

A STUDY ON PRADHAN MANTRI JAN DHAN YOJANA SCHEME (PMJDY) WITH RESPECT TO COONOOR TALUK, THE NILGIRIS DISTRICT: CUSTOMER PERCEPTION



Commerce

KEYWORDS: customer perception, banking, society, demand, financial inclusion

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ABSTRACT

It is a known fact that in India, while one segment of the population has access to assortment of the banking services encompassing regular banking facilities and portfolio counseling, the other segment of underprivileged and lower income group is totally deprived of even basic financial services. Exclusion of large segments of the society from financial services affects the overall economic growth of a country. It is for this reason that Financial Inclusion is a global concern. In India, the Banking industry has grown both horizontally and vertically but the branch penetration in rural areas has not kept pace with the rising demand and the need for accessible financial services. Even after decades of bank nationalization, whose rationale was to shift the focus from class banking to mass banking, still find usurious money lenders in rural areas and urban slums continuing to exploit the poor. Honorable Prime Minister, Shri Narendra Modi on 15th August, 2014 announced the scheme "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" which is a National Mission for Financial Inclusion. The task is gigantic and is of National Priority. This National Mission on Financial Inclusion has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. It has been emphasized by the Hon'ble PM that this is important for including people left-out into the mainstream of the financial system. This study has been taken to analyze the customer perception regarding the PMJDY scheme at Coonoor Taluk of Nilgiris district since it's rural area to a greater extend.

INTRODUCTION

It is a known fact that in India, while one segment of the population has access to assortment of the banking services encompassing regular banking facilities and portfolio counseling, the other segment of underprivileged and lower income group is totally deprived of even basic financial services. Exclusion of large segments of the society from financial services affects the overall economic growth of a country. It is for this reason that Financial Inclusion is a global concern.

In India, the Banking industry has grown both horizontally and vertically but the branch penetration in rural areas has not kept pace with the rising demand and the need for accessible financial services. Even after decades of bank nationalization, whose rationale was to shift the focus from class banking to mass banking, still there are usurious money lenders in rural areas and urban slums continuing to exploit the poor. After economic reforms of 1991, the country can ill-afford not to include the poor in the growth paradigm. India has several strategic assets providing favourable initial conditions for transformational change towards digital financial inclusion.

Honorable Prime Minister, Sh. Narendra Modi on 15th August, 2014 announced the "Pradhan Mantri Jan Dhan Yojana (PMJDY)" scheme which is a National Mission for Financial Inclusion. The task is gigantic and is of National Priority. This National Mission on Financial Inclusion has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. It has been emphasized by the Hon'ble PM that this is important for including people left-out into the mainstream of the financial system.

The PMJDY was launched on 28th August, 2014, across the nation simultaneously. It was launched formally in Delhi with parallel functions at the state level and also at district and sub-district levels. Camps were also organized at the branch level. The PMJDY lies at the core of development philosophy of "Sab Ka Sath Sab Ka Vikas".

With a bank account, every household would gain access to banking and credit facilities. As a first step, every account holder gets a RuPay debit card with a ` 1,00,000/- accident cover. Further, they will be covered by insurance and pension products. The scheme has been targeted to enroll over 7.5 Crore households at the end of August 2015.

STATEMENT OF THE PROBLEM

Banking has grown to a greater extend in India. But it mainly concentrates on activities related to the urban sector and less or no steps have been taken to concentrate on the rural sector. It is very essential that each and every citizen take part in the financial aspects of the country. It is essential to note that financial Inclusion of the poor will help in bringing them to the mainstream of growth and would also provide the financial Institutions an opportunity to be partners in inclusive growth. This aspect of rural financial inclusion has seen a predominant fast growth due to the Prime Minister's Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme. Up to the present situation this scheme has also received a greater acceptance and also usefully utilized by most of the people in the rural area. This is considered to be a greater leap in the financial development of the country. Hence this study has been taken to analyze the customer perception regarding the PMJDY scheme at Coonoor Taluk of Nilgiris District since it's a rural area to a greater extend.

OBJECTIVES OF THE STUDY

To study the customer awareness about the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme.

To study the customer opinion towards Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme.

To evaluate the level of satisfaction of customers towards the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme.

RESEARCH METHODOLOGY

Area of the study

The Nilgiris district is predominant district in Tamilnadu known for its geographical flora and fauna. It has a range of mountain spread across the division between the states of Tamilnadu, Karnataka and Kerala. The Nilgiri hills are part of a larger mountain chain known as the Western Ghats. It holds its headquarters at Ooty. This district is also well known for its tribal people like thodas, kurumbas, badugas, etc. Moreover, the district is mainly covered of rural areas. Hence considering this as a major factor I have taken the Nilgiris district for conducting the study about The Narendra Modi government's Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme which mainly concentrates on the rural sectors.

Source of data

For the purpose of this research study, both primary data and secondary data have been used. Primary data were collected directly from the respondents. The secondary data was collected from websites, journals, textbooks, newspapers and related studies.

Sample design

Sample design refers to the technique or procedure, the research would adopt in selecting items for the sample. In this research study, convenient sampling technique has been used for selecting the sample respondents.

Sample size

Sample size refers to the number of respondents to be selected from the area to constitute sample. The sample size for the study is confined to 100 respondents.

Statistical tools used in the analysis

Data collected through questionnaire were presented in a master table. From the master table, sub tables were prepared. In order to analyze and interpret the data, the following tools were applied.

Descriptive analysis

Chi square test

Average rank analysis

LIMITATION OF THE STUDY

The study is limited to the Nilgiris district only.

As time is a major constraint, the respondents were restricted to 100.

ANALYSIS AND INTERPRETATION

Table 1: Descriptive analysis and personal factors

Gender	No of respondents	Percentage
Male	55	55
Female	45	45
Total	100	100
Qualification	No of respondents	Percentage
No formal education	29	29
School level	22	22
College level	30	30
Professional	19	19
Total	100	100
Marital status	No of respondents	Percentage
Married	45	45
Unmarried	55	55
Total	100	100
Types of family	No of respondents	Percentage
Nuclear family	53	53
Joint family	47	47
Total	100	100
Age	No of respondents	Percentage
18 – 28 years	18	18
29 – 38 years	22	22
39 – 48 years	27	27
49 – 58 years	20	20
Above 58 years	13	13
Total	100	100

Occupational status	No of respondents	Percentage
Agriculture	26	26
Business	28	28
Employed	26	26
Professional	20	20
Total	100	100
Income	No of respondents	Percentage
Less than Rs.10000	25	25
Rs.10001 Rs.20000	26	26
Rs.20001 Rs.40000	27	27
Above Rs.40000	22	22
Total	100	100

The above table shows the descriptive analysis of various personal factors.

Majority (55%) of the respondents are female

Most (27%) of the respondents belong to the age group of 39yrs – 48yrs.

Most (30%) of the respondents have college level.

Most (28%) of the respondent are business.

Majority (55%) of the respondent are unmarried.

Most (27%) of the respondents have a monthly income of below Rs.20001 – 40000.

Majority (53%) of the respondents have nuclear family.

CHI SQUARE TEST

Association between age of the respondents and level of satisfaction towards benefit factors Pradhan Mantra Jan Dhan Yojana (PMJDY) scheme

Hypothesis

There is no significant association between the age group of the respondents and satisfaction level of PMJDY Scheme.

Table 2: Benefit factors based on the level of satisfaction

Factors	Chi square calculated	Degree of freedom	Table value	Not significant/ Significant
Rupay debit card	23.700	16	0.96	Not significant
Accident insurance policy	21.500	16	0.160	Not significant
Life insurance policy	13.940	16	0.603	Not significant
Overdraft facility	13.524	16	0.634	Not significant

Significant (p value < 0.05)
 Not Significant (p value > 0.05)

Not Signifi-

Interpretation

The above table indicates that the hypothesis is accepted (not significant) in the case of association between age of the respondents and level of satisfaction towards PMJDY scheme.

AVERAGE RANK ANALYSIS

Table 4: Average Rank Analysis – Level of preference towards the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme provided by various banks

Factors	Rank	Value											Total	Mean	Rank	
		1	2	3	4	5	6	7	8	9	10	11				12
State bank of India & affiliates	No's	12	11	10	9	8	7	6	5	4	3	2	1	100	7.78	5
	Score	144	154	90	36	144	56	120	30	16	12	4	2	778		
Canara bank	No's	10	10	8	2	4	18	16	8	4	10	4	6	100	6.04	11
	Score	120	154	80	36	32	56	96	30	16	30	8	6	664		
Indian bank	No's	2	8	12	18	15	11	8	5	9	8	7	2	100	7.01	9
	Score	24	55	120	162	120	88	48	25	30	18	14	2	701		
Bank of Baroda	No's	15	12	16	3	6	8	9	6	7	11	3	4	100	7.58	7
	Score	180	132	160	27	48	56	54	30	28	33	6	4	758		
Central bank of India	No's	14	13	16	6	5	8	4	9	7	5	7	6	100	7.53	8
	Score	168	143	160	54	40	56	24	45	28	15	14	6	753		

Vijaya bank	No's	13	12	13	16	7	9	4	3	5	8	2	1	100	8.53	2
	Score	210	132	150	144	56	63	24	15	20	24	4	1	853		
Syndicate bank	No's	17	15	12	13	3	3	6	8	9	6	4	2	100	8.27	3
	Score	204	165	120	117	40	21	36	40	56	18	8	2	827		
UCO bank	No's	19	13	12	17	6	8	9	4	3	3	2	1	100	8.56	1
	Score	228	143	120	153	48	56	54	28	20	9	4	1	856		
Corporation bank	No's	3	5	6	8	9	10	11	9	17	13	5	8	100	5.97	12
	Score	36	55	60	72	72	70	66	45	60	30	10	4	597		
Union bank of India	No's	12	9	10	5	4	6	9	8	21	7	6	3	100	6.76	10
	Score	144	99	100	45	32	42	54	40	84	21	12	3	676		
Bank of India	No's	15	13	12	11	9	8	6	7	5	4	8	2	100	7.91	4
	Score	180	143	120	99	72	56	36	35	20	12	16	2	791		
United bank of India	No's	10	12	13	15	18	2	4	3	5	8	9	1	100	7.77	6
	Score	120	132	130	135	144	14	24	15	20	24	18	1	777		

The above table clearly indicates that, the majority of the surveyed respondents prefer PMJDY at UCO bank and Vijaya bank as these factors are ranked first and second respectively. Followed by its Syndicate bank is ranked third. Bank of India is ranked fourth. State bank of India and affiliates is ranked fifth. Moreover, united bank of India is ranked sixth. Bank of Baroda is ranked seventh. Central bank of India is ranked eighth. Indian bank and Union bank of India are ranked ninth and tenth respectively. Finally the Canara bank and Corporation bank are ranked eleventh and twelfth respectively.

SUGGESTIONS

Apart from the accident insurance given under the PMJDY scheme, initiative should also been taken for providing life insurance.

The campaign focused only on the supply side by providing banking outlets in villages of population greater than 2000, but the entire geography should be covered.

The deposit accounts so opened under the campaign had very limited number of, or no transactions. Hence it is essential to encourage regular transactions through those bank accounts.

The task of credit counseling and Financial Literacy did not go hand in hand as per the campaign.

CONCLUSION

Financial Inclusion is one of the top most priorities of the Government. Inclusion of a large number of people from any access to financial services inhibits the growth of our country. There is evidence that financial inclusion is crucial to poverty reduction. The target to cover 7.50 crore households with at least one account under the PMJDY is being targeted to be achieved by 26th January, 2015. Elaborating the benefits under PMJDY, this is not a mere bank account, but has other benefits including an RuPay debit card, Rs 1 lakh accident insurance cover, and an additional Rs.30,000/- life insurance cover for those opening bank accounts before January 26th, 2015. PMJDY scheme is fully covered in Tamil Nadu. In the state nearly 4445 branches has been opened under the scheme. Many people have been successfully utilized this scheme and received many benefits. Moreover, the people in the rural areas below poverty line have been able to open at least a free bank account for one household under the PMJDY scheme.

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