

AWARENESS AND PERCEPTION ABOUT ESAF BANK IN KERALA WITH SPECIAL REFERENCE TO KOTTAYAM DISTRICT

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ABSTRACT

The dynamism of the real economy demands for a flexible and competitive banking system to meet up the demands for various constituents of the economy. An inclusive development and growth of the economy requires the extension of financial services to all sections of the society. Small finance banks are very important segments for providing these services to meet the credit and remittance needs of this priority sector. ESAF Small Finance Bank (formerly known ESAF Microfinance) is an Indian small finance bank providing banking services and small loans to the under banked. This paper tries to study the awareness level of people about the ESAF Bank and their perception regarding various aspects of ESAF Bank in Kerala with special reference to kottayam district.

Keywords: Small finance bank, ESAF Bank, Awareness.

ESAF BANK

ESAF was one of the premier micro finance institution in India, particularly in Kerala. ESAF started its Micro Enterprise Development program in 1995, which was an important intervention area, MED provided a broad package of financial and business development services to the society and economically challenged men and women. The vision of organization is guided by the principle of sustainable holistic transformation of the poor and marginalized. ESAF small finance bank received RBI approval to operate as scheduled bank in December 2018, making the Thrissur-based ESAF Small Finance Bank, the fifth scheduled bank from Kerala after Federal Bank, South India Bank, Catholic Syrian Bank, and Dhanlaxmi Bank. This will reduce the bank's cost of funds, while increasing the bank's ability and obligation to provide services. ESAF works towards creating opportunities and supporting the poor and underserved section of the society. Apart from creating opportunities for livelihood, ESAF also diversified its attention towards the improvement of health and education. The approach of ESAF towards its initiatives involves choosing right strategies, providing grants, evaluating the progress, impact and the final results. Based on the performance, the readjustment is done in the strategy and approach.

STATEMENT OF THE PROBLEM

Small finance bank like ESAF helps the poor financially to develop their standard of living. The project is designed and conducted with the aim to study the awareness level and perception of people towards ESAF Bank. It is conducted with the purpose to explore the factors which influence customers to prefer ESAF Bank for financial transactions.

OBJECTIVES OF THE STUDY

The study is undertaken with the following objectives;

1. To understand the level of awareness of people about ESAF Bank.
2. study the factors that influence customers to prefer ESAF Bank.
3. To study the level of satisfaction of people towards services provided by ESAF Bank.

SIGNIFICANCE OF THE STUDY

There are a lot of changes happening in all sectors of our economy, especially financial sector. Recently central government and RBI have sanctioned opening of new forms of financial institutions such as NIDHI, Payment Banks and Small Finance Banks. The main aim of served by these banks are towards small and marginal farmers, micro and small business units and unorganized sector firms. As there are other firms also, such as micro finance companies with the same objective. ESAF is one of the major Small Finance Bank in India to provide banking services and small loans to customers. Thus it makes significance to study the awareness level and perception of people towards ESAF Bank in the present scenario. The scope of the study is restricted to Kottayam District of Kerala.

METHODOLOGY OF THE STUDY

The customers of ESAF Bank in Kottayam District are the population of our study. The sampling technique adopted for the study was convenience sampling. 100 customers of ESAF Bank from different parts of kottayam district are the samples of this study. Primary survey was used in the process of data collection. An online survey method was conducted

and the link was shared through whatsapp and facebook. Data analysis was done through SPSS. The collected data was analysed using simple statistical tools like measure of central tendency, measure of dispersion, bar diagram, pie charts etc.

REVIEW OF LITERATURE

Jeeban Jyotin Mohanty (2018), in the study titled “Leveraging small financial banks (SFB) in achieving Financial Inclusion in India” the main objective of study was to find out the reason for financial exclusion and the need and importance of small financial banks

Tony C Mathew(2017), conducted a study on “Understanding the poverty and vulnerability of new and existing clients of ESAF Microfinance” and also attempt to find out how the finance provided by the ESAF helps in the dismantling of poverty among its clients.

RESEARCH GAP

Even though various studies have been conducted at different parts of the world about small finance bank. No particular study has been done in this particular area i.e related to the awareness and perception about ESAF Bank. This fact makes this study an exploratory one.

DATA ANALYSIS

Table 1

Demographic Profile of Respondents

Demographic Factor	Groups	No. of Respondents	Percentage
Gender	Male	20	20
	Female	80	80
Age	Below 25 years	24	24
	25 years to 40 years	30	30
	41 years to 60 years	38	38
	Above 60 years	8	8
Educational Qualification	SSLC	34	34
	Plus-Two	22	22
	Graduate	28	28
	Post Graduate	16	16
Occupation	Self employed	22	22
	Govt jobs	10	10
	Private jobs	38	38
	Business	6	6
	Others	24	24
Monthly Income	Below 15000	54	54
	15000 to 30000	26	26
	30001 to 45000	10	10
	Above 45000	10	10

Source: Primary data

The gender wise classification of respondents shows that majority of the respondents i.e. 80 per cent belongs to the category of female and the rest 20 per cent are male. The age wise classification shows that 38 per cent of the respondents belong to the age group of 41 to 60 years, 30 per cent of the respondents are in the age group of 25 to 40 years, 24 per cent are the age group of below 25 years and the balance 8 per cent of the respondents are above 60 years. We can interpret that SSLC is the educational qualification of 34 per cent of the respondents, 28 per cent respondents are graduates, 22 per cent of the respondents have completed plus-two and the rest of 16 per cent respondents are post graduates. The occupation wise classification of respondents reveals that 38 per cent of respondents are private employees, 22 per cent of respondents are self employed, 10 per cent of respondents belong to the classification of government employees, 6 per cent of respondents are engaged in the business activities and the remaining 24 per cent are belong to other category. It is evident from table that 54 per cent of respondents have an income below Rs 15000, 26 per cent of the respondents belong to the income group of Rs 15000 to Rs 30000, 10 per cent respondents are from the income group of Rs 30001 to Rs 45000 and the remaining 10 per cent respondents earn an income of above Rs 45000.

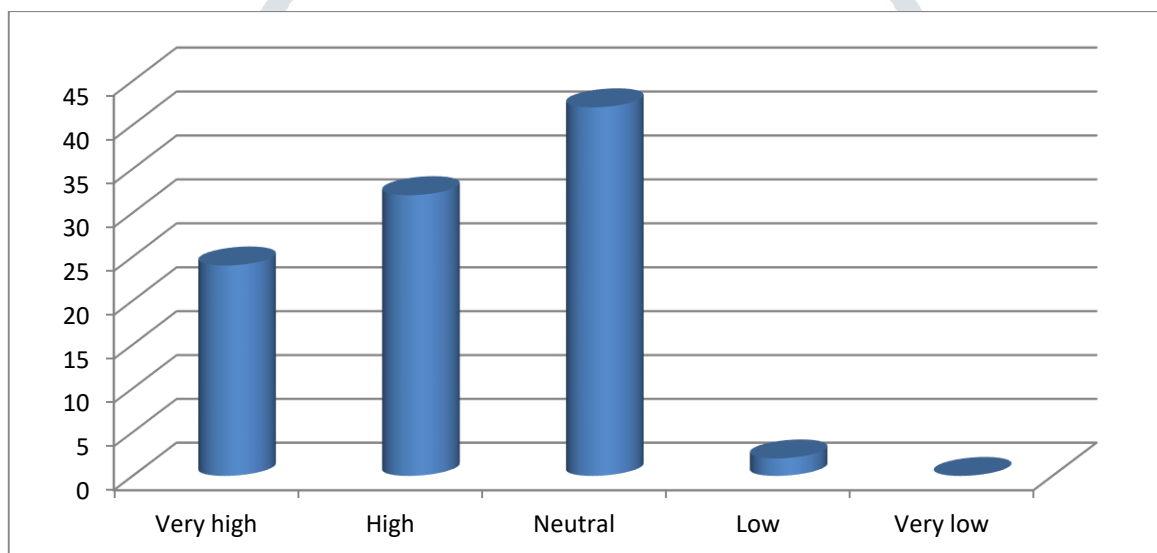
Table 2
Level of Awareness About ESAF Bank

Level of awareness	No. of Respondents	Percentage (%)
Very high	24	24
High	32	32
Neutral	42	42
Low	2	2
Very low	0	0
Total	100	100

Source: Primary data

The above table reveals that 42 per cent of the respondents are moderately aware about ESAF Bank and 32 per cent of the respondents have high awareness. 24 per cent of the respondents have very high level of awareness while other 2 per cent have low level of awareness about ESAF Bank. . No per cent of the respondents show very low level of awareness about ESAF Bank.

Figure 1
Level of awareness about esaf bank



Source: Table 2

Table 3
Awareness about different aspects of esaf bank

Particulars	Aware		Not Aware	
	No. of Respondents	Percentage (%)	No. of Respondents	Percentage (%)
Meaning of financial inclusion.	50	50	50	50
ESAF bank.	100	100	0	0
Functions of ESAF.	80	80	20	20
New initiatives of ESAF.	32	32	68	68
Advance products of ESAF.	40	40	60	60

Deposit products of ESAF.	48	48	52	52
Loan products of ESAF.	100	100	0	0
ATM facility provided by ESAF Bank.	88	88	12	12
Online facility available in ESAF Bank.	64	64	36	36

Source: Primary data

The above table shows that all respondents are aware about the ESAF Bank and their loan products, 88 per cent of them are aware about the functions of ESAF Bank while 80 per cent have awareness regarding ATM facility provided by ESAF Bank. 64 per cent of the respondents are of the opinion that they are aware regarding online facility provided by ESAF Bank and 50 per cent of them are aware about meaning of financial inclusion. 52 per cent of the respondents are not aware about deposit products while 60 per cent of them are not aware regarding advance products. Least of the respondents i.e. 32 per cent are aware about the new initiatives of ESAF Bank.

Table 4

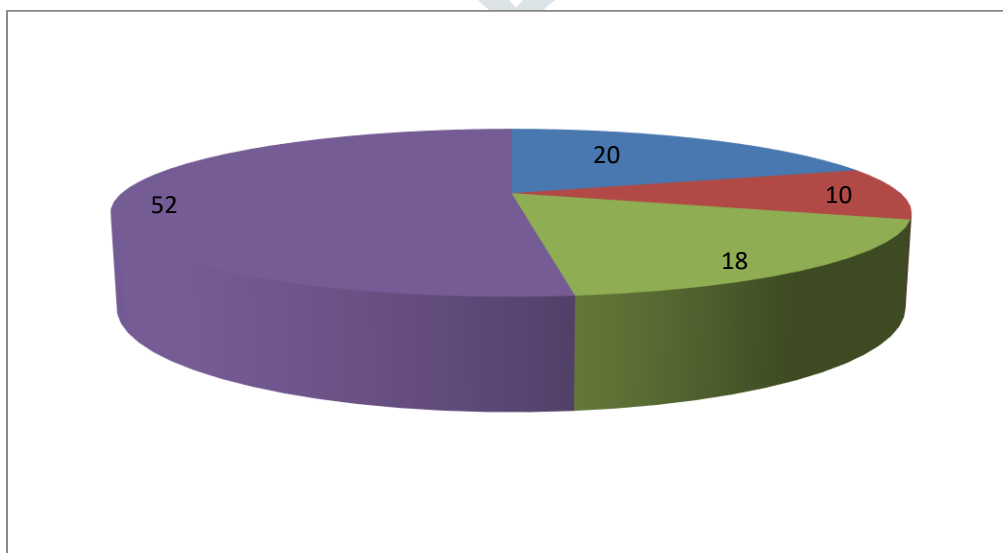
Environmental forces

Environmental Forces	No. of Respondents	Percentage (%)
Reputation	20	20
Nearness	10	10
Commercials	18	18
Friends/Family	52	52
Total	100	100

Source: Primary data

The above table indicates the majority of respondents i.e. 52 per cent of respondents are of the opinion that friends/family are the most influencing environmental force followed by reputation. 18 per cent of the respondents said that commercials and 10 per cent of the respondents are of the opinion that nearness are the most influencing environmental force for the selection ESAF bank.

Figure 2
Environmental forces



Source: Table 4

Table 5
Most influencing factors

Particulars	Mean	Rank
Interest Rate.	3.1400	1
Better Customer Relationship.	3.8600	3
Money Transferring Services.	5.7400	6
Loan Amount.	3.4000	2
Service Charges.	4.9800	5
Loan Period.	4.4400	4
Repayment Frequency.	6.4600	8
Effective Grievance Handling	6.8400	9
Behavior & Mannerism of Delivery Staff.	6.1400	7

Source: Primary data

The table 5 shows the mean values of factors that influence respondents to prefer ESAF Bank. It is clear that Interest rate is highly rated as their mean values are the lowest followed by loan amount, better customer relationship, loan period, service charges, money transferring services, behavior & mannerism of delivery staff and repayment frequency. However the Effectiveness of grievance handling in ESAF Bank is given the least rank. Thus, it is an indication that the interest rate is the most influencing factor to prefer ESAF Bank.

Table 6
Sources of information

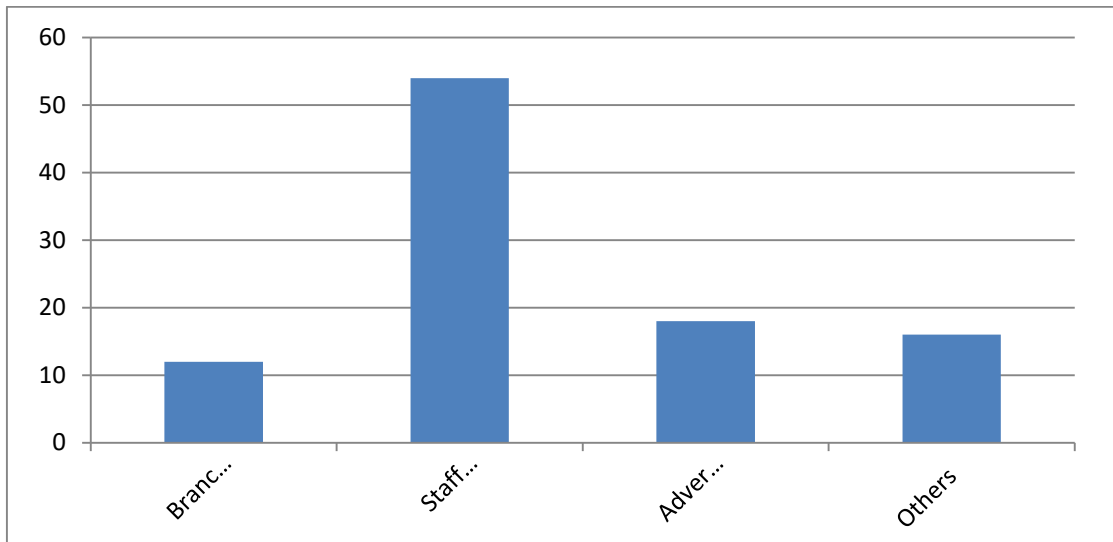
Sources	No. of Respondents	Percentage (%)
Branch Manager	12	12
Staff at the branch	54	54
Advertisements/pamphlets	18	18
Others	16	16
Total	100	100

Source: Primary data

The above table discloses that majority of respondents i.e. 54 per cent get information regarding existing, new policies and services about ESAF Bank through staff at the branch while 18 per cent gather this information from advertisements/pamphlets. 16 per cent of them know about ESAF Bank through other sources and only 12 per cent gather this information from branch managers.

Figure 3

Sources of information



Source: Table 6

Table 7
Satisfaction towards quantum of funds

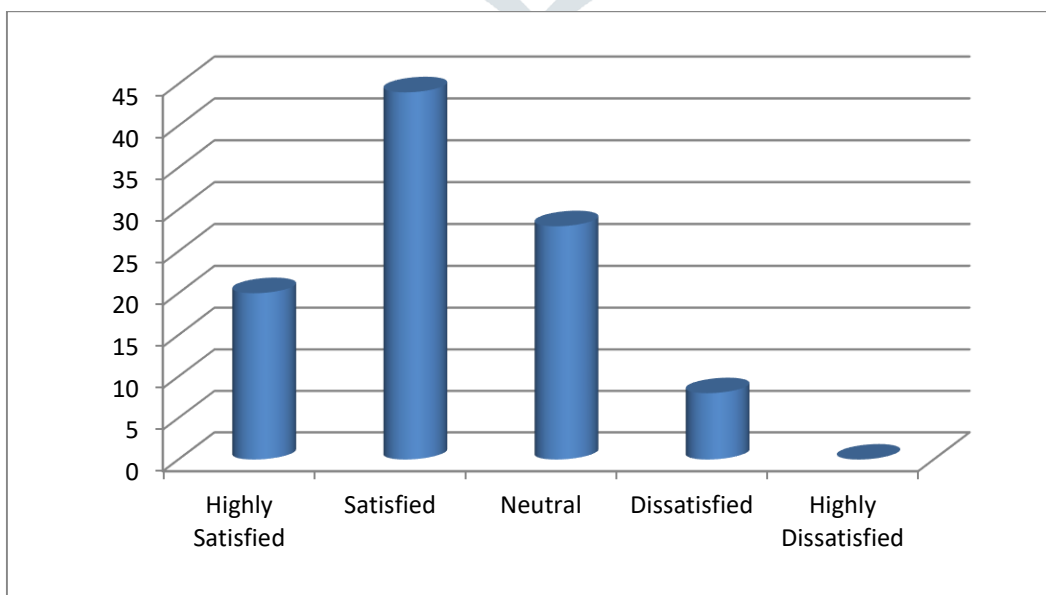
Particulars	No. of Respondents	Percentage (%)
Highly Satisfied	20	20
Satisfied	44	44
Neutral	28	28
Dissatisfied	8	8
Highly Dissatisfied	0	0
Total	100	100

Source: Primary data

The above table indicates the 44 per cent of the respondents are satisfied with the quantum of funds provided by ESAF Bank. 28 per cent are neutrally satisfied and another 20 per cent have high level of satisfaction. Only 8 per cent are dissatisfied. No per cent of the respondents show high level of dissatisfaction towards the quantum of funds provided by ESAF Bank.

Figure 4

Satisfaction towards quantum of funds



Source: Table 7

Table 8
Level of satisfaction towards esaf bank

Statements	Mean	Standard Deviation
Loan products of ESAF are attractive	4.1200	0.62410
Procedure for loan sanctioning is easy.	3.9600	0.72363
Interest rate is affordable.	3.8000	0.82878
Repayment schedule is comfort.	3.7200	1.04524
ESAF provides financial helps to women.	4.2400	0.79290
Quality of response to customer queries on product/services.	4.0600	0.93008
Understanding of customers need & unique perspective.	3.7000	1.04929
Working of ATM is satisfactory.	4.0000	0.85280
Overall satisfaction level towards ESAF Bank.	4.0600	0.70811

Source: Primary data

The above table shows that the level of satisfaction towards ESAF Bank. The mean scores indicate that the respondents have a strong sense of agreement towards the fact that the ESAF provides more financial help to women, Attractive loan products, Quality response to customer queries on products/ services, Satisfactory working conditions of ATM and Overall satisfaction level towards ESAF Bank. Respondents show an agreement towards Easy procedure for loan sanctioning, Affordable interest rate, Comfortable repayment schedule and Better understanding of customer need.

FINDINGS OF THE STUDY

On the basis of analysis of the data collected and processed using various statistical tools, the following findings have been arrived at;

- Most of the respondents are moderately aware about ESAF Bank.
- All of the respondents are highly aware about the loan products provided by ESAF Bank.
- Majority of respondents are aware about the ATM facility provided by ESAF Bank and the functions of ESAF Bank.
- Least of the respondents are aware about the new initiatives of ESAF Bank.
- Majority of respondents are of the opinion that friends/family are the most influencing environmental force for the selection ESAF bank.
- The most influencing factor to prefer ESAF Bank is Interest rate.
- Majority of respondents get information regarding existing new policies and services about the bank through staff at the branch.
- Most of the respondents are satisfied with the quantum of funds provided by ESAF Bank.
- Majority of the respondents are satisfied with the services provided by ESAF Bank.

CONCLUSION

Small finance banks tries to achieve the financial inclusion by supporting the development of institutions that offer innovative high technology, low-cost operations driven financial services. ESAF Small Finance Bank is the first one in Kerala by conversion of ESAF Micro Finance. The present study was an attempt to analyze the awareness and perception about ESAF Bank with special reference to Kottayam district. The study reveals that there is a moderate level of awareness and positive attitude among the respondents towards ESAF Bank.

SUGGESTIONS

Suggestion is the idea, plan or action that is suggested or is the act of suggesting. Following are the suggestions that are derived from this study:

- ❖ The bank should provide more awareness programmes and campaigns about the new initiatives of ESAF.
- ❖ The bank should take measures to improve the grievance handling system existing in the bank.

- ❖ The bank should provide more advertisements/pamphlets to their customers for informing existing, new policies and services offered by ESAF Bank.
- ❖ The present repayment schedule of ESAF Bank is weekly, the bank should take effort to change the repayment schedule from weekly schedule to monthly schedule.
- ❖ The government and RBI should take necessary steps to reduce the interest rate of loans.

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