



Awareness Of Banking Financial Products And Services Among Tribal Community In Kannur

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Abstract

The aim of the study is to investigate the awareness of financial products and services among tribal community in Kannur district by focusing basic banking services and technology oriented financial products and services. In recent years, form of financial transaction has vast challenge in all transaction methods due to the development of communication and transaction technology. All the societies adopted the same along with the development but the socially and educationally weaker section lag behind it, especially tribal communities. A well-structured form of survey methodology is applied to investigate the awareness of financial products and services among the tribal community in the study area. The sample of 200 tribal households from Aralam panchayat of Kannur district (Kerala) was randomly selected. The study found that the majority of the members of the tribal community have adequate awareness on basic banking services. But most of the persons from tribal communities not aware about the financial products and services provided by the banks especially technology oriented services.

Key words: Awareness, Financial products, Tribes.

INTRODUCTION

Financial Inclusion refers to the provision of banking and financial services to all members of society without discrimination. Its primary goal is to ensure that everyone has access to basic financial services regardless of their income or savings. According to the World Bank Group (2018), financial inclusion means that individuals and businesses can access affordable financial products and services tailored to their needs, including transactions, payments, savings, credit, and insurance, delivered responsibly and sustainably. The Reserve Bank of India (2008) defines financial inclusion as the process of ensuring that vulnerable groups such as the weaker sections and low-income groups have timely and adequate access to financial services at an affordable cost.

Although financial institutions like banks offer these services, they often have stringent documentation requirements for account opening or money transfers. This can exclude people who lack awareness of financial services and the necessary documentation from accessing these products and services. Many individuals from socially and educationally disadvantaged backgrounds and low-income groups lack the knowledge of how to access and utilize financial products and services.

REVIEW OF LITERATURE

In a study conducted by Bongomin et al. (2016), the impact of financial literacy on financial inclusion, with a focus on social capital, was investigated. The results revealed that financial literacy indirectly influenced financial inclusion through the complete mediation of social capital. The absence of social capital was found to potentially hinder the ability of financial literacy to enhance the level of financial inclusion among rural households.

Another study by Hasan (2020) highlights the significant role of financial technology in providing financial access to rural populations. The research indicates that mobile banking serves as an alternative when traditional banking services are inaccessible. Rural individuals are eager to engage in financial transactions through mobile banking due to its ease of access and widespread availability across the country.

PROFILE OF THE STUDY AREA

Kannur is one of district in northern part of Kerala in India. There are five Taluks and 132 villages in Kannur district. The total area of Kannur district is 2961 square kilometres with population density of 852 per square kilometre. As per the Census India 2011, Kannur district has 554298 households with population of 2523003. Scheduled Tribe population in Kannur districts is 41371 which is the fifth position in Kerala.

SIGNIFICANCE OF THE STUDY

Study in digital financial inclusion and awareness and usage of basic financial service and technology oriented financial products and services in the present technological era among socially and financially weaker section i.e., tribal community is more important. The growth and development of technology and unexpected pandemic situation forced the society to rapid adoption of technology oriented financial products and services all over the world. Development in mobile money, technology oriented financial services and online banking will greatly benefit low income households and small businesses. Financial inclusion can also improve economic growth as consequences of digital financial services.

Awareness of basic financial services and the utilization of modern technological tools contribute to digital financial inclusion among tribal communities. This inclusion enables them to expand their investments, access various financial services, and make informed investment decisions. A study focusing on the awareness of basic financial services and digital financial inclusion is pertinent in tribal regions to address these aspects effectively.

OBJECTIVES OF THE STUDY

1. To examine the awareness of financial products and services among scheduled tribe families in Kannur district.
2. To examine the awareness of technology oriented financial products and services among scheduled tribe families in Kannur district.

RESEARCH METHODOLOGY

The study developed as qualitative as well as quantitative in nature. Both descriptive and inferential methods was applied. Inquiry towards the level of awareness and use of financial products and services, the subject under study is a survey type of research, because it is concerned with the collection of data for describing and interpreting existing level of awareness and usage of financial products and services among the tribal communities in Kannur district of Kerala. The population selected for the study is the tribal communities of Kannur district of Kerala.

Sample: A total of 200 households of tribal community from two panchayats in Kannur District of Kerala have been selected as the sample. For which the researcher collected list of tribal households from Aralam and kottiyoor gramapanchayat. The most of participants were educationally backward and they are not able to fill the questionnaire and hence the researcher asked them regarding the awareness of financial products and services.

Research Instrument: The research instrument, which was developed by the researcher was used as the data collection tool to get the responses from the tribal community members for this study. It comprised a total of 27 questions and which consists of two parts. The first part contains seven demographic and background questions,

and the second part consisted of 20 closed-ended items about awareness of basic banking products and services as well as technology oriented financial products and services, which were rated on a three-point Likert scale, with responses as adequately aware, somewhat aware and not aware. The items covered are basic banking services, different type of banking accounts, technology oriented banking services and products and different type of loans. The tool was experimented to a small group as a trial and corrective measures were used.

Percentage analysis was used for summarizing the properties of a sample distribution and to know the level of awareness.

Analysis and Interpretation

Profile of the respondents selected as sample for the current research from the house holds of tribal community in Kannur district is presented in Table 1.

Table 1: Profile of the respondents

Variable	Group	Number	Percentage
Gender	Male	83	41.5
	Female	117	58.5
Age	Up to 30	30	15.0
	30 – 50	137	68.5
	Above 50	33	16.5
Caste	Karimbala	31	15.5
	Kurchiya	56	28.0
	Mavilan	19	9.5
	Paniya	94	47.0
Education	Primary	31	15.5
	Secondary	56	28.0
	Senior secondary	19	9.5
	Above senior secondary	94	47.0
Employment status	Wage workers	31	15.5
	Salaried employees	56	28.0
	Self employed	19	9.5
	Unemployed	94	47.0
Total		200	100.0

It is evident from the table 1 that 41.5% of the respondents belong to male and the 58.5% of the respondents belong to the female categories. Age wise distribution reveals that the percentage of respondents with age group up to 30, 30 – 50 and above 50 are 15.0, 68.5 and 16.5 respectively. Caste composition shows that the respondents belongs to Karimbala (15.5%), Kurchiya (28.0%), Mavilan (9.5%) and Paniya (47.0%) communities. Educational qualification of the respondents are primary (15.5%), secondary (28.0%), senior secondary (9.5%) and above senior secondary (47.0%). Employment wise classification shows that the

respondents belongs to wage workers (15.5%), salaried employees (28.0%), Self-employed (9.5%) and unemployed (47.0%).

AWARENESS LEVEL OF BANKING PRODUCTS AND SERVICES

The knowledge and understanding of a customer regarding products and services providing the said products or services provider are termed as customer awareness. It deals with whether the customer is aware of or not aware of the products or services, and their characteristics. Awareness regarding products and services makes the customer capable to get the service and use it safely.

Awareness on Basic Banking Services

The most commonly, banking services used for money transmission, credit, debt and debt assistance are considered as basic banking services (RBI 2014). The study identified depositing, withdrawing, loans and passbook services as basic banking services. The awareness and usage of Tribal communities in Kannur district regarding the basic Banking services are presented in Table 2.

Table 2: Awareness on Basic Banking Services of Tribal Communities in Kannur District

Banking Services	Adequately Aware		Somewhat Aware		Not aware	
	N	%	N	%	N	%
Deposit	182	91.00	17	8.50	1	0.50
Withdrawal	181	90.50	18	9.00	1	0.50
Loan	51	25.50	36	18.00	113	56.50
Pass book	192	96.00	6	3.00	2	1.00

Table 2 shows the variations in the level of awareness regarding the basic banking services. With regard to the deposit, 91.00 percentage of the respondents are adequately aware, 8.50 percent have somewhat awareness and a meagre (0.50%) not aware of the service. It can be concluded that majority (91.00%) of the members of the tribal community have adequate awareness on deposit services. Considering the withdrawal services, 90.50 percentage of the respondents are adequately aware, 9.00 percent have somewhat awareness and a negligible (0.50%) respondents not aware of the service. It can be concluded that majority (90.50%) of the members of the tribal community have adequate awareness on withdrawal services.

In the case of loan services, 25.50 percentage of the respondents are adequately aware, 18.00 percent have somewhat awareness and 56.50 percent are not aware the service. Table also shows that majority of the tribal community members are adequate aware of pass book services (96.00%) of banks.

Awareness on Different Type of Accounts

Based on the purpose, frequency of transaction, and location of the accountholder, banks offer a bunch of bank accounts such as savings account, current account, salary account, NRI account and recurring deposit account. The study identified Savings Bank Account and Current Account as the basic and commonly availed accounts in banking services. The awareness of Tribal communities in Kannur district with respect to the different type of Bank accounts is presented in Table 3.

Table 3: Awareness on Different Type of Accounts of Tribal Communities in Kannur District

Type of Bank Accounts	Adequately Aware		Somewhat Aware		Not aware	
	N	%	N	%	N	%
Savings Bank a/c	181	90.50	18	9.00	1	0.50
Current A/c	5	2.50	6	3.00	189	94.50

Table 3 shows the variations in the level of awareness on different type of bank accounts. In the case of savings bank account, table shows that, 90.50 percentage of the respondents are adequately aware, 9.00 percent have somewhat awareness and a negligible (0.5%) respondents not aware. Considering the current account, only 2.50 percentage have adequate awareness, 3.00 percentage have somewhat awareness and majority (94.50%) of the respondents are not aware. It can be concluded that majority (90.50%) of the members of the tribal community have adequate awareness on savings bank accounts and most (94.50%) of the tribal community have not aware of current account.

Technology Oriented Banking Products and Services

The study identified ATM, CDM, Debit Card, Credit Card, Internet Banking, Mobile Banking, Mobile App and Smart card as technology oriented banking products and services. The awareness of Tribal communities in Kannur district regarding the technology oriented banking products and services are presented in Table 4.

Table 4: Awareness on Technology Oriented Banking Products and Services of Tribal Communities in Kannur District

Technology oriented banking Service	Adequately Aware		Somewhat Aware		Not aware	
	N	%	N	%	N	%
ATM	49	24.50	91	45.50	60	30.00
CDM	19	9.50	11	5.50	170	85.00
Debit Card	21	10.50	16	8.00	163	81.50
Credit Card	4	2.00	7	3.50	189	94.50
Internet Banking	6	3.00	4	2.00	190	95.00
Mobile Banking	28	14.00	5	2.50	167	83.50
Mobile App	14	7.00	7	3.50	179	89.50
Smart card	1	0.50	1	0.50	198	99.00

Table 4 explains the variations in the level of awareness on the technology oriented banking products and services. In the case of ATM, 24.50 percentage of the respondents are adequately aware, 45.5 percent have somewhat awareness and 30 percent not aware the service. Considering the CDM services, 9.50 percentage of the respondents are adequately aware, 5.50 percent have somewhat awareness and 85.00 percent not aware the service. With regard to debit card service, 10.50 percent of the respondents are adequately aware, 8.00 percent have somewhat awareness and 81.50 percent not aware the service. Considering the other technology oriented banking products and services, majority of the tribal communities are not aware of Credit Card (94.50%), Internet Banking (95.00%), Mobile Banking (83.50%), Mobile App (89.50%) and Smart card (99.00%).

Awareness of Loan Services

A loan is amount borrowed for a fixed period with pre-determined interest. The study identified Home Loan, Vehicle Loan, Personal Loan, Education Loan, Business loan and Overdraft as basic loan services. The awareness of Tribal communities in Kannur district regarding the basic loan services are presented in Table 5.

Table 5: Awareness of Loan Services among Tribal Communities in Kannur**District**

Loan Services	Adequately Aware		Somewhat Aware		Not aware	
	N	%	N	%	N	%
Home Loan	51	25.50	36	18.00	113	56.50
Car/bike Loan	20	10.00	28	14.00	152	76.00
Personal Loan	41	20.50	16	8.00	143	71.50
Education Loan	4	2.00	16	8.00	180	90.00
Business loan	11	5.50	4	2.00	185	92.50
Overdraft	4	2.00	5	2.50	191	95.50

As per the Table 4, variation is seen in the awareness level of loan services among tribal communities. Considering the home loan, 25.50 percentage of the respondents are adequately aware, 18.00 percent have somewhat awareness and 56.50 percent not aware the service. In the case of vehicle loans, 10.00 percentage of the respondents are adequately aware, 14.00 percent have somewhat awareness and 76.00 percent not aware the service. With regard to personal loan, 20.50 percent of the respondents are adequately aware, 8.00 percent have somewhat awareness and 71.50 percent not aware the service. Considering the other loans, majority of the tribal communities are not aware of Education Loan (90.00%), Business Loan (92.50%), and Overdraft (95.50%).

Major Finding

- Study reveals that majority of the members of the tribal community have adequate awareness on deposit services (91.00%), withdrawal services (90.00%) and pass book services (96.00%).
- Majority (90.50%) of the members of the tribal community have adequate awareness on savings bank accounts and most (94.50%) of the tribal community have not aware of current account.
- In the case of loan services, 25.50 percentage of the respondents are adequately aware, 18.00 percent have somewhat awareness and 56.50 percent are not aware
- In the case of ATM, 24.5 percentage of the respondents are adequately aware, 45.5 percent have somewhat awareness and 30 percent not aware the service.
- Study discloses that majority of the tribal communities are not aware of Credit Card (94.50%), Internet Banking (95.00%), Mobile Banking (83.50%), Mobile App (89.50%) and Smart card (99.00%).
- Percentage of tribal communities with adequate awareness on home loan, vehicle loan and personal loan are 25.5, 10.0 and 20.5 respectively.
- Majority of the tribal communities are not aware of Education Loan (90.00%), Business Loan (92.50%), and Overdraft (95.50%).

Conclusion

The purpose of the present study was assessing the extent of awareness of basic financial banking services and technology oriented products and services among tribal people in Kannur district of Kerala state. The study showed that most of the respondents had a basic level of knowledge of basic banking services such as deposits, withdrawals and pass books. Majority of the members of the tribal community have adequate awareness on savings bank accounts and most of the tribal community have not aware of current account. In case of technology oriented banking products and services, study shows that majority of the tribal communities are not aware of Credit Card, Internet Banking, Mobile Banking, Mobile App and Smart card.

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