Perceptions of Bank Account holders about PMJDY – A Study on Baikhora Region of South Tripura

Rajat Deb

Tripura University, Tripura, India

&

Prasenjit Das

Tripura State Electricity Corporation Limited, Tripura, India

The study has explored the motivating factors of the respondents of Latuatila village, Baikhora region under Santirbazar sub-division, Tripura South, Tripura, India for opening bank accounts under PMJDY and their preference for nationalized banks. An interview schedule comprising of 37 questions has used to collect data in three stages from a sample size of 125 respondents chosen using different non-probability sampling techniques which subsequently has processed through IBM SPSS-20. A protocol interview with 10 experts followed by a pilot survey with 30 respondents has carried out to check the validity of the questions; reliability and sample adequacy test has also performed. Through Factor analysis, four major factors have extracted. Several statistical tests like Independent Sample t-test, Cross-tabulation, Regression analysis has used to test the hypotheses. The empirical results have indicated the catalysts like demographic characteristics, service quality and scheme benefits. Policy lags and perceptions about private banks have attracted the respondents to nationalized banks. The public sector banks may incorporate the results in their strategic policy formulations to attract the potential customers and may frame course of actions to compete with the tentative private players in PMJDY. The study offers policy relevance, acknowledges few limitations and indicates the future research agenda.

Introduction

The term 'financial inclusion' has been coined differently by different sources. According to Rangarajan Committee Report (2008) and Chakrabarty (2011) as uniform access to different financial services by the underprivileged groups of the society at an affordable cost; equitably as well as transparently (Sarma, 2008; Solo, 2008); a desire to develop alternative, reliable and

affordable access to finance (Fuller & Mellor, 2008) and as a tool to alleviate poverty (Alpana, 2007). The Government of India has adopted many measures to include the excluded under the formal banking services, but the target is still far away. Research on financial exclusion has broadly explained 'exclusion' as those hindrances which prevent unbanked people to avail the benefits of the formal financial system (Leyshon & Thrift, 1995; Carbo et al. 2005), roadblocks for poor to access (Conroy, 2005) and lack of access by certain sections of the masses (Mohan, 2006). Further, studies in abroad has identified factors responsible for such exclusion is ranging from low-income, ethnic minorities, immigrations (Kempson & Whyley, 1998; Connolly & Hajaj, 2001; Barr, 2004); income inequality (Kempson & Whyley, 1998; Buckland et al., 2005); unenthusiastic attitude by banks (Kumar & Golait, 2009); unemployment (Goodwin et al., 2000); to access, condition, price and self- exclusion (Anderloni & Carluccio, 2005).

Iyer (2015) has reported that, motive for financial inclusion in India is to provide saving, investment and insurance benefits to the poor and the vulnerable mass at an affordable cost. The central bank of India (Reserve Bank of India or RBI) a decade ago has started the initiative for financial inclusion-to cover the banking shadow under the formal banking orchestra, where banks have entrusted the key role. Although efforts like organising awareness programs, employment of business correspondents (BCs) in rural areas, introduction of no-frill accounts, provision for general credit cards with overdraft facilities, introduction of Financial Literacy project, setting up of different funds, bank branches in commercially unviable areas of north eastern regions on cost-sharing basis with the respective state governments, to open Basic Saving Bank Deposit (BSBD) accounts, simplifying Branch Authorization Policy, relaxing KYC norms, compulsory requirement of opening branches in unbanked villages, revising guidelines on Financial Literacy Centres (FLCs), priority sector lending by banks, interest rate subvention for agriculture has been taken by RBI; some pockets are remain excluded like north-eastern region, as only 58.7 percent (Census Report, 2011) population are accessing formal banking services. Researches has validated that the reasons for exclusion in India are many fold e.g., implementation issues (Ramasubbian & Duraiswamy, 2012); inter-state variations (Kuri & Laha, 2011); low-level of education (Devlin, 2009), want of access by certain groups of the society (Mohan, 2006) and skeptical performance of self-help groups (SHGs) in delivering micro credit (Meyer, 2003).

The Pradhan Mantri Jan-Dhan Yojana (hereafter PMJDY) has been launched by the Prime Minister of India on 15th August, 2014, as a step towards the holistic financial inclusion. The name and the logo of PMJDY have chosen through an online competition on the MyGov Platform with the slogan- 'Mera Khata – Bhagya Vidhata' (my account, my fortune). The unique features of the scheme include:

• the account holders will get interest on their outstanding credit balances;

• account holders will get an accidental insurance coverage of INR .10 million along with life insurance coverage of INR .03 million;

• no minimum (floor) balance is required and money can easily be transferred across the country;

• direct cash transfer and accessibility of overdraft facility after satisfactory operation of 6 months; and

• access to pension, insurance products and Rupay Debit Cards.

The relevant literatures have been thoroughly studied, based on which the hypotheses and pertinent items of the schedule area designed. Literature have indicated that studies has attempted globally on multiple dimensions of financial inclusion, e. g. penetration (Bhanot, Bapat, & Bera,

2012); importance (Rather & Lone, 2014; Sharma & Kukreja, 2013; Samant, 2010; Ravichandran & Alkhathalan, 2009; Rupambara, 2007; Fuller, et al., 2006); role of banks (Mukherjee, 2012; Rachana, 2011); correlation with consumption smoothing (Taylor, 2012); business models (Raj, 2011); barriers to inclusion (Chann, Moodithaya & Handy, 2012); frameworks for study (Sharma, 2009); role of ICT (Garg & Agarwal, 2014); recent trends (Khuntia, 2014); and strategy formulation (Thaper, 2013). As PMJDY was recently launched and literature suggest that no study so far been attempted in north-east India in general and in Tripura in particular, which has motivated us to take up the present research agenda. The scope of the study is confined to the bank account holders under PMJDY in the Latuatila village, Baikhora region under Santirbazar sub-division, Tripura South, Tripura, India since studies in abroad has also concluded that living in remote places is one of the reason for financial exclusion (Kempson & Whyley, 2001; Ford & Rowlingson, 1996; Leyshon & Thrift, 1995).

The present study seeks to unearth the factors which motivate the respondents to open bank accounts under PMJDY and to detect the reasons for their preference for public sector banks. The reminder of the paper has built up as: the setting of the study has framed in section 2 and research method in section 3 respectively. In Section 4 the findings has presented while the interpretation of those findings are offered in section 5. The conclusions have drawn in section 6 and the scope for implementations of the findings has enumerated in section 7. The last section has indicated the future research agenda.

Literature Review

The prior studies carried out in related Government schemes domestically and in abroad has been extensively analyzed. As PMJDY has recently been launched (August, 2014), the academic research is not carried out in large numbers; although the findings of the relevant studies is incorporated in this section which has provided the basis for the formulation of hypotheses and pertinent items of the interview-schedule.

Gender and Savings

Prior studies has documented that women are lacking confidence and prefer risk-averse savings avenues (Byrnes & Miller, 1999; Deaux & Ennsuiller, 1994), use to save largely in lower volatility instruments (Lewellen, 1975; Chow & Rielly, 1992; Jianakoplos & Bernasek, 1998; Sunden & Brian, 1998), has a stronger preference for savings than men (Jelinek & Schneider, 1998). So, the present study hypothesizes that:

H_1: Respondents' gender has an influence in opening bank accounts under PMJDY.

Age, Income level, Education level, Marital status and Savings

Literature has indicated the influence of demographic characteristics towards savings behaviour e.g., positive attitude by youths (Danzinger, Van der Gaag, Smolensky, & Taussig, 1982; Hurd, 1987, 1990; Guariglia & Rossi, 2002; Yao, et al., 2011; Friedline & Song, 2013), by graduates (Kumbhar, 2011; DeVaney, Anong & Whirl, 2007), levels of income (Burbridge & Robb, 1985; Avery & Kennickell, 1991; Bosworth, Burtless & Sabelhaus, 1991; Browning, 1995; Browning & Lusardi, 1996; Lusardi, 2003; Mohammed, 2012) and marital status (Cohn, Lewellen, Lease & Schlarbaum, 1975; Xiao & Noring, 1994; Masson, Kremers & Horne, 1994). Thus, the second hypothesis is set as:

H_2: Respondents' non-gender demographic characteristics have an influence in the decision to open bank accounts under PMJDY.

Service expectations and banks

Literature has suggested that customer satisfaction and service quality are the important objectives of a business organization like a bank for long term growth (Jham & Khan, 2008; Rai, 2006; Parsuraman, Zeithaml, & Berry, 1994) and word of mouth (WOM) plays a pivotal role in that growth process (Godes & Mayzlin, 2004). Hence the present study hypothesizes that,

H_3: Service expectations have an influence in the decision to open bank accounts under PMJDY

Principal and Secondary benefits of Bank Accounts

Research works on financial inclusion in India has offered multiple findings, e.g., 'social banking' can be an instrument (Bhuvaneshwari & Pushpalatha, 2013), evaluation of progress affect the current status (Nanjibhai & Ranparia, 2013), focus should be on creating financial literacy campaign and training on mobile banking and e - banking (Dangi & Kumar, 2013), providing banking and other financial services to citizens accessibly, transparently and economically Paramasivan & Kumar, 2013), highlighted government's efforts in financial inclusion process and its achievement (Supkar, Satpathy & Patnaik, 2014) and strategies to attain universal coverage of the underprivileged population (Khuntia, 2014). Further, amongst the alternative avenues for investments, bank deposits are the most popular (Priyadhanlaxmi & Dhanlaxmi, 2014); the choice of individual account holders is affected by timing of investment and saving motives like insurance benefit (Kasilingam & Jayapal, 2012) and expected returns (e.g., Easton & Monahan, 2005; Easton & Sommers, 2007). Thus, the present study hypothesizes that,

H_4: Principal and secondary benefits of bank accounts have an influence in the decision to open bank accounts under PMJDY.

Research Methodology

This section is designed in the following sub heads.

Research Design

The present study has used cross sectional (survey) research design and the study has carried out at a particular point of time (during January-May, 2015). The survey approach was used since the objectives of the study is to understand the wider overview (Fisher, 2007) of respondents' perception about PMJDY; to produce quantitative details of the studied population (Pinsonneault & Kraemer, 1993; Groves, Fowler, Couper, Lepkowski, Singer, & Tourangeau, 2004) and since the context has specific objective (Malhotra, 2010; McDaniel & Gates, 2010).

Schedule Development

An interview-schedule was used as a tool to data collection since people are unwilling to give truthful answers to the questions that invade their personal finances (Churchill, 2001; Malhotra, 2005). The items in the schedule have been developed in the following ways:

Firstly, The researchers have accessed the University digital library sources and searched especially the e- journals of prominent publishers with the key words such as *saving behaviour, social saving schemes, precautionary saving, gender and saving, banking services* and have downloaded

the relevant papers. Thereafter they have extensively reviewed those papers to generate a 45-items inventory.

Secondly, protocol interviews (Diamantopoulos, Reynolds & Schlegelmilch, 1994) were arranged with ten experts to assess their expertise about the validity of the items and doubts are duly clarified by them. Experts have voted on whether the items and underlying constructs used is (i) important, (ii) measurable and (iii) feasible to accomplish. The mean score for accepting any such item is set as seven. In all, from the 45- items, 40 items is retained for the pilot study.

Thirdly, a pilot study was conducted using convenient sampling technique with a sample size of 30 respondents; as suggested by Zikmund & Babin (2012) to check the clarity, relevance and completeness of the items. The outcome of the pre-test has reduced the number of items to 37, which is retained for the final survey. Further, the wording and rank of the items is marginally modified as indicated from the pilot study and as per the suggestions of the experts.

The values of the Cronbach's alpha of the items of pre-test is as follows: *.897, .778, .672, .901,.673,.598,.612,.704,.685,.903,.885,.456,.672,.626,.589,.716,.876,.804,.751,.687,.488,.587,.732,.688,.635,.733,.698,.622,.606,.708,.595,.643,.674,.666,.782,.611,.632,.653,.707,.658*. Items having alpha value above .5 were retained for the final survey.

Finally, the 37-item scale which was developed from the pre-test is administered to a large sample.

Sampling Design & Sample Size

The primary data is collected using multi-stage research design.

Firstly, the present study assumed all the bank account holders under PMJDY in Baikhora locality are the study population of which 125 such account holders were selected in different steps. To collect the data, the enumerator has approached United Bank of India (UBI) Baikhora branch to provide the list of bank account holders under PMJDY, with prior approval from the Department of Commerce, Tripura University. The bank officials have provided a list of 69 account holders' name and address.

Secondly, on the basis of the list, the enumerator has contacted with all the account holders, explained them his motive and requested them to volunteer in the study. During the weekly haat (market) day the enumerator has collected the data along with their interviews.

Finally, in course of interview with the respondents, the enumerator has gathered details of other account holders who have opened bank accounts in other banks under the scheme. Based on that, using Snowball technique, 70 account holders were requested to participate in the study of which 56 has given their consent. Accordingly the survey was executed on 56 respondents and the eventual sample size has reached to 125; the sample size computed as per the guidelines of Roscoe's (1975), Tabachnick & Fidell (2013), they have advocated that for social science research a sample size between 30 and 500 is sufficient. The schedule comprised of 37-items covering the socio-economic background as well as the motivating factors of the respondents to open the bank accounts. 85 men and 40 women (17:8) sample respondents were chosen which are in the line of findings of Min & Khoon (2013), who has reported that men and women customers' perceptions are different about the tangibility dimension of service quality.

Secondary Data

The study has gathered the pertinent secondary data from online and printed academic journals, books, bulletins, conference proceedings, business newspapers and websites.

Statistical Power & Confidence Level

To test the hypotheses, the study has taken the confidence level (α=5%). The statistical power analysis is carried out using G*3 software and the results have documented that the power is 82 percent, more than the conventional threshold limit of 80 percent as suggested by Cohen (1988).

Variables & Statistical Tests of the Study

Variables	Null Hypotheses	Statistical Tests used		
		Name	Objectives	Rationality
Predictor Variables: 1. Gender	H_{01}	Independent Sample t-test	To test whether two variables are different	1. Sampling distribution is normally distributed. 2. Interval data 3. Presence of homogeneity of variance in population 4. Scores are independent
2. Non-gender demographic characteristics	H_{02}	Cross-tabulation	To describe the relationship between two variables	1. Interval data
3. Service expectations	H_{03}	Regression coefficient	To evaluate the power of relationship between one predictor and one outcome variable	1. Interval data 2. Linear relationship
4. Principal and Secondary benefits	H_{04}	Stepwise Backward Regression Coefficient	To evaluate the power of relationship between predictors and one outcome variable	1. Prescience of multiple variables. 2. Interval data 3. Outcome variable is quantifiable. 4. Non-zero variance 5. Homoscedasticity 6. Linearity
Outcome Variable: 1. Decision to open bank account under PMJDY	$H_{01}, H_{02}, H_{03}, H_{04}$			
Confounding Variable:	Not Available	Not Required	Comment proposed to be made after the completion of study, if required	Not Available

Strategy for Data Analysis

The statistical software IBM Statistical Package for Social Sciences (SPSS)-20 was used for data analysis. Items has addressed either through simple descriptive statistics (means and standard deviations) or through inferential statistics (Independent Sample t-test, Cross-tabulation, Simple and Multiple Regression analysis). Factor analysis has been used as a data reduction technique for the items identified initially from prior studies, refined through protocol interviews followed by pilot study and eventually has tested using interview-schedule. It is a set of techniques which reduce the variables into fewer factors economically (Nagundkar, 2010; Hair, Black, Babin,

Anderson & Tatham, 2010). Principal Component Analysis (PCA) method of Factor analysis was employed to identify theoretically meaningful underlying factors (Ho, 2006, Mitchelmore & Rowley, 2013) which spilt the data into a group of linear variants (Dunteman, 1989).

Procedure

An interview-schedule along with a cover letter has been used to collect the information from the respondents to understand their perceptions, e.g., the modus operandi of their financial decisions (Oberhofer & Dieplinger, 2014). The study has used fixed alternative items for prompt response, and for the added features such as coding, tabulation and interpretation of data (McDaniel & Gates, 2010; Hair, et al., 2010). To eliminate the risk of non-comprehension and ambiguity problems, the items have been translated into Bengali; as suggested by Peytchev, Conrad, Couper & Tourangeau (2010). The number of items in the schedule has restricted to such a level to get proper response (Dillman, 1978). The study used a close ended and pre-coded schedule with a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5) since the scale is interval in nature (Cooper, 2000).

Findings

Descriptive Statistics

The study has documented that lion's share of the respondents are Hindus (76 percent), general (39.20 percent), has taken education up to under matriculation (62 percent), monthly income is less INR .005-.01million (40 percent), married (89.6 percent), are in the age group of 26-36 years (36 percent), involve in other occupation (79.20 percent), Bank accounts mostly are with UBI (58.90 percent) and A/c has opened with some amount of deposit (59.20 percent).

With respect to *Principal Benefits of Bank A/c Factor*, mean values indicated that respondents conceptualized the principal benefits of having bank accounts (Average Mean=4.2157, S. D. = .6265). Mean score for items range from 4.0887 to 4.8710 excluding the reversed score item 'access of mobile banking facility'. In the second factor Supplementary Benefits of Bank A/c, mean values documented that respondents has agreed about secondary benefits of having bank accounts (Average Mean = 4.0239, S. D. = 0.6921). Mean score for items lie between 3.9129 and 4.4274 excluding the reversed score item 'instrument to fight against corruption.' In the third factor Policy lags in Private Banks, mean values has suggested that respondents have agreed about the delay in the implementation of policies by the private banks (Average Mean = 4.3750, S. D. = .5610). Mean score for items range from 3.1613 to 3.5726. The fourth factor Perceptions about Private Banks, mean values have reported that respondents have agreed about the coverage and clusters of different benefits of PMJDY (Average Mean = 4.1237, S.D. = .7508). Mean scores for items range from 3.9597 to 4.3790.

Factor Analysis

Participants are requested to fill up the schedule comprising of 22 key items related to their perceptions about their motives behind opening bank accounts under PMJDY and their preference for nationalized banks. The Cronbach's alpha results for the items stand as .861, well above the acceptable level (Hair et al., 2005).

The Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy (MSA) is computed as .872, above the threshold limit of 0.6, for conducting Factor analysis (Kaiser & Rice, 1974; Kline, 1994).

The Bartlett Test of Sphericity (approx. Chi square =1371.389 and significance at .000) also has supported for validity of the Factor analysis.

Table 1: Rotated Component Matrix[a]

(**Factors:** *Principal Benefits of Bank A/c Factor, Supplementary Benefits of Bank A/c Factor, Policy lags in Private Banks Factor and Perceptions about Private Banks Factor*)

Particulars	Components			
	1	2	3	4
Protect the principal amount	.712			
Access of different Government schemes	.686			
Free life insurance coverage	.641			
Bi-annual interest accumulation	.623			
Easily accessibility and withdraw able	.610			
Zero balance account with Rupay Debit card	.529			
Easy funds transfer	.558			
Access of mobile banking facility	.508			
Supportive document		.717		
Facility of small savings		.703		
Personal life insurance		.689		
Financial literacy enhancement		.622		
Overdraft facility		.576		
Motivation for deposit in future		.533		
Instrument to fight against corruption		.524		
Lack of awareness about the schemes			.807	
Hesitation to open no-frill accounts			.742	
Late in policy implementation process			.666	
Maintenance of mandatory minimum balance			.598	
Low penetration in rural areas				.872
Middle and high income group customers				.765
Reliability of private banks is low				.613
Extraction Method: Principal Component Analysis. *Rotation Method: Varimax with Kaiser Normalization.* *a. Rotation converged in 8 iterations.*				

From the Table 1, the four factors have been extracted by using PCA method and appropriate names are labelled for each of them. We have excluded single item factors on the ground of parsimony (Lawson-Body, Willoughby & Logossah, 2010).

Inferential Statistics

Independent Sample t-test. To test whether respondents' gender has an influence in opening bank accounts under PMJDY (H01), Independent Sample t-test is carried out and the following procedure was adopted. Descriptive Statistics (Means and S. D.) scores for the two sub-groups- men and women were computed in Table 2. In addition, the standard error (S.D. of sampling distribution) of men was 1.138 (12.14/$\sqrt{85}$) and that of women was found 1.70. From Table-3, t-test was used in order to test the hypothesis. For this data the Levene's test has found to be

statistically non-significant as (p= .393 > .05) and as seen in labelled 'Equal variances assumed'. Here, two tailed value of p has computed as .03 which is less than .05. Hence, it is found that a significant difference exists between men and women in their perceptions about in opening bank accounts under PMJDY. Therefore, the null hypothesis H01 stands rejected.

Table 2: Group Statistics of Respondents

	Gender	n	Mean	S. D.	Std. Error of Mean
Decision to open bank account under PMJDY	Men	85	140.68	12.14	1.138
	Women	40	133.23	10.80	1.70

Table 3: Independent Sample t-Test

	Leven's test		t-test statistics					95% confidence interval of the difference	
Decision to open bank account under PMJDY	F	Sig.	t	d. f.	Sig. (2-tailed)	Mean Diff.	S. E. Diff.	Lower	Upper
Equal variances assumed	.718	.393	1.53	123	.03	3.56	8.639	-4.37	26.12
Equal variances not assumed	-	-	.912	222.18	.13	3.56	8.639	-4.72	27.77

   Cross Tabulation. Cross tabulation and Chi square test have been employed at 5 percent significance level to measure the association (or not) between the non-gender demographic variables (predictors) of the respondents and their decision to open bank account under PMJDY (outcome).

   The results of the test are calculated as follows:

- The *monthly income* and the outcome is related positively i.e. higher the monthly income, higher the motivation to open bank account under PMJDY. The Chi square is 31.768 and the likelihood ratio is 34.454. Further, the significance value is .000, which is less than .05. So, the null hypothesis H02 is rejected and alternative hypothesis is accepted. In other words, a significant association is established between monthly income and the decision to open bank account under PMJDY.

- The *age* of the respondents and the outcome is negatively related i.e. lower the age, higher the motivation to open bank account under PMJDY. The Chi square is computed as 28.93 and the likelihood ratio as 22.67. Further, the significance value is .03, which is less than .05. So, the null hypothesis is rejected and alternative hypothesis has accepted.

- The *level of education* is also negatively related i.e. lower the level of education, higher the motivation to open bank account under PMJDY. The Chi square has scored as 19.887 and the likelihood ratio as 16.924. Further, the significance value is stand as .002, which is less than .05. So, the null hypothesis is rejected and the alternative is accepted.

- The *marital status* of the respondents and the outcome is related in a way that those who are married, are more inclined to open bank account under PMJDY. The Chi square score is 63.980, likelihood ratio is 54.458 and the significance value is .031, which is less than .05. So, the null hypothesis is rejected and alternative hypothesis is accepted; i. e., a significant association is established between marital status of the respondents and their decision to open bank account under PMJDY.

Regression Analysis

To test the remaining hypotheses, the study runs a Regression analysis, a statistical process for estimating the relationships among the variables of our study.

Table 4: Model Summary[a] of Service expectations

Model	R	R^2	Adjusted R^2	Standard error of estimate
1	.638a	.592	.584	61.53

a. Predictor: (Constant), Service expectations

From Table 4, it is seen that the value of R is .638 as the service expectation, being the sole predictor; this value has represented the simple correlation between the third predictor and the outcome of our study. The value of adjusted R2 was computed as .592, which suggested that service expectations accounted for 58 percent of the variation in the outcome. This model, which has included only service expectations, explained approximately 58 percent of the variation, indicate the probability of other factors which might impact the outcome.

Table 5: ANOVA[b] Results of Service expectations

Model	Sum of Squares (SS)	d. f.	Mean Square (MS) [SS/d. f.]	F	Sig.
Regression	583357.431	1	583357.43	98.35	.000*
Residual	905445.320	123	73621.50		
Total	1488802.751	124			

b. Outcome variable Service expectations

From Table 5, the various sums of squares and the degrees of freedom associated with each has been reported. The average sum of squares (the mean squares) is calculated by dividing the sums of squares by the associated degrees of freedom. The F-ratio was calculated as 98.35, indicating significant at $p < .001$ (since the value in the column labelled sig. is less than .001). The results have suggested that there is less than a .1 percent probability that F-ratio would happen if the null hypothesis is true. So, it is concluded that the results are significantly better predictor of service expectations than the mean value of the same so, the alternative hypothesis is accepted.

To measure the extent to which the principal and secondary benefits of motivation affect the outcome variable, stepwise backward regression is run, since it is one of the appropriate methods of theory testing (Studmund & Cassidy, 1987). The data is further put to use in regression for hypotheses validation. The results indicated that both the factors are significant and considered as predictors of the outcome variable.

Table: 6 Model Summary[c]

Model	R	R^2	Adjusted R2	Standard error of estimate	R^2 Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.615a	.592	.587	64.87	.447	178.25	1	123	.000	1.954
2	.804b	.907	.902	52.45	.454	104.71	2	122	.000	

a. Predictor: (Constant), Principal benefits
b. Predictor: (Constant), Principal benefits, Secondary benefits
c. Decision to open bank account under PMJDY

From Table 6, Model 1 is the first stage in the hierarchy when the study has applied only principal benefits as predictor. Model 2 is referred when both the predictors was put in use. The column R represents the values of the multiple correlation coefficients between the dependent and independent variables. When only principal benefits were used as a predator, it resembles the simple correlation coefficients between predictor and outcome (.615). The next column R2 has showed the proportion of variability in the outcome as represented by the predictors. For Model 1 its value stand as .592, which imply that principal benefits accounted for 59.2 percent of the variation in the outcome. With the inclusion of other predictor (Model 2), this value has increased to 90.7 percent. So, if principal benefits accounts for only 59.2 percent, it is concluded that secondary benefits accounted for an additional 31.5 (90.7 – 59.2) percent; hence the inclusion of the new predictor has explained the balance amount of the variation in the outcome. The adjusted R2 has provided an idea of how well the model generalizes and as per norm, it is predicted its value to be the same or very close to R2. In the present model the difference is negligible (.05 percent) which reveals that the model has derived from the study population rather than a sample. In the change statistics, the significance of R2 has tested using F-ratio for each of the blocks. Model 1 has caused R2 changes from 0 to .592, and this change in the amount of variance raised to an F-ratio of 178.25, which is significant with a probability less than .001[since we have one predictor (k) and sample size=125].

The addition of new predictor (Model 2) has caused R2 to increase by .315. Using R^2_{change}, k_{change}= 2-1=1, the F change is calculated as 104.71 which is again significant (p<.001). This increase indicates about the difference cause by adding new predictor in Model 2. The Durbin-Watson statistic shows whether the presumption of independent errors is justifiable and in the model it has computed as 1.954, which is close to 2, has met the assumption.

Table: 7 ANOVA[c] Results

Model		Sum of Squares (SS)	d. f.	Mean Square [SS/d. f.]	F	Sig.
Model 1	Regression	424537.87	1	424537.87	99.541	.000*
	Residual	897196.67	123	7294.28		
	Total	1321734.54	124			
Model 2	Regression	886127.76	2	443063.88	127.842	.000*
	Residual	421378.98	122	3453.92		
	Total	1307506.74	124			

a. Predictor: (Constant), Principal benefits
b. Predictor: (Constant), Principal benefits, Secondary benefits
c. Decision to open bank account under PMJDY

Table 7 reports the analysis of variance (ANOVA) which was tested whether the model is significantly better in predicting the outcome or not. Specifically, the F-ratio represents the ratio of the improvement in prediction that results from fitting the model, relative to the inaccuracy which might exist in the model. For Model 1 the F-ratio is computed as 99.541, which is most unlikely to have happened by chance (p<.001). For the second model, the value of F has increased to 127.842, which is also highly significant (p<.001). The conclusion of Model 1 has significantly improved the ability to predict the outcome variable, but the Model 2 (with extra predictor) is even better (as the F-ratio was more significant) and the alternative hypothesis was accepted. In other words, principal and secondary benefits influence the respondents to open bank accounts under the scheme with the nationalized banks.

ADMAA

Interpretation

Factor analysis identifies four underlying constructs which has explained the different motivating factors for opening bank accounts under PMJDY and the respondents' preference for public sector banks. High factor loadings indicate statistically significant items. Table 8 presents the summary of the Factor analysis and Descriptive Statistics.

Table 8: Summary Results of Factor Analysis & Descriptive Statistics

S. No.	Extracted Factors	Included items	Cronbach's Alpha value	Mean value	S. D. value
1	Principal Benefits of Bank A/c	8	.715	4.2157	.6265
2	Supplementary Benefits of Bank A/c	7	.702	4.0239	.6921
3	Policy lags in Private Banks	4	.697	4.3757	.5610
4	Perceptions about Private Banks	3	.731	4.1237	.7508

The outcome of independent sample t-test has validated in favour to probably reject the first null hypothesis (H01) that gender of the respondents has an influence on the decision to open bank account and it has statistical significance. The association (i.e. different from no relationship) with non-gender demographic characteristics of the respondents and their perceptions about the decision to open bank account under PMJDY has tested using Cross-tabulations and the results document that it has statistical significance hence the study rejects the null hypothesis, H02. To test whether service expectations has any influence in the decision to open bank account under PMJDY, the study has conducted stepwise simple regression analysis and the findings point out to probably reject H03, i.e. the alternative hypothesis is accepted. To measure the strength of relationships between principal and secondary benefits (predictors) and the decision to open bank accounts under PMJDY (outcome variable), the fourth hypothesis (H04) was tested using backward step regression method and based on the finding, the study rejects H04 and alternative hypothesis is accepted.

To sum up, the findings has shown that number of factors which motivated the respondents to open bank accounts under PMJDY and has expressed their preference for public sector banks in lieu of private sector banks. In course of data collection, a number of issues is highlighted by the respondents like using Rupay debit cards with pin which, for most of them is cumbersome; the ceiling imposed on deposit to the tune of INR .1 million and withdrawal of .01million per day is caused a difficulty to access the banking service. Although PMJDY is a new avatar in the ambit of financial inclusion mission, but it does not have any dedicated provision for credit disbursement amongst the beneficiaries; poor rural connectivity pose a major challenge in implementing the scheme in rural areas; the business correspondents (BCs) who usually carry INR .025 million at a time due to risk of theft and robbery impediments the spirit of the mission and customers need to walk miles to banks for deposit and withdrawal of large chunk of amount. Further, the respondents shared additional motivating forces like different social effects of finance and literature has also validated the same. They have indicated that words of other (Brown et al., 2008), the herding behaviour of others (Banerjee, 1992), reference group effects (Duflo & Saez, 2002), social impact (Kaustia & Knupfer, 2012), and access to information (Li, 2012) has played the catalyst role.

The study has not only highlighted the scope for expansion of customer base by the banks and improving their credit-to-deposit (CD) ratio in general; but has also documented the benefits

accessed by the unbanked population after opening bank accounts under the PMJDY in particular. The success of the scheme not only depends upon the active participation by all the stakeholders of the society (Chowhan & Pande, 2014; Barhate & Jagtap, 2014); technology up gradation in rural India (Watts, 2015); improving and expanding banking service access (Shaikh & Bhavsar, 2014), but also participation of private banks (Kaur & Singh, 2015). Further, to address the financial exclusion, the piggybacking on mobile networks in remote areas such as in the north-east region, opening government funded bank accounts, interest-free banking windows for ethical banking needs, direct cash transfers to small and marginal farmers, seeding all bank accounts with Adhaar numbers, mapping the digital footprint of all financial customers and digitisation of documents are the need of the hour.

Conclusion

The study was undertaken to unearth the attributes for opening bank accounts by the respondents under PMJDY in public sectors banks instead of private sector banks. The study used an interview-schedule to collect the primary data during January-May, 2015. In three stages, data from 125 respondents was collected which was subsequently processed through IBM SPSS-20. The data set is tested for its validity, reliability and sample adequacy. The data dimension test (Factor analysis) has extracted four factors *viz. Principal Benefits of Bank A/c, Supplementary Benefits of Bank A/c, Policy lags in Private Banks and Coverage & Cluster of Customers*. The first null hypothesis is tested on the basis of gender using independent sample t-test. The result has found to be statistically significant hence H01 is rejected. The second hypothesis was tested using cross tabulations and the results have pointed out significant association between the variables, obviously rejecting H02. To assess the strength of relationship between the service expectations - decision to open bank account under PMJDY, simple regression test is applied and the relationship was proved to be significant, H03 was rejected. The fourth hypothesis was tested using Stepwise backward regression method and the results documented that the predictors extracted are significant indicator of the outcome and H04, was rejected.

The study is not flawless and it duly acknowledges the same. Firstly, sample respondents might not be the proxy of the whole study population. Secondly, in the line of the objectives, only impressing factors for opening bank accounts under PMJDY and the choice of nationalised banks has exclusively been taken as variables for this study and other variables are excluded from the scope of the study, which has confined the generalization of the findings. Thirdly, the choice of Baikhora region of South Tripura as study area due to parsimony and time constraint might be another shortcoming of the study to generalize the findings. Fourthly, a lower sample size was considered and the samples have selected using non-probability sampling techniques which might not be unbiased. Fifthly, the validity of the results relies on the responses, which perhaps is not flawless. Finally, the different statistical techniques used have their own limitations which might restrict the generalization of the outcome of the research.

Managerial Implications

The inferences of the study have empirical application for the present as well as prospective bank account holders under PMJDY. The private banks may take a note from the findings in their policy formulating decisions by exploring the large number of unbanked population nationwide by attracting them under the formal banking system. The public sector banks may incorporate the results in their strategic policy formulations to attract the potential customers and may frame course of actions to compete with the tentative private players in PMJDY. Further, the policy

makers of these banks should chalk out with strategies to combat the shortcomings of the scheme either as highlighted from the results of the study or disclosed by the respondents to improve the customers' base as well as their bottom-line by extending credit to them.

Scope for Future Research

The scope of the research is confined within Latuatila Gram Panchayats due to parsimony and time constraint and in future intra-district and inter-district studies may be undertaken. Studies may also be attempted in a wider scale by considering a larger study population, sampling frame and greater sample size covering stakeholders from other sectors of the economy, including inter-bank and inter-state population covering multiple social and economic dimensions of the scheme. The study has considered demographic characteristics as predictor and ignored the influence of religion in personal finance decision. Earlier research have validated that religious affiliation has significant impact in savings decision (e.g., Delener, 1994; Keister 2003; Lehrer, 2004; Wan Ahmad et al., 2008) and the future research agenda may incorporate the same since the religion of our sample respondents are skewed to Hinduism. Additionally, instead of arriving at the measures of investment factors in PMJDY by self-assessed responses, actual measurements based on other technology enabled databases could be used.

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Appendix 1

Schedule

Note: The schedule has three sections, namely A, B and C. For each section the response style is mentioned at the beginning. You are requested to follow the response style and mark your response category accordingly.

SECTION – A

General Profile of the Respondent

(Please put tick mark in the applicable box as applicable.)

1. Name of the Respondent   :
2. Date of Birth (DD/MM/YYYY)   :
3. Contact No.   :
4. E-Mail ID (If any)   :

5.	Gender	:	Male	Female	
6.	Marital Status	:	Single	Married	Divorcee

7. Age Group   :   18 – 25 years

                                       26 – 35 years

                                       36 – 45 years

                                       46 – 65 years

                                       66 and above

8. Educational Qualification   :   Under Matriculation

                                       Higher Secondary

                                       Graduate

                                       Post-Graduate

9. Religion   :   Hinduism

                                       Muslim

                                       Christian

                                       Buddhism

                                       Other

10.	Caste	:	General	SC	ST	OBC

11. Occupation   :   Student

                                       Business

                                       Service

                                       Any other

12. Monthly Income   :   Less than INR 5,000

                                       INR 5,001 - 10,000

                                       INR 10,001 – 20,000

                                       INR 20,001 and above

13. Date of Bank A/c opened   :

14. Bank A/c opened with   :   State Bank of India

                                       United Bank of India

                                       Tripura Gramin Bank

                                       State Co-operative Bank

                                       Others

15. Amount deposited at the time opening: No

                                       Yes, the amount is

Section B

Motivating Factors for Opening Bank Account under PMJDY

Please read each of the statement carefully and indicate your level of agreement or disagreement that you think is the best describing your perception about the Motivating Factors for Opening Bank Account under PMJDY. Indicate your response in 5-point Likert Scale stated

below and fill the box accordingly.

1.   SD= Strongly Disagree, 2. D= Disagree, 3. N= Neutral 4. A=Agree, 5. SA= Strongly Agree

Statements	Score
1. You have opened the A/c to protect the principal amount invested in the account.	
2. You have opened the A/c to access the different Government benefits and subsidies.	
3. You have opened the A/c to earn bi-annual interest on the invested amount.	
4. You have opened the A/c to the invested funds can be easily be accessible and withdraw able.	
5. You have opened the A/c to avail personal life insurance benefit up to INR 1, 00,000.	
6. You have opened the A/c to avail zero balance account with Rupay Debit card.	
7. You have opened the A/c to avail overdraft facility up to INR 5,000 (after six months from the date of opening).	
8. You have opened the A/c to avail easy fund transfer facility from any Government scheme.	
9. You have opened the A/c to avail mobile banking facility.	
10. You have opened the A/c since it can be used as a supportive document.	
11. You have opened the A/c to avail the facility of small savings.	
12. You have opened the A/c as it helps to enhance your financial literacy.	
13. Your A/c will motivate you to deposit in future.	
14. You have opened the A/c and it can be used as an instrument to fight against corruption.	
15. You have opened the A/c to enjoy the free accident insurance coverage schemes of banks.	

Section C

Perception about choosing Public Sector Banks instead of Private Banks

Please read each of the statement carefully and indicate your level of agreement or disagreement that you think is the best describing your perception about Perception about choosing Public Sector Banks instead of Private Banks Indicate your response in 5 Likert Scale stated below and fill the box accordingly.

1. SD= Strongly Disagree, 2. D= Disagree, 3. N= Neutral 4. A=Agree, 5. SA= Strongly Agree

Statements	Score
1. Lack of awareness about the scheme in private banks compels the customers to move public sector banks.	
2. Penetration of private banks in rural areas is very few.	
3. Private banks hesitate to open no frill accounts due to low profitability.	
4. Private banks usually target the middle and high income group customers only.	
5. Private banks are generally late in policy implementation process.	
6. Reliability of private bank is lower in compare to public bank.	
7. Maintenance of minimum amount is a strategy for private banks which impairs to create PMJDY accounts.	

Signature:

Date:

Appendix: 2

Statistical Measurements

Table: 1 Reliability Statistics

Cranach's Alpha	Cranach's Alpha Based on Standardized Items	No. of Items
.861	.861	22

Table: 2 Sample Adequacy Statistics

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.872
Bartlett's Test of Sphericity	Approx. Chi-Square	1371.389
	d. f.	312
	Sig.	.000

Descriptive Statistics & Factor Loadings, Communalities

Caste					
	General	Scheduled Caste	Scheduled Tribe	Other Backward Caste	Total
No. of Respondents	49	23	29	24	125
Percentage	39.20	18.40	23.20	19.20	100
Occupation					
Student	Business	Service	Any other	Total	
No. of Respondents	15	11	00	99	125
Percentage	12	8.80	00	79.20	100
Religion					
	Hinduism	Muslim	Christian	Buddhism	Total
No. of Respondents	95	1	20	9	125
Percentage	76	0.80	16	7.20	100.00
Monthly Income (in INR)					
	Nil	Less than 5000	5001-10,000	10,001-20000	Total
No. of Respondents	21	46	20	8	125
Percentage	16.80	36.80	40	6.40	100
Bank Account Opened					
	UBI	Tripura Gramin Bank	State Co-operative Bank	Other Banks	Total
No. of Respondents	76	39	10	00	125
Percentage	58.90	30.20	31.20	00	100
Amount Deposited					
Yes	No	Total			
No. of Respondents	74	51	125		
Percentage	59.20	40.80	100		

Age					
Less than 18	18-28 years	26-35 years	36-45 years	45-60 years	total
No. of Respondent	6	24	45	39	11
Percentage	4.8	19.2	36	31.2	8.8
Education Qualification					
	Under Matriculation	Higher Secondary	Graduate	Post-graduate	Total
No. of Respondents	80	37	8	00	125
Percentage	64	29.60	6.40	00	100
Marital Status					
	Married	Divorcee	Total		
No. of Respondents	121	4	125		
Percentage	96.80	3.20	100		

Table 1: Principal Benefits of Bank A/c Factor

Items	Factor loading	Communalities	Mean	SD
Protect the principal amount	.712	.809	4.8710	.3366
Access of different Government schemes	.686	.791	4.5081	.5912
Free life insurance coverage	.641	.729	4.3387	.6100
Bi-annual interest accumulation	.623	.658	4.4194	.5424
Easily accessibility and withdraw able	.610	.644	4.1129	.6402
Zero balance account with Rupay Debit card	.529	.633	4.5000	.6687
Easy funds transfer	.558	.620	4.0887	.7757
Access of mobile banking facility	.508	.604	2.8871*	.8478
Total			4.2157	.6265

Reversed score items

Factor 1 –Principal Benefits of Bank A/c Factor

Factor 1 is assigned the name of 'Principal Benefits of Bank A/c Factor' which explains 28.814percent of the variables and includes eight items with statistically significant factor loadings ranging from.712 to .508 and Cronbach's alpha .715.

Table 2: Supplementary Benefits of Bank A/c Factor

Items	Factor loading	Communalities	Mean	SD
Supportive document	.717	.810	4.1129	.9876
Facility of small savings	.703	.761	4.2339	.6261
Personal life insurance	.689	.788	4.0566	.4472
Financial literacy enhancement	.622	.719	3.9129	.8226
Overdraft facility	.576	.698	4.1661	.5958
Motivation for deposit in future	.533	.677	4.4274	.5536
Instrument to fight against corruption.	.524	.635	3.2581*	.8121
Total			4.0239	.6921

Reversed score items

Factor 2 –Supplementary Benefits of Bank A/c Factor

Factor 2 is assigned the name of 'Supplementary Benefits of Bank A/c Factor' which explains 19.525 percent of the variables and includes seven items with statistically significant factor loadings ranging from .717 to.524 and Cronbach's alpha .702.

Table 3: Policy lags in Private Banks Factor

Items	Factor loading	Communalities	Mean	SD
Lack of awareness about the schemes	.807	.684	3.3710	.5908
Hesitation to open no-frill accounts	.742	.632	3.5726	.6887
Late in policy implementation process	.666	.616	3.1613	.3692
Maintenance of mandatory minimum balance	.598	.603	3.3952	.5956
Total			3.3750	.5610

Factor 3–Policy lags in Private Banks Factor

Factor 3 is assigned the name of 'Policy lags in Private Banks Factor' which explains 12.229 percent of the variables and includes four items with statistically significant factor loadings ranging from .807 to. 598 and Cronbach's alpha .697.

Table 4: Perceptions about Private Banks Factor

Items	Factor loading	Communalities	Mean	SD
Low penetration in rural areas	.872	.641	4.3790	.6698
Middle and high income group customers	.765	.630	4.0323	.7428
Reliability of private banks is low	.613	.608	3.9597	.8400
Total			4.1237	.7508

Factor 4– Perceptions about Private Banks Factor

Factor 4 is assigned the name of 'Perceptions about Private Banks Factor' which explains 9.857 percent of the variables and includes two items with statistically significant factor loadings ranging from .872 to.665 and Cronbach's alpha .731.

Authors' Profile

Rajat Deb is presently working as Assistant Professor, Department of Commerce, Tripura Central University, Suryamaninagar, Tripura, India. He has more than 8 years of teaching experience in PG courses, working as an academic counselor and project guide of IGNOU M.Com and MBA programs. He is a life member of different academic associations and has in his credit 25 publications in national and international journals and has presented papers in conferences, attended in FDP, workshops and training programs.

Prasenjit Das is presently working as Assistant Manager (Finance), Tripura State Electricity Corporation Limited (TSECL), India. He has attended various seminars and other academic programs.