

CUSTOMERS ATTITUDE TOWARDS SMALL FINANCE BANKS

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ABSTRACT

Small Finance Banks are paving a new way for the economic development of our country by attracting the small businesses and micro level entrepreneurs. Small Finance Banks are lending different types of loans to the customers. This study is made to analyse the attitude of the customers towards the various loans namely personal loan, business loan, retail loan and payment and other services. There are 500 customers are selected for the study. Socio economic profiles of the customers are analysed using percentage. Further, the researcher has analysed about the attitude of the customers towards the services of Small Finance Banks using Independent sample 't' test. This study concludes that the customers of the Small Finance Banks are discriminated on the basis of the gender, marital status and type of family while providing loan and other services. Hence it is expected that the Small Finance Banks take care while marketing loan and other products to customers without any major discrimination.

Keywords: *Bank customers, Business loan, Personal loan, Retail loan, Small Finance Banks.*

INTRODUCTION

The small finance bank is intended to focus largely on being engaged in fundamental banking operations, such as taking deposits and offering loans to underserved and unserved segments of the community. Small business units, small and marginal farmers, micro and small industries, and entities from the unorganised sector are all included in these areas. This is done with the intention of advancing the goals that the bank was created to accomplish. It is also able to engage in other simple financial services activities when it has received prior approval from the Reserve Bank of India (RBI) and has complied with the requirements of the sectoral regulator for such products. These activities do not involve risk sharing and do not require any commitment of the company's own funds. These activities include the distribution of mutual fund units, insurance products, pension products, and other similar products. It is also possible for the small financing bank to become a Category II Authorised Dealer in the foreign exchange industry in order to meet the needs of its customers. In order to engage in operations that are not related to banking, it is not possible for it to establish subsidiaries.

As a result of the significant changes that have taken place in the Indian financial system, Small Finance Banks (SFBs) have emerged as an essential component of the Reserve Bank of India's

(RBI) plan for expanding access to financial services. Establishing itself with the purpose of extending banking services to underserved and unbanked groups, SFBs operate with a special mandate: to offer a complete range of banking services, including savings, credit, and payments, with a particular emphasis on micro-enterprises and families with low incomes. The long-term viability of SFBs is dependant on their capacity to recruit and keep consumers, which is directly impacted by public perception and customer attitudes. This is the case despite the fact that SFBs are becoming more prevalent and are receiving support from regulatory bodies.

By conducting an analysis of the elements that influence consumer attitudes, the purpose of this article is to help bridge the gap between the institutional objectives of SFBs and the reality of the market. An investigation of how clients view SFBs in compared to conventional banking giants is carried out in this research. Additionally, the study analyses the primary drivers and impediments to the adoption of SFBs. For small and medium-sized businesses (SFBs), the insights that are acquired are essential for refining their business plans, establishing brand loyalty, and successfully fulfilling their purpose of inclusive development. Kumar and Shah (2017) state that brand image drives consumer pleasure. SFBs like AU Small Finance Bank distinguish themselves via community-driven activities and internet banking. Their brand awareness is lower than major banks, especially in Tier 2 and Tier 3 cities. This underscores SFBs' continued struggle to build a strong, trustworthy image that resonates with a larger client base, particularly as public opinion is frequently related to a bank's capacity to deliver accessible and cheap services to the underprivileged (Chatterjee and Tandon, 2015).

REVIEW OF LITERATURE

A review of literature is a summary of the past research work and studies done on a certain subject. The following are the past studies and research works are reviewed for the present study.

The Role of Small Finance Banks in Financial Inclusion

Ray (2016) highlights that the primary objective behind the establishment of SFBs is to provide financial inclusion to segments of the population that are not adequately served by traditional banks. This study emphasizes the importance of SFBs in reaching rural and semi-urban areas. Viswan (2017) conducted a study on ESAF Small Finance Bank, finding that while awareness of SFBs is growing, there's a need for a deeper understanding of their specific offerings among customers. The research uses simple percentage and weighted mean score analysis to gauge customer perception.

Kundu and Raj (2021), in their empirical study on customer satisfaction with SFBs, concluded that financial literacy programs are crucial. They suggest that educating customers about banking products and services helps them make informed decisions and increases satisfaction. Bansal and Sharma (2016), in a comparative study of public and private sector banks, note that public sector banks, despite being more accessible to rural populations and offering essential services, often struggle with service delivery. This creates an opportunity for SFBs to fill this gap with better service. The Reserve Bank of India established Small Finance Banks to promote financial inclusion for unserved and underserved groups. Vipulkumar, Thomas, and Rani (2024) emphasise that customer happiness is the key to an SFB's success. Product offers, attractive interest rates,

accessibility, and financial literacy initiatives are major drivers of happiness for a varied and sometimes financially marginalised consumer group, according to their research.

Factors Influencing Customer Attitudes and Perception

Sharad Kumar (2010), in his article "Banking changing the gear," reviews how the Indian banking sector is becoming more customer-centric. He notes that modern customers are "wise, rational, choosy, and intelligent" and are clear about their needs and desires, which demands that banks innovate to satisfy them. Nguyen and Tran (2020) found that factors like convenience, speed, ease of use, security, and reliability significantly influence customer satisfaction with e-banking services, a finding highly relevant to SFBs' digital initiatives. Pradeep and Rani (2015) highlighted the importance of superior customer service in enhancing satisfaction. Their work, comparing public and private banks, showed that private banks' focus on flexible hours and personalized services led to higher satisfaction, a lesson SFBs can learn from.

Saraswat and Soni (2016) found that while public sector banks excel in trust and affordability, private sector banks outperform them in service quality and technological innovation. This creates a dual challenge for SFBs, who need to build both trust and a robust technological infrastructure. Ahammad and Reddy (2025), in their study on e-banking, confirmed that "perceived usefulness," "perceived ease of use," and "perceived privacy and security" have a significant impact on customer attitude and adoption intention. Rebecca Chan (2022) found that customer's "performance expectation" and "perceived risk" are direct antecedents of their intention to use new banking services. She also noted that a lack of financial knowledge can negatively impact customer trust. Shreyam Chaudhary (2023) observed that the adoption of e-payment models has led to an improvement in customer experience and satisfaction, suggesting that technology is a key area for SFBs to focus on.

Nangin (2020), in a study on Fintech adoption, concluded that perceived value, perceived risk, and social influence are strongly related to an individual's intention to adopt. This indicates that SFBs need to effectively communicate their value proposition while mitigating perceived risks. Sarker (2012) defines attitudes as predisposed reactions that are crucial for studying consumer behavior. The provided texts show that these attitudes are not uniform. They vary based on demographics, geography, and socioeconomic groups (Kaynak, 2005). While some studies suggest customers are generally satisfied with services (Shah, 2011), others point to the need for banks to increase awareness of their electronic products to cater to every section of society (Mannan, 2010). The most frequently used services, such as ATMs and bill payments, indicate the specific transactional needs of customers (Rani, 2012).

Customer Satisfaction and Service

Service quality is crucial to consumer perception. SERVQUAL is used across the literature to assess customer expectations against perceptions. Bindu and Vimala (2024) discovered that SFBs like ESAF need to enhance service integrity, but tangibles, responsiveness, and empathy are still lacking. Singh et al. (2023), also studying ESAF Small Finance Bank, reported a favourable gap in dependability and assurance but a negative gap in empathy, indicating that personal care and

customer service need improvement. Mubark (2018) shows that banking clients value tangibility and certainty most, which is relevant to SFB brand building.

Customer knowledge and impression of SFBs as a new banking category also influence their sentiments. Sindhuja and Vanaja (2013) emphasise that customer perception affects behaviour and profit. Several regional studies have examined this. Sharma and Kumar (2022) found that SFBs differentiate themselves by offering higher savings interest rates and customised credit solutions for small entrepreneurs, which positively influences customer attitudes and gives them a competitive edge over larger commercial banks. Finally, Srivastava and Singh (2020) discovered that ease, accessibility, and low-cost services promote consumer satisfaction, defining SFBs' competitive area.

Kaur and Gupta (2018) found that customer loyalty in SFBs is based on perceived value, which includes service quality and meeting the financial demands of low-income and rural consumers. Pihlström and Brush (2019) found that perceived value—including economic, convenience, and emotional value—influences customers' intentions to utilise internet-only banks. SFBs leverage digital channels (convenience value) and higher interest rates (economical value) to attract and keep consumers, making this theory applicable. Keeping clients is far cheaper than obtaining new ones. According to Choudhury (2019), long-term customer relationships need good customer relationship management and technology adoption.

Trust, Stability, and Competition

Kadir (2011) noted that customers' awareness of e-banking is greater in private banks compared to traditional ones, highlighting the importance of building a strong digital presence for a new bank. Emerald Publishing Limited (2024), in an edited volume on customer satisfaction, points out that building trust and ensuring transparency are essential for SFBs. They argue that transparent policies, fair pricing, and clear communication instill confidence and foster long-term relationships. Prameela (2024), in a study on ESAF Small Finance Bank, showed that customer perception is a key driver of trust and adoption. Her research on 50 women customers highlights the importance of understanding specific demographic needs.

Ahmad et al. (2023), in a study on bank reputation and trust, found that bank reputation and financial performance are critical factors in a customer's choice of bank. This is a significant challenge for SFBs, which lack the long-standing reputation of established banks. Allam Hamdan, Bahaaeddin Alareeni, and Reem Khamis (2024), in their edited volume, mention that managerial attitudes toward a stakeholder prominence within a Southeast Asian context play a role in how a bank operates and is perceived. This suggests that the internal culture of an SFB can influence customer-facing services. Abbasi and Weigand (2017) emphasize that an individual's behavior change is significantly affected by the rate of technological change and their awareness of it. If technology adoption outpaces consumer awareness, it could lead to a longer gestation period for the bank to see a return on investment.

Customers want long-term connections built on involvement, loyalty, and trust, not simply contentment. Customer involvement is based on trust, contentment, loyalty, and commitment, according to Kumar et al. (2010). This applies to SFBs, which must create trust from begin. Hoque

et al. (2022) discovered that ethical quality and trustworthiness impact consumer perceptions in Islamic banks, which may be extended to SFBs since they serve populations that respect integrity. Bansal and Vijay (2019) discovered that conventional ESAF Small Finance Bank clients were more willing to promote the bank via word-of-mouth, emphasising the significance of direct, human-centric connection. For client trust and long-term partnerships, Garg (2021) stresses personalised financial care and clear communication.

Role of Technology Service Quality, Risk and Security

The literature highlights that technology has become a key asset for banks to achieve efficiency and productivity (Khan, 2008). However, the success of internet banking is not just about the technology itself; it also depends on customer attitude, commitment, and involvement (Ramanigopal et al., 2011). Rod et al. (2009) found that customer satisfaction is directly influenced by the quality of the online platform's information system and customer service. For banks, this means they must not only offer technology but also ensure it provides tangible benefits to the customer (Abu-Shanab, 2012). The literature consistently identifies a range of factors that drive or hinder the adoption of electronic and internet banking. These include demographic variables such as age, qualification, profession, and income (Jain, 2012; Odumeru, 2012; Shree, 2021). Other critical factors are perceived benefits, ease of use, and enjoyment (Odumeru, 2012). The overall service quality of online platforms is also a major determinant of satisfaction (Rod et al., 2009).

A significant theme is the role of risk perception in customer attitudes. Haque (2009) emphasizes that a protected transaction is the most influential factor in a customer's perception of e-banking security. This is a primary concern for consumers, especially in cultures like India's, which are described as being savings-based and cautious (Kuchara, 2012). The fear of online fraud, particularly if customers have had past experiences with it, can deter the use of digital payments (Shree, 2021).

Technology helps SFBs achieve financial inclusion and drives their competitive strategy. A 2019 research by Fanta and Makina found that digital technology improves financial services access and lowers expenses. Patwardhan (2017) adds that online banking helps banks reach unbanked and underprivileged people.

Kumari et al. (2024) found that HRM initiatives including AI-based recruiting, digital learning platforms, and incentive-based systems improve employee satisfaction, service performance, and attrition rates. Joseph and McClure (1999), clients may have perceptual issues with electronic banking if the service delivery is not flawless.

STATEMENT OF THE PROBLEM

There is a significant commercial possibility in the finance of small and medium firms, and the SFBs may be in a better position to explore this opportunity. It is the expectation of the Reserve Bank of India (RBI) that they would be high-tech, low-cost operators who will also bring about improvements in service delivery. Two of the most significant challenges that small and medium-sized banks (SFBs) face are acquiring new clients and keeping the ones they already have. Though the SFBs are taking huge amount of efforts to satisfy their customers it is an obligation of the

academicians and researchers to assist the development of these banks by conducting research and to offer suitable suggestions to the SFBs. The present study is undertaken to achieve the objectives framed the study. Moreover the views of the customers of the SFBs are gathered for analysis and the outcome using different statistical tools are explained in this paper.

OBJECTIVES OF THE STUDY

1. To examine the socio-economic profile of the selected customers of the Small Finance Banks
2. To measure the views of the customers towards the various services offered by the Small Finance Banks
3. To analyse the attitude of the customers towards the various loans and services of the Small Finance Banks.

METHODOLOGY

The sample required for the study is selected through sampling error calculator. For the present study 500 customers are selected. There are 150 customers from the rural area, 150 from semi urban area and 200 customers of Small Finance Banks from urban area are selected by using the snow ball sampling method. Enumerators are also used for collection of data. Pre tested interview schedule is used. Pilot also conducted with 50 customers. Normal distribution test is conducted before applying statistical tools.

For the purpose of analysis the pollster has identified the seven variables namely views towards the Personal Banking Services, Business Banking Services, Corporate Banking Services, Rural Banking Services, Government and Institutional products, Investment and Insurance services and Online Banking Services. Further to know the opinion of the customers regarding the various loan services of the SFBs four variables namely views towards the personal loan services, business loan services, retail loan services and payments and other services are designed. The four variables are framed and these variables are considered as dependent variables for analysis.

Further to know whether the respondents selected for the study are vary in their views on these four variables analysis has been made with the Independent sample ‘t’ test. The result of the analysis and interpretation made for each test with the unacceptable presumption is shown in the following part of this paper. The socio-economic details of the customers are shown in the following table 1.

Table 1

Socio-Economic details of the Customers of SFB

Category	Frequency	No. of respondents	Percentage (%)
Gender of the Respondents	Male	355	71.00
	Female	145	29.00
Marital Status of the Respondents	Married	357	71.40

	Unmarried	143	28.60
Nature of the Family of the Respondents	Joint family	303	60.60
	Nuclear family	197	39.40

Source: Primary Data

Gender of the Customers

The researcher has also classified the customers on the basis of their gender. From the collected data it is found that out of 500 customers 71.00 per cent are male and the remaining 29.00 per cent are female. From this analysis it is noted that majority (71.00 per cent) of the customers of the SFB are male in the study area.

Marital status of the Respondents

Marital status is an important factor to everyone, which is directly connected with the financial position. After marriage some persons take immediate steps to save money, some persons will develop their business and the like. So the researcher has classified the sample respondents on the basis of the marital status. From the collected information it is noted that out of 500 respondents 71.40 per cent of the customers are coming under the married category and the balance 28.60 per cent of the customers are in the unmarried category. From this analysis it is noted that majority (71.40 per cent) are in the married category.

Nature of the Family of the Respondents

Nature of family of the respondent is an important determining factor for the financial aspect of the family. So the researcher has classified the customers selected for the study in to two groups namely joint and nuclear family. From the data shown in the above table it is found that out of 500 customers 60.60 per cent of the respondents are living as joint family system and the balance 39.40 per cent of the customers are living in the nuclear family system. From the analysis it is interesting to note that majority (60.60 per cent) of the customers of the SFB are living in joint family system.

Views of the customers in connection with the various loan services of SFB

All the banks are providing various loan services to their customers. SFB are also ail loan and providing different types of loan services namely personal loan, business loan, retail loan and payment and other services. The researcher has made an attempt to know the views of the customers towards these services using the Likert's five points scaling technique. The result is presented in the following table 2.

Table 2

Views of the customers in connection with the various loan services of SFB

S.No	Loan	Very Good	Good	Medium	Poor	Very Poor	Total
1.	Personal loan services	26 (5.20)	236 (47.20)	236 (47.20)	2 (4.00)	-	500 (100.00)

2.	Business loan services	4 (0.80)	277 (55.40)	219 (43.80)	-	-	500 (100.00)
3.	Retail loan services	30 (6.00)	226 (45.20)	242 (48.40)	2 (4.00)	-	500 (100.00)
4.	Payments and other services	28 (5.60)	220 (44.00)	251 (50.20)	1 (2.00)	-	500 (100.00)

Source: Primary Data

Views towards the personal loan services

Regarding the personal loan services out of 500 respondents 5.20 percent of the sample customers have very good opinion towards the personal loan services, 47.20 percent of the sample customers have good views and another 47.20 percent of the sample customers have medium level of views and the balance 4.00 percent of the sample customers have poor opinion towards the personal loan services. It is exposed that most of the respondents (47.20 per cent) have good and another 47.20 per cent of the customers have medium level of opinion towards the personal loan services of the SFB.

Views towards the business loan services

Concerning the business loan services, out of 500 respondents 0.80 percent of the sample customers have very good opinion, 55.40 percent of the customers have good opinion and the balance 43.80 percent of the sample customers have medium level of opinion towards the business loan services. It is noted that majority of the customers (55.40 per cent) have good opinion towards the business loan services.

Views towards the retail loan services

Regarding the retail loan services it is found that out of 500 respondents 6.00 percent of the sample customers have very good opinion, 45.20 percent of the sample customers have good opinion, 48.40 percent of the sample customers have medium level of opinion and the balance 4.00 per cent of the customers have poor opinion towards the retail loan services of the SFB. It is noted that most of the respondents (48.40 per cent) have medium level of views towards the retail loan services of the SFB.

Views towards the payment and other services

About the payment and other services of the SFB it is understood that out of 500 respondents 5.60 percent of the sample customers have very good opinion, 44.00 percent of the sample customers have good opinion, 50.20 percent of the sample customers have medium level of opinion and the remaining 2.00 percent of the sample customers have poor opinion the payments and other services. It is explored that most of the respondents (50.20 per cent) have medium level of views the payments and other services of the SFB.

The customers do not differ in their views on different loans and payment services of SFBs when they are clustered on the basis of gender

The researcher has classified the customers of the SFBs into two groups on the basis of the gender. This gender wise classification affects the opinion of the customers about various loans and payment services of the Small Finance Banks. So to know whether these two groups of

customers of SFBs do vary or not in their views towards the various loans of the SFBs the researcher has framed the unacceptable presumption and test the same with the Independent sample 't' test.

Presumption

The customers of SFBs do not differ in their views on loans and payment services of SFBs when they grouped on the basis of the gender.

The unacceptable hypothesis designed for this analysis has been tested with the Independent sample 't' test and the outcome is interpreted in the following table.

Table 3

Gender of the customers and views towards the various loans and payment Services of SFBs – Mean, Standard Deviation and Stated. Error Mean

Opinion about various loans and Services	Gender	Number of proprietors	Mean Value	Std. Deviation Value	Std. Error Mean value
Personal loan	Male	355	2.445	0.586	0.031
	Female	145	2.386	0.625	0.051
Business loan	Male	355	2.416	0.516	0.027
	Female	145	2.462	0.500	0.041
Retail loan	Male	355	2.481	0.602	0.031
	Female	145	2.310	0.618	0.051
Payments and other services	Male	355	2.504	0.588	0.031
	Female	145	2.317	0.620	0.051

Source: Computed Data

From the result of Independent sample 't' it is found that there is a variation among the mean and standard deviation values of the opinion of the customers of the SFBs regarding the different loans and payment services of the SFBs when they are grouped under the gender factor. The result of the Levene's test for sameness of variation is shown in the table.

Table 4

Gender of the customers and views towards the services of SFBs

– **Output of Independent sample 't' test**

Various loans and payment services	Levene's Test for sameness of variation		t-test result for parity of Means				
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.
Personal loan	0.613	0.434	0.999	498	0.318	0.058	0.058

			0.972	252.591	0.332	0.058	0.060
Business loan	0.042	0.838	0.896	498	0.371	-0.045	0.050
			0.908	275.251	0.365	-0.045	0.049
Retail loan	0.380	0.538	2.863	498	0.004	0.171	0.059
			2.833	261.515	0.005	0.171	0.060
Payments and other services	0.003	0.956	3.172	498	0.002	0.186	0.058
			3.103	255.437	0.002	0.186	0.060

Source: Computed Data.

From the outcome of the Levene's test for sameness of variation it is found that the likelihood value for the opinion of the customers about the various loans and payment services offered by the Small Finance Banks under the two services namely retail loan and payments and other services is lower than the conformity value of 0.05. Subsequently the null presumption planned for this analysis is repudiated and it is culminate that the customers of the Small Finance Banks do vary in their views on retail loan services ($p=0.004$) and payments and other services ($p=0.002$) when the selected customers of the Small Finance Banks are grouped under the gender factor. Moreover it is bring to notice that the customers of the Small Finance Banks do not differ in the remaining two loans of the Small Finance Banks namely Personal loan and business loan services. Hence, the null presumption is not excluded for these two services of the Small Finance Banks. It is noted that the customers of the Small Finance Banks have similar level of opinion on these two loans of the Small Finance Banks.

The customers do not differ in their views on different loans and payment services of SFBs when they are clustered on the basis of marital status

The pollster has classified the customers of the SFBs into two groups on the basis of the marital status. The marital status factor also affects the opinion of the customers about various loans and payment services of the Small Finance Banks. Therefore to know whether these two groups of customers of SFBs do vary or not in their views towards the various loans of the SFBs the researcher has framed the unacceptable presumption and test the same with the Independent sample 't' test.

Presumption

The customers of SFBs do not differ in their views on loans and payment services of SFBs when they grouped on the basis of the marital status.

The unacceptable hypothesis designed for this analysis has been tested with the Independent sample 't' test and the outcome is interpreted in the following table.

Table 5

Marital status of the customers and views towards the various loans and payment services SFBs – Mean, Standard Deviation and Stated. Error Mean

Opinion about various loans and Services	Marital status	Number of proprietors	Mean Value	Std. Deviation Value	Std. Error Mean value
Personal loan	Married	357	2.406	0.590	0.031
	Unmarried	143	2.482	0.614	0.051
Business loan	Married	357	2.451	0.498	0.026
	Unmarried	143	2.377	0.541	0.045
Retail loan	Married	357	2.448	0.604	0.032
	Unmarried	143	2.391	0.628	0.052
Payments and other services	Married	357	2.493	0.538	0.028
	Unmarried	143	2.342	0.732	0.061

Source: Computed Data

From the outcome of Independent sample 't' test it is found that there is a difference among the mean and standard deviation values of the opinion of the customers of the SFBs regarding the different loans and payment services of the SFBs when they are grouped under the marital status factor. The result of the Levene's test for sameness of variation is shown in the table 6.

Table 6

Marital status of the customers and views towards the services of SFBs - Output of Independent sample 't' test

Various loans and payment services	Levene's Test for sameness of variation		t-test result for parity of Means				
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.
Personal loan	0.730	0.393	1.291	498	0.197	-0.076	0.059
			1.269	252.485	0.206	-0.076	0.060
Business loan	0.792	0.374	1.451	498	0.147	0.073	0.050
			1.400	243.562	0.163	0.073	0.052
Retail loan	0.116	0.734	0.934	498	0.351	0.056	0.060

			0.919	253.099	0.359	0.056	0.061
Payments and other services	40.742	0.000	2.531	498	0.012	0.150	0.059
			2.225	206.263	0.027	0.150	0.067

Source: Computed Data.

From the result of the Levene's test for sameness of variation it is found that the likelihood value for the opinion of the customers about the payments and other services is lower than the conformity value of 0.05. Subsequently the null presumption planned for this analysis is repudiated and it is concluded that the customers of the Small Finance Banks do vary in their views on payments and other services ($p=0.027$) when the selected customers of the Small Finance Banks are grouped under the marital status factor. Further it is bring to notice that the customers of the Small Finance Banks do not differ in the remaining three services of Small Finance Banks namely Personal loan, business loan and retail loan services. Hence, the null presumption is not rejected for these three services of the Small Finance Banks. It is noted that the customers of the Small Finance Banks have similar level of opinion on these three loans of the Small Finance Banks.

The customers do not differ in their views on different loans and payment services of SFBs when they are clustered on the basis of type of family

The researcher has grouped the customers of the SFBs into two groups on the basis of the type of family. The type of family factor also affects financial needs of the customers and the opinion about various loans and payment services of the Small Finance Banks. Therefore to know whether these two groups of customers of SFBs do vary or not in their views towards the various loans of the SFBs the researcher has framed the unacceptable presumption and test the same with the Independent sample 't' test.

Presumption

The customers of SFBs do not differ in their views on loans and payment services of SFBs when they grouped on the basis of the type of family.

The unacceptable presumption designed for this analysis has been tested with the Independent sample 't' test and the outcome is interpreted in the following table.

Table 7

Type of family of the customers and views towards the various loans and payment services SFBs – Mean, Standard Deviation and Stated. Error Mean

Opinion about various loans and Services	Type of family	Number of proprietors	Mean Value	Std. Deviation Value	Std. Error Mean value
Personal loan	Joint family	303	2.452	0.584	0.033
	Nuclear family	197	2.390	0.618	0.044

Business loan	Joint family	303	2.448	0.498	0.028
	Nuclear family	197	2.401	0.531	0.037
Retail loan	Joint family	303	2.339	0.630	0.036
	Nuclear family	197	2.573	0.554	0.039
Payments and other services	Joint family	303	2.429	0.615	0.035
	Nuclear family	197	2.482	0.585	0.041

Source: Computed Data

From the output of Independent sample 't' test it is found that there is a difference among the mean and standard deviation values of the opinion of the customers of the SFBs regarding the different loans and payment services of the SFBs when they are grouped under the type of family factor. The result of the Levene's test for sameness of variation is shown in the table 8.

Table 8

Type of family of the customers and views towards the services of SFBs

– **Output of Independent sample 't' test**

Various loans and payment services	Levene's Test for sameness of variation		t-test result for parity of Means				
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.
Personal loan	0.525	0.469	1.120	498	0.263	0.061	0.054
			1.107	401.757	0.269	0.061	0.055
Business loan	0.997	0.319	1.022	498	0.307	0.047	0.046
			1.008	399.450	0.314	0.047	0.047
Retail loan	3.221	0.073	4.245	498	0.000	-0.2336	0.055
			4.362	455.343	0.000	-0.233	0.053
Payments and other services	0.831	0.362	0.963	498	0.336	-0.053	0.055
			0.973	433.341	0.331	-0.053	0.054

Source: Computed Data.

From the result of the Levene's test for sameness of variation it is found that the likelihood value for the opinion of the customers about the retail loan services is lower than the conformity

value of 0.05. Subsequently the null presumption planned for this analysis is repudiated and it is concluded that the customers of the Small Finance Banks do vary in their views on retail loan services ($p=0.000$) when the selected customers of the Small Finance Banks are grouped under the type of family factor. Further it is bring to notice that the customers of the Small Finance Banks do not differ in the remaining three services of Small Finance Banks namely Personal loan, business loan and payment and other services. Hence, the null presumption is not rejected for these three services of the Small Finance Banks. It is disclosed that the customers of the Small Finance Banks have similar level of opinion on these loans and payments and other services.

FINDINGS, SUGGESTIONS

From the study it is found that the customers do differ in their attitude towards the various loans and services of the Small Finance Banks when they are classified on the basis of gender, marital status and type of family. Hence, it is recommended that the bankers of the Small Finance Banks may take due care in providing loan services to the all categories of customers without discriminating on the basis of gender. It is further expected that the bankers of the Small Finance Banks may take due care in providing loan services to the all categories of customers without discriminating on the basis of marital status. It is also suggested that the bankers of the Small Finance Banks may consider the type of family of customers while providing retail loan services. Whenever the authorities of the Small Finance Banks are take care in enhancing the satisfaction level of the customers towards the various loans and services, there is no doubt the strength for Small Finance Banks will increase at more level. Also, the people from the all over country will avail the services of the Small Finance Banks. This will pave the way for 100 per cent financial inclusion in our country.

SFBs need to move beyond simply offering higher interest rates. They must launch targeted marketing campaigns to build brand trust and credibility, which they currently lack compared to traditional banks. This is especially important for attracting diverse demographic groups, including those in rural areas. While technology is a key driver for efficiency and customer satisfaction, SFBs must ensure their digital platforms are both user-friendly and secure. The fear of online fraud is a major deterrent, so SFBs must proactively communicate their security measures to build confidence. SFBs must provide tailored services that cater to the specific needs of different customer segments. This includes both robust digital infrastructure for tech-savvy customers and a strong, trustworthy physical presence for those who are less digitally literate or require traditional banking services. This dual approach is essential for achieving true financial inclusion.

CONCLUSION

The research on customer attitudes toward Small Finance Banks (SFBs) reveals a complex and nuanced landscape. While SFBs have successfully positioned themselves with compelling financial incentives, primarily higher interest rates, their long-term success is critically dependent on their ability to build and sustain public trust and brand credibility. The findings indicate a significant gap between the perceived financial benefits and the perceived stability of these newer institutions.

Ultimately, the study concludes that for SFBs to fully achieve their mission of financial inclusion, they must adopt a holistic, customer-centric strategy. This involves more than just competitive pricing. It requires a multi-faceted approach that strategically balances robust digital infrastructure with a tangible, trustworthy physical presence, ensuring that service quality is consistently high across all channels. By proactively addressing concerns about security, providing transparent communication, and offering a seamless banking experience, SFBs can transform customer perceptions and solidify their role as a vital force in India's financial ecosystem.

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