banking facilities from their convenient places which were not possible before.

The bank and government are now working hand in hand to achieve financial inclusion through online financial services. Customers are having a positive attitude towards the use of financial services online. To achieve the 100% financial inclusion customer behaviour towards the usage of these services is very crucial.

Women are a very important part of society and they are very important for the bank as well. In India, women population is less (48% women population) compared to men and men are still dominating the society. In the rural population, men are primarily taking care of financial matters, so many of the women do not have bank accounts. Even if they have a bank account, they are not actively using it because of either money constraints or unemployment. For India to achieve complete financial inclusion, women inclusion in financial services is a must. Himachal Pradesh is the state where most of the population is still living in the villages and women are underprivileged for using financial services.

2. Review Of Literature

Bincy George, K.T.Thomachan (2018), This paper examines women empowerment associated with financial inclusion. Financial inclusion is the delivery of banking services at an affordable cost to the vast sections of disadvantaged and the low-income groups. The various financial services include access to saving, credit, insurance, bank account etc. Access to financial services helps women in their social and economic development. It is noted that access to financial service through financial inclusion does have an impact upon the social and financial empowerment of women leading to their overall empowerment. **Dr Kavita Pareek (2020)**, This study is limited to educated and employed women within the age limit of 25-45, who reside within the Bhilwara Region. It was positively found that 86% of the employed women with in the area under study utilize online banking facilities. This acceptance of online banking is the result of simplicity of use, momentum, efficient service in emergencies, and low cost of internet banking facilities. Consumers also believe that online banking services remove discrimination among customers of a bank. **Shweta Singh (2016)**, The paper focused on working women because they are not aware of all the facilities provided by the banks. To analyse the extent of saving and credit facilities of working women from different educational institutions, to find out the reason behind not using and availing the financial products and services, further to suggest how to get involved in this. This study will help working women to reduce the dissatisfaction level towards financial inclusion and will enhance their financial awareness which will be helpful for women empowerment too. **M.Sailaja**, the study shows that the difference between the per cent of working women not having the account and those knowing and doing e-banking is less. It further shows that there is no relationship between age, income and marital status on

awareness and use of e-banking. **Emeka E. Ene, Gabriel O. Abba and Gideon F. Fatokun (2019)**, The study used the total number of automated teller machines and point-of-sale devices in Nigeria as proxies for electronic banking and the proportion of the banked adult population to the total bankable adult population in Nigeria as a proxy for financial inclusion. It was observed that automated teller machines do not significantly impact financial inclusion while point-of-sale devices significantly impact financial inclusion in Nigeria.

Badar Alam Iqbal and Shaista Sami (2017), The present study aims to examine the impact of financial inclusion on the growth of the economy over seven years. Results of the study found a positive and significant impact of several bank branch and Credit deposit ratio on GDP of the country, whereas an insignificant impact has been observed in case of ATMs growth on Indian GDP.

3. Research Gap

The existing literature explains the impact of various schemes introduced by the Government and banks on financial inclusion. But no study can be done to check the promotion of financial inclusion through the impact of demographic characteristics on the usage of online banking. So, in this study researcher focused on the demographic characteristics of the women and its relationship with the usage of online banking. For this study, only women customers from Hamirpur district of Himachal Pradesh are considered.

4. Objectives

1. To study the relationship between the age of the customer and usage of online banking services.
2. To evaluate the relationship between the income of the customer and usage of online banking services.
3. To study the relationship between the occupation and usage of online banking services.

5. Hypothesis

H₀₁: There is no significant difference between age and usage of online banking services.

H₀₂: There is no significant difference between income and usage of online banking services.

H₀₃: There is no significant difference between occupation and usage of online banking services.

6. Research Methodology

6.1 Sample Technique and Sample Size

Research is empirical and simple random sampling technique used to collect the samples. Only literate women (i.e., 165236) from Hamirpur district of Himachal Pradesh are considered for the sample. The figure is taken from the 2011 census. Total of 96 respondents is taken as a sample size as per sample size calculator. But the online questionnaire is distributed among double the respondents and out of them, 28 questionnaires are not filled properly and 124 are not using online banking services. Only 87% of valid responses are generated.

Census 2011		
Home	States	District
Cities/Towns	Religion	Data
Google Custom Search		
Child Sex Ratio (0-6)	886	907
Child Population (0-6)	45,625	2,923
Male Child(0-6)	24,189	1,533
Female Child(0-6)	21,436	1,390
Child Percentage (0-6)	10.78 %	9.30 %
Male Child Percentage	12.05 %	9.39 %
Female Child Percentage	9.63 %	9.20 %
Literates	331,719	26,372
Male Literates	166,483	14,072
Female Literates	165,236	12,300
Average Literacy	87.82 %	92.51 %
Male Literacy	94.29 %	95.15 %
Female Literacy	82.14 %	89.66 %

^ City/Metros in Hamirpur District

6.2 Data Collection

Primary and secondary data are used for the research. Primary data is collected through the structured questionnaire with a five-point Likert scale. Online survey methods are used and questionnaire framed with a google form. On the other hand, secondary data used from the websites, articles, research papers.

7. Analysis

In this section, the objectives of the study have been empirically investigated based on the primary data gathered with the help of a structured questionnaire. The analysis of data has been carried out by using IBM SPSS 23.

Table 1: Reliability test using Cronbach Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.962	.962	10

Reliability of the Research Instrument

The study has used a structured questionnaire to obtain data for the study of financial inclusion through online banking services with respect to women in Hamirpur district Himachal Pradesh.

The reliability coefficients of variables range from .706 to .853. As per the guidelines of Nunnally (1978) to interpret the values of Cronbach α , a score greater than .7 is acceptable and proves the reliability of the scale items. Thus, the reliability score presented in table 1 is greater than .7 and hence authenticates the uniformity of the item derived for measuring the variables of the study.

Table 2: Demographic profile of customers

PARTICULARS	FREQUENCY	PERCENTAGE
AGE		

21 to 25 years	17	18.18
26 to 30 years	32	33.33
31 to 35 years	16	16.67
36 to 40 years	16	16.67
41 to 45 years	15	15.15
MARITAL STATUS		
Married	49	51.52
Unmarried	47	48.48
OCCUPATION		
Business Women	5	4.55
Housewife	25	25.76
Self-employed	17	16.67
Student	19	18.19
Teaching	34	34.85
INCOME		
10000 or less	9	9.09
10001- 20000	14	13.64
20001-30000	12	12.12
30001-40000	18	18.18
40001-50000	25	25.76
50001-60000	11	10.61
60001 or above	11	10.6

7.1 Demographic profile of customers

The sample consists of about 51.52 % Married and 48.48% single female participants. The age group of the respondents were between 21 to 25 years (18.18 %), 26 to 30 years (33.33 %), 31 to 35 years (16.67 %), 36 to 40 years (16.67%) and 41 to 45 years (15.15 %). Thus, the majority of women using online banking services are young (below 30 years). The profession of the participants was business women (4.55%), housewife (25.76%), Self-employed (16.67%), Teaching (34.85%) and Student (18.19%). The income of the respondents was 10000 or less (9.09%), 10001- 20000 (13.64%), 20001-30000 (12.12%), 30001-40000 (18.18%), 40001-50000 (25.76%), 50001-60000 (10.61%) and 60001 or above (10.6%).

Table 3:

Are you using online banking regularly	percentage of respondents
Yes	62.12
No	37.88
Total	100

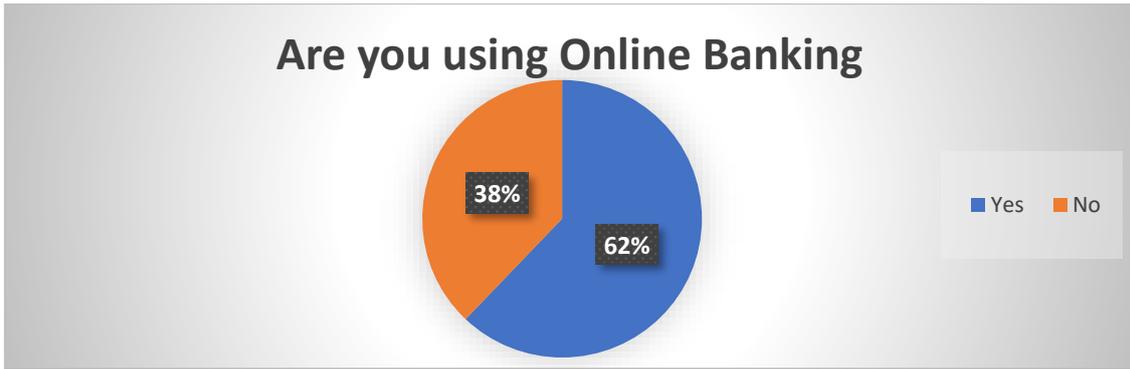


Table 3: Using Online Banking

62.12% of women are using online banking services, whereas 37.88% are not availing the services. Thus, they are excluded from the study.

Table 4: Descriptive Statistics

Particulars	Mean	Std. Deviation
Rate overall online banking	3.781	.8850
Speed of logging into an internet banking site	3.979	.9288
Speed of transacting into online banking	3.760	.8675
Ease of transacting into online banking	3.667	.9697
The attractiveness of online banking	3.583	.9588
Do you think that online banking is useful	4.354	.7395
Do you think that online banking is a time saver	4.073	.8735
Do you think that online banking is convenient	3.865	.8899
Do you think that online banking is necessary	3.948	.9555
Do you think that online banking is beneficial	3.927	1.0078

7.2 Descriptive Statistics

Table 4, provides descriptive statistics. The means of item reveal a range of scores from 3.583 to 4.354. The item with the highest mean is ‘Do you think that online banking is useful’. This indicates that women in Hamirpur District feel that online banking is useful for their growth. The parameter with the lowest mean is ‘Attractiveness of the online banking’. This suggests that women feel that online banking is less attractive in terms of use.

Table 5:

ANOVA

Age and Usage of online banking					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	11.552	4	2.888	.688	.602
Within Groups	381.781	91	4.195		
Total	393.333	95			

Table 5, shows that the significance value is more than (0.05) the table value null hypothesis is accepted. It means that there is no significant difference between age and usage of online banking services.

Table 6:

ANOVA					
Income and usage of online banking					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	63.439	6	10.573	2.852	.014
Within Groups	329.894	89	3.707		
Total	393.333	95			

Table 6, shows that the significance value is less than (0.05) the table value null hypothesis is rejected. It means that there is a significant difference between income and usage of online banking services.

Table 7:

ANOVA					
Occupation and Usage of online banking					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	21.228	7	3.033	.717	.658
Within Groups	372.106	88	4.228		
Total	393.333	95			

Table 7, shows that the significance value is more than (0.05) the table value null hypothesis is accepted. It means that there is no significant difference between occupation and usage of online banking services.

8. Conclusion

The present study found the positive significant difference between the income on the usage of online banking services among women. Whereas, Age and occupation have been shown a statistically insignificant difference with the usage of online banking services. Hence, the study observed that financial inclusion is strongly associated with the earning of women. Despite this, there

should be a need for proper financial inclusion regulation in the country to access financial services and customer awareness. Online banking educational programmes and financial literacy programmes should be organized for women. Thus, women's financial inclusion is a big road which India needs to travel to make total financial inclusion completely effective.

9. Limitations And Scope For Further Study

While conducting this research I have come through various limitations like every woman is not using online banking frequently and time is also a constraint to conduct the detailed study. This study was conducted in Hamirpur district of Himachal Pradesh only with a sample size of 96 respondents. Further study can be done in large areas with a large sample size.

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