

Identifying the Gaps between Participants' Expectations & Perception on Service Quality of Financial Literacy Programs in North India

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Abstract

The principal objective of this study is to identify the relevant gaps between participants' expectations and their perceptions on the quality of Financial Literacy Programs (FLPs) in north India. To ensure better research outcomes, an upgraded SERVQUAL questionnaire was prepared to identify the gaps. The questionnaire consisted of five original dimensions and also comprised two new dimensions which are based on review of literature. Data were gathered from 692 participants of FLPs having attended any of FLPs in north India. The judgmental sampling method was adopted to select the respondents. Data were analyzed on the basis of reliability test, gap scores, and paired t-test analysis. The results indicated that the perceptions of participants could not be met on seven dimensions of the service quality of FLPs in north India. Authors strongly feel that no such studies have been conducted where the service quality of FLPs

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I. Introduction

WITH THE ADVENT of economic liberalization in 1991, Indian financial market has not only expanded exponentially but has also become quite complex. It is now offering a wide range of financial products and services. It is, therefore, of paramount importance individuals - who are one of the most important stakeholders - must be financially literate enough to differentiate among a slew of financial products and services and take sound, rewarding financial decisions.

As per the Census 2011, around 58.7 per cent of households are availing themselves of banking services in India. In the recent years, though there has been a significant increase in the demand for financial services with the

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to support digital ecosystem, transparency in the functioning and dealings of staff of FLPs, strengthening multi-stakeholder approach for customer grievance redressal, while leveraging technology platforms and creating innovative approaches. This study also suggested adoption of a standardized 'Monitoring and Evaluation Method' to assess the progress of financial literacy programs. Target specific modules need to be formulated for effective spreading of financial literacy messages through these programs. It is also recommended that organizations should give due consideration to the feedback provided by the participants during different stages of FLPs, that is, scheduling, designing, running, and evaluating the programs. Based on the results, service providers may consider measures to improve and diagnose service features in FLPs. It is worth mentioning here that this research has focused solely on participants of formal FLPs in India, and thus the results might not be applicable for other types of FLPs such as informal FLPs. This study is considered the first of its kind to be conducted on the service quality of FLPs. To the best of our knowledge, no such studies have been conducted, assessing the service quality of FLPs in India. The results are expected to provide guidelines for enhancing the satisfaction of participants and quality of FLPs in India and other countries.

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