ABSTRACT

This chapter focuses on researching the consumer awareness of people towards financial inclusion by conducting a study on Mahanagar Co Op Bank in Kharghar, Mumbai. The study adopted survey method to approach the respondents through a well-structured questionnaire. Stratum sampling method was used in order to select the sample respondents and collect data from those who are consumers of Mahanagar Co Op Bank Ltd, Kharghar Branch. A sample size of 150 consumers was taken. Following the data search, analysis was done by applying descriptive analytical tools like standard deviation and mean. The researcher used factor analysis, descriptive statistics, and one-way ANOVA in order to find the difference among the variables. SPSS software has been used for conducting the analytical tests. The results indicated an association between demographic variables and awareness and availing of financial inclusion services by the consumers of the bank. However, there was no association between demographic variables and some of the financial inclusion services.
INTRODUCTION

During the last few decades, the banking industry in India has grown tremendously in volume and complexity. It has also made significant improvements in areas like financial viability and profitability. However, there are still concerns that Indian banks have not been able to include underprivileged sections of the society into fold of basic banking services. The major reason behind this is lack of education, unemployment and poverty. Poverty and exclusion continue to dominate socio-economic and political discourse in India as they have done over the last six decades in the post-independence period. Poverty reduction has been an important goal of development policy since the inception of planning in the country (Bagli & Dutta, 2012).

India, despite being one of the ten fastest growing economies of the world, is home to one-third of poor in the world. Moreover, there is still a major section who are not accessed to products and services offered by the banking sector. In this regards, the Government of India and Reserve Bank of India have been taking concerted efforts to promote financial inclusion. ‘Financial inclusion is defined as the process of ensuring access to financial services and timely as well as adequate credit as needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost’ (Rangarajan, 2008).

A major step for financial inclusion has been taken since five decades that include nationalization of banks, building a network of scheduled commercial banks, cooperatives and rural banks. These banks aim to help the poorer sections of society so that they can take benefit of banking services at low cost. However, despite of the vigorous efforts taken, the progress is far from satisfactory as there is a large section of population who is not making use of banking services. This is mainly because of their lack of awareness of such banking services introduced by the banks and the Government. There are people who though are aware of facilities like zero balance or minimum balance accounts and various loan options at low interest but still they are unaware of other services like ATM, e-banking and cheaper credit options. Education and income level play a key role in alertness of people towards financial inclusion (Reddy, 2016). Owing to this, it is quite important that poorer sections become aware of such financial services that are beneficial for them so that Government’s aim of eradication of poverty can be achieved. Thus, the present study focuses on studying the awareness level of consumers towards financial inclusion in Mahanagar Co Op Bank Ltd, Kharghar Branch in Mumbai.
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