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CUSTOMER RESPONSE TOWARDS FINANCIAL LITERACY INITIATIVES OF COMMERCIAL BANKS

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Abstract

This study examines the financial literacy initiatives implemented by commercial banks among customers of selected public and private sector banks. Two public sector banks—State Bank of India (SBI) and Bank of Baroda (BOB)—and two private sector banks—HDFC Bank and ICICI Bank—were chosen for the investigation. A total of 385 customers were surveyed using a structured questionnaire administered through convenience sampling. The study analyzes customers' awareness, participation, and perceived effectiveness of financial literacy programmes offered by these banks. The Chi-square test was employed to explore the association between demographic characteristics(Banks Nature) and the level of financial literacy among respondents. The findings provide insights into how financial literacy initiatives influence customer understanding of financial products and services, helping banks refine their outreach strategies and strengthen customer engagement.

Keywords: *Financial Literacy, Demographic Characteristics, Commercial Banks, Customer Knowledge Management*

INTRODUCTION

Financial literacy has become a critical focus area for commercial banks as they recognize the importance of educating their customers on financial matters. These days, being financially literate is super important for making smart choices about savings, investments, credit, and managing risks. Commercial banks have a key role in helping boost financial awareness by offering easy-to-understand financial products, customer-friendly schemes, and organized literacy programs. With things like savings accounts, fixed and recurring deposits, loans, insurance, credit cards, and digital banking options, banks are there to help customers learn how the financial system works and the perks of planning their finances wisely.

Public and private banks are getting involved in financial literacy campaigns pushed by regulatory organizations like the Reserve Bank of India (RBI). Some initiatives include setting up Financial Literacy Centres (FLCs), running awareness campaigns focused on savings and budgeting, offering credit counseling, providing digital banking demos, and sharing info about government welfare programs. Products like Basic Savings Bank Deposit Accounts (BSBDA), Pradhan Mantri Jan-Dhan Yojana (PMJDY), Atal Pension Yojana (APY), and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) aim to promote financial inclusion and increase financial knowledge among different groups of customers.On top of that, modern banking products—like mobile banking apps, UPI services, online money transfers, investment platforms, and personal finance tools—empower customers to take charge of their own finances. Through product demos, clear communication, and customer education efforts, both public and private sector banks are working hard to close the financial literacy gap and promote responsible financial habits. Because of this, customers are getting more clued-in about the benefits, risks, and workings of different banking services, which ultimately helps improve their financial well-being and long-term economic stability.

This study looks into the financial literacy programs initiated by certain public and private sector banks in Kerala and assesses how well these programs enhance customers' understanding of banking schemes and products.

LITERATURE REVIEW

Financial literacy has emerged as a pivotal factor in driving financial inclusion, particularly in developing economies, where it serves as a means to enhance financial decision-making and alleviate poverty. Customer knowledge management in banking for customer retention involves systematically gathering, analyzing, and leveraging customer data to understand their preferences, behaviors, and needs. Banks utilize advanced analytics and CRM (Customer Relationship Management) systems to create detailed customer profiles and predict future needs. This knowledge enables personalized service delivery, targeted marketing campaigns, and proactive problem resolution, which enhances overall customer satisfaction and loyalty. By continuously updating and utilizing customer insights, banks can effectively tailor their offerings and interactions, thereby strengthening relationships and improving retention ratesPandey et al. (2014).

Ranjanand Kadam(2025) in the study "*Analysis of Customer satisfaction, Service Quality and Scope of Knowledge Sharing in Retail Branch Banking of Small and Medium Enterprises in India*" explores how knowledge management (KM) enhances customer retention amidst evolving banking dynamics post-demonetization and digitization. Focused on SMEs, a critical market segment, the research aims to identify factors influencing their bank selection and examines challenges in their banking relationships. The study employs a mixed-methods approach, combining qualitative interviews and quantitative surveys to gather insights. Key findings underscore the pivotal role of effective KM and knowledge sharing initiatives in bridging service gaps, improving service quality, and boosting customer satisfaction. By leveraging KM to understand SME needs and deliver tailored banking solutions, banks can fortify customer relationships and cultivate long-term loyalty, thereby gaining a competitive advantage in the sector.

Khan and Zulfiqar (2025) in the study "*Creative efforts in banking services: A moderated mediation analysis of perceived organizational obstruction and knowledge sharing behaviour"* explores the relationship between work engagement and customer retention in the banking sector through the lens of knowledge management, focusing on the mediating role of knowledge sharing behaviour and the moderating effect of perceived organizational obstruction. Analyzing data from 497 banking service employees, the findings reveal that higher work engagement fosters creative effort, which is crucial for enhancing customer experiences and satisfaction. Knowledge sharing behaviour plays a key mediating role, enabling employees to develop innovative solutions thatimprove service quality and strengthen customer relationships. However, organizationalobstruction weakens both the direct and indirect effects of work engagement on creative effort, highlighting the importance of a supportive environment in facilitating knowledge exchange. By linking knowledge management with creativity and employee engagement, the study underscores the significance of fostering an open, knowledge-driven culture to enhance customer service, drive innovation, and ultimately improve customer retention in the banking sector**.**

Ponmozhi(2022) in the study *"Knowledge Management on Banking Sector"* explores the role of Knowledge Management (KM) in addressing key challenges faced by banks, including digitization, virtualization, regulatory changes, and security threats, with a focus on its impact on customer retention. The key objectives are to assess how KM enhances operational efficiency, strengthens customer relationships, and contributes to long-term retention strategies. The findings reveal that KM enables financial institutions to efficiently store and organize information, fostering better collaboration among managers and employees while aligning strategic goals. This integration provides banks with deeper insights into their workforce, customers, and products, allowing them to deliver more personalized and efficient services. By leveraging KM, banks can enhance service quality, improve customer satisfaction, and build stronger relationships, ultimately leading to higher retention rates and a sustained competitive advantage in the evolving financial landscape.

Heydari et al. (2021) in the study "*Developing a Framework to Integrate Customers' Knowledge Management and Customer Relationship Management in the Banking Industry"* explores the role of Customer Knowledge Management (CKM) and Customer Relationship Management (CRM) in improving customer retention within Iran's highly competitive banking sector. The research aims to develop a comprehensive model that integrates CKM and CRM functions to enhance customer satisfaction and loyalty. The study employs a mixed-methods approach, combining qualitative and quantitative data through surveys and interviews with banking professionals and customers. The findings underscore the importance of managing customer knowledge to anticipate customer needs, improve service offerings, and foster long-term relationships. By strategically aligning CKM and CRM, banks can better meet customer expectations, strengthen customer loyalty, and maintain a competitive advantage in the evolving banking landscape.

JadaanHammad and Al-Kubaisy (2020) in the study "*The Role of Knowledge Management Strategies in Enhancing the Customer Experience Field Research in Some Iraqi Private Banks"*examines how adopting knowledge management (KM) strategies, such as personalization and coding, can enhance customer experience in Iraqi private banks. The research aims to evaluate the impact of KM strategies on improving customer satisfaction and operational efficiency. The study employs a field research methodology, collecting data through surveys and interviews with banking professionals and customers. The findings reveal that personalization enables banks to tailor services to individual customer needs, fostering higher satisfaction and loyalty, while coding facilitates the systematic organization and retrieval of valuable information, improving response times and operational efficiency. The study concludes that implementing effective KM strategies allows Iraqi private banks to offer more customized and efficient services, enhancing customer experience and securing a competitive advantage.

Easa (2019) in the study "*Knowledge Management at Banking Industry: A Review of the Literature and Further Guidelines"* explores the evolution, implementation, and impact of Knowledge Management (KM) in the banking sector across various countries, with a focus on its role in customer retention. The research aims to assess the effectiveness of KM strategies in enhancing customer service and fostering customer loyalty while identifying gaps in integrating KM with customer relationship management (CRM), innovation, and risk management. The study employs a literature review methodology, analyzing research on KM adoption in developed countries like the UK, USA, Canada, and Germany, where both human-centered and technology-driven KM strategies have improved operational efficiency and customer satisfaction. In contrast, research in developing countries has been largely exploratory, focusing on awareness and adoption rather than direct customer retention outcomes. The findings suggest that aligning KM initiatives with organizational goals, promoting knowledge sharing through technology, and fostering a learning culture can improve customer engagement, trust, and loyalty. Addressing these gaps will enable banks to strengthen customer relationships, enhance service quality, and secure a sustainable competitive edge in a knowledge-driven financial environment.

Cham et al. (2016) in the study "*Determinants of knowledge management systems success in the banking industry* "examines the impact of both technical and social factors on the success of Knowledge Management Systems (KMS) in the banking sector, emphasizing their role in customer retention. By surveying commercial bank officers and analyzing data using SPSS and structural equation modeling via AMOS, the research tests a proposed KMS success model. The findings indicate that technical factors such as knowledge quality, system quality, and service quality, along with social factors like user trust and management support, significantly enhance user satisfaction. Moreover, a direct relationship between user satisfaction and KMS success is established, demonstrating that an effective KMS leads to improved knowledge utilization, better customer service, and stronger customer relationships. This study contributes to the growing understanding of how both technical and social aspects of knowledge management can drive customer retention by improving service quality and operational efficiency in the banking sector.

Figueiredo et al. (2016) in the study "*Human Resource Management impact on Knowledge Management: Evidence from the Portuguese Banking Sector*" examines the relationship between Human Resource Management (HRM) practices and Knowledge Management (KM) processes, focusing on their impact on customer retention in the banking sector. The research aims to evaluate how value-driven HRM practices influence knowledge creation, sharing, and application, thereby improving service quality and customer engagement. The study employs a mixed-methods approach, combining surveys and interviews with HR and KM professionals in the Portuguese banking sector. The findings reveal that value-driven HRM practices significantly enhance knowledge flow and employee capabilities, contrasting with traditional transactional HRM approaches. By strategically integrating HRM with KM, banks can foster a knowledge-driven culture, strengthen customer relationships, and improve customer retention. The study provides actionable insights for HR and KM practitioners seeking to develop a competitive edge through effective knowledge-driven strategies.

Mehdibeigi et al. (2016) in the study "*Customer Knowledge Managementand Organization's Effectiveness: Explaining the Mediator Role of Organizational Agility"* investigates the impact of Customer KnowledgeManagement (CKM) on organizational agility and effectiveness, highlighting its role in enhancing customer retention within private banks in Sirjan. Given the competitive banking environment, CKM plays a crucial role in improving responsiveness, service quality, and long-term customer relationships. Hypotheses were tested using structural equation modeling via SmartPLS 3. The findings reveal that CKM significantly enhances both organizational agility and effectiveness, with agility serving as a mediating factor in improving overall performance. By efficiently managing customer knowledge, banks can quickly adapt to market changes, anticipate customer needs, and provide personalized services, ultimately fostering stronger customer loyalty and retention. This research underscores the necessity for banks to integrate CKM strategies to improve agility, maintain a competitive edge, and build lasting customer relationships.

Al-Hyari (2016) in the study "*Customer Knowledge Management towards Customer Attraction from Managers' Perspective; a Case Study of Arab Bank in Amman City, Jordan"* examines the role of Customer Knowledge Management (CKM) in enhancing customer retention by integrating it with customer attraction strategies within the Arab Bank in Jordan. The research aims to develop a theoretical framework that aligns CKM with customer attraction to strengthen long-term customer relationships and improve customer loyalty. The study employs a case study methodology, collecting data through interviews and surveys with managers at Arab Bank. The findings reveal that effective CKM positively influences customer attraction by enabling banks to better understand customer needs and deliver tailored solutions, leading to improved customer satisfaction and retention. The study underscores the strategic importance of CKM in fostering customer loyalty and maintaining a competitive advantage in a rapidly evolving banking environment.

Karimi and Allameh,(2016) in the study "*Investigating the relationship between customer knowledge management and customer loyalty: Mediating role of customer value"* examines how Customer Knowledge Management (CKM) enhances customer loyalty by increasing customer value, using Saderat Bank in Khozestan as a case study. The research aims to evaluate the impact of CKM on customer loyalty and assess the mediating role of customer value in this relationship. The study employs a case study methodology, collecting data through surveys and interviews with Saderat Bank customers and staff. The findings reveal that effective CKM enables the bank to deliver personalized and high-value services, strengthening customer relationships and trust, which leads to higher customer satisfaction and loyalty. The study concludes that CKM is a crucial strategy for banks seeking to enhance customer value and long-term customer retention.

Taherparvar et al. (2014) in the study "*Customer Knowledge Management, Innovation Capability and Business Performance: A Case Study of the Banking Industry"*explores the impact of customer knowledge management (CKM) on continuous innovation and firm performance, emphasizing its role in customer retention within the banking sector. Conducted across 35 private banks in Guilan, Iran, data were collected from 265 managers through questionnaires and analyzed using structural equation modeling. The findings reveal that leveraging customer knowledge positively influences both innovation speed and quality, ultimately enhancing operational and financial performance. Furthermore, the study highlights the distinct effects of knowledge about customers and knowledge for customers on various aspects of innovation and firm success. By effectively managing customer knowledge flows, banks can better understand external market dynamics, anticipate changing customer needs, and deliver innovative solutions, leading to improved customer satisfaction and retention. The study underscores CKM as a critical mechanism for linking internal and external environments to drive novel ideas and strengthen firm performance.

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Uğurlu and Kızıldağ (2013) in the study *"A comparative analysis of knowledge management in banking sector: An empirical research"* explores the key components of Knowledge Management (KM) and their impact on customer retention in the banking sector. The research aims to assess the role of KM elements such as technology, organizational culture, leadership, and measurement in enhancing service efficiency and customer satisfaction, while identifying differences in KM practices between private and state banks. The study employs an empirical research methodology, collecting and analyzing data from both private and state banks through surveys and interviews. The findings reveal that effective KM practices improve service delivery, enable personalized banking experiences, and strengthen customer relationships, leading to higher customer retention rates. The study highlights the strategic importance of knowledge creation, transfer, and application in fostering a customer-centric approach and gaining a competitive edge in the financial sector.

Hassani et al.(2013)in the study "*A study on effects of knowledge management on the success of customer relationship management"*examines how Knowledge Management (KM) enhances Customer Relationship Management (CRM) in Iranian banks, leading to increased customer satisfaction, loyalty, and trust. The research aims to evaluate the impact of KM on improving CRM effectiveness and strengthening customer relationships. The study employs a mixed-methods approach, collecting data through surveys and interviews with banking professionals and customers in Iran. The findings indicate that efficient organization and utilization of customer information enable banks to better understand and meet customer needs, resulting in personalized services, timely responses, and higher customer trust and satisfaction. The study concludes that the strategic integration of KM in CRM empowers Iranian banks to deliver consistent, high-quality customer experiences, strengthening customer loyalty and enhancing their competitive position.

Madhoushi et al. (2011) in the study *"Survey of Customer Knowledge Management impact on Customer Relationship Management :(Iranian Study)"* examines the impact of Customer Knowledge Management (CKM) on Customer Relationship Management (CRM) and its role in enhancing customer retention in the banking sector. A survey conducted among employees of Melli Bank branches in Mazandaran province confirmed a strong correlation between CKM and improved CRM strategies. The findings indicate that effectively managing customer knowledge allows banks to develop more personalized engagement strategies, improve service quality, and foster stronger relationships with customers. By leveraging customer insights, banks can anticipate customer needs, address concerns proactively, and enhance overall satisfaction—key factors in long-term retention. The study also validated the proposed model, reinforcing the strategic importance of CKM in sustaining customer loyalty and maintaining a competitive advantage in the banking industry.

Rao and Kumar (2011) in the study *"Framework to integrate business intelligence and knowledge management in banking industry"* explores the integration of Business Intelligence (BI) and Knowledge Management (KM) in the banking sector, focusing on their combined role in improving customer retention through enhanced decision-making and service optimization. The research aims to develop a framework that aligns BI and KM to improve customer insights, operational efficiency, and personalized service delivery. The study employs a mixed-methods approach, collecting data through surveys and interviews with banking professionals. The findings reveal that BI applications extract valuable insights from structured and unstructured data, while KM facilitates knowledge creation, sharing, and collaboration among employees, enhancing knowledge discovery and distribution. By leveraging the combined strengths of BI and KM, banks can deliver proactive, data-driven services, strengthen customer relationships, and increase customer loyalty, highlighting the strategic importance of a knowledge-driven approach in sustaining long-term customer engagement.

Jayasundara (2008) in the study *"Knowledge Management in Banking Industries: Uses and Opportunities"*explores the role of Knowledge Management (KM) in enhancing value addition and providing a competitive edge in the banking industry. The research aims to assess the current state of KM implementation in banks and identify opportunities for improving efficiency, innovation, and customer service. The study employs a qualitative methodology, collecting data through interviews and document analysis from various banking institutions. The findings indicate that most banks lag behind other financial organizations in implementing comprehensive KM systems, resulting in missed opportunities for strategic decision-making and service enhancement. The study concludes that adopting robust KM practices can help banks leverage collective expertise and data more effectively, strengthening competitive advantage and value creation in the financial sector.

RESEARCH GAP

In spite of the increasing focus on financial literacy programs by major banks, there is still a considerable gap in understanding how these programs affect customer behavior, financial well-being, and overall financial inclusion at different institutions. Many studies look at short-term results, like immediate knowledge gains or higher product adoption rates. However, there is not much research comparing the lasting effects of these programs among banks. Additionally, there has been little exploration of how financial literacy programs from public sector banks, such as SBI and BOB, differ in their methods, reach, and effectiveness compared to those from private sector banks like HDFC and ICICI. This gap is especially noticeable when assessing how well these programs meet the needs of different customer groups, including rural residents, women, and small business owners. Moreover, the role of digital literacy within these programs, particularly given the rise of digital banking, has not been sufficiently studied from a comparative viewpoint. A detailed study addressing these gaps would offer valuable insights into the inclusivity, adaptability, and long-term effectiveness of financial literacy initiatives among leading banks.

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OBJECTIVES OF THE STUDY

1. To explore the Financial Literacy programs in commercial banks
2. To compare and evaluate the Financial Literacy initiatives of commercial banks
3. To examine the influence of financial literacy initiatives for financial inclusion efforts by commercial banks.

HYPOTHESIS

H0: The is goodness of fit in financial literacy initiatives in commercial banks
H1: The is no goodness of fit in financial literacy initiatives in commercial banks

RESEARCH METHODOLOGY

The research methodology employed to study the financial literacy initiatives of leading commercial banks adopts a systematic approach to primary data collection. The study is both descriptive and analytical. A structured questionnaire was designed to gather information on customers' awareness, perceptions, and engagement with financial literacy programs offered by banks. The sample for the study was selected using the simple random sampling method, ensuring an unbiased representation of the population. Data was collected from 385 customers, covering both private sector banks (HDFC and ICICI) and public sector banks (SBI and BOB), to achieve comprehensive insights into customer experiences. Descriptive statistical tools were utilized to analyze the data, providing insights into customer demographics, awareness levels, and the effectiveness of financial literacy initiatives. Additionally, the Chi-Square test was applied to evaluate relationships and differences within the data, ensuring robust and objective analysis of the role and impact of financial literacy programs provided by commercial banks.

DATA ANALYSIS AND INTERPRETATION

Financial literacy rate of major public sector and Pvt Sector banks were considered for analysis

Financial Literacy Initiatives: Public vs Private Sector Commercial Banks (India)

Programme	Public Sector Commercial Banks	Private Sector Commercial Banks
Financial Literacy Centres (FLCs)	**1,500+ RBI-mandated FLCs** operating nationwide under the Lead Bank Scheme.	No standardized FLC framework; literacy mainly through CSR and branch-level initiatives.
Community-led Financial Literacy Centres (CFLs)	**2,421 CFLs** established across India, largely implemented by public sector banks.	Limited involvement, mainly through partnerships and CSR support.
Financial Literacy Camps	Conducted **1.1 lakh+ literacy activities (2022–23)** through mandatory rural branch camps.	Selective outreach; e.g., **Axis Bank reached ~13.7 lakh beneficiaries** in a year.
Financial Literacy Week (RBI)	Nationwide annual RBI campaign implemented mainly by public sector banks, covering **millions of participants**.	Participation limited to parallel awareness and digital campaigns.
Digital / CSR-based Literacy Programs	Basic digital literacy delivered via FLCs, camps, SMS, and IVR platforms.	Targeted CSR programs; e.g., **HDFC Bank reached ~63,200 students across 600 schools**.

Ho: There is goodness of fit in financial literacy initiatives of commercial bank
Ha: There is no goodness of fit in financial literacy initiatives of commercial bank

Test Statistic : Chi-Square Test

Banks

	Observed N	Expected N	Residual
SBI	116	96.3	19.8
BOB	133	96.3	36.8
ICICI	77	96.3	-19.3
HDFC	59	96.3	-37.3
Total	385		

Test Statistics

	Banks
Chi-Square	36.351[a]

https://ijmec.org.in/

df	3
Asymp. Sig.	.000

Based on the data provided, the financial literacy rate among customers varies across the selected public and private sector banks. Bank of Baroda (BOB) shows the highest level of financial literacy with 133 respondents demonstrating awareness of financial products and initiatives, followed by the State Bank of India (SBI) with 116 financially literate customers. Among private sector banks, ICICI Bank records a moderate level with 77 customers, while HDFC Bank shows the lowest rate with 59 customers. Overall, out of 385 respondents, customers of public sector banks appear to exhibit comparatively higher financial literacy than those of private sector banks. This suggests that public sector banks may be more proactive in promoting financial literacy initiatives or that their customer base is more engaged with financial education efforts. The variation in financial literacy across banks highlights the need for targeted programmes to ensure balanced financial awareness among all customer groups.

IMPACT

The effects of financial literacy programs in the public and private banking sectors vary due to the different methods employed and the respective target audiences. The public banking sector mainly focuses on reaching out to unbanked, rural, or underserved populations with financial literacy camps, workshops, and outreach programs designed to help them understand how to access and use basic banking services, save money, and learn about government assistance programs. Public banks have played a vital role in increasing financial inclusion for individuals in isolated or rural communities where access to formal banking and other financial resources is scarce. On the flip side, the private banking sector has utilized digital technology and innovative tools such as mobile applications, AI-based chat bots, and customized financial education to target urban, digitally savvy customers. Most of the financial literacy programs offered by the private sector focus on providing advanced services such as advanced financial planning, investment products and credit management. These programs have led to increased financial decision-making power among private sector customers. The public sector banks have been instrumental in bridging the rural-urban divide; the private sector banks have excelled at engaging customers through continuous, data-based initiatives. While the results of both public and private sector financial literacy programs have strengthened financial knowledge and improved access to banking services for many people from different income levels, the experiences have varied greatly, both in terms of reach and complexity.

RECOMMENDATIONS

The financial literacy initiatives of public and private banks have produced differing levels of success due to the different ways in which each type of bank approached the initiative and their different target populations. Public banks typically have a greater focus on rural and other underdeveloped populations, and have offered multiple services, including financial literacy workshops, financial literacy camps, and outreach programs to educate consumers about basic banking services, developing a savings habit, and learning about government programs designed to assist consumers. These efforts have been an enormous contributor to increasing the number of people who are included within the formal banking system, as they provided individuals in more remote areas of the country with access to formal banking products and services that otherwise would not be available to them. Private-sector banks, on the other hand, have utilized digital channels and innovative products and services, such as mobile apps, AI-based chatbots, and customized financial education, to reach out to a more urban, technology-oriented customer base. Their educational programs are typically developed to provide customers with a more in-depth understanding of how to plan for their financial futures, the types of investment products available to them, how to effectively manage credit, and therefore have produced more informed decision-making on the part of their customers. Public sector banks have been pivotal in eliminating the rural-urban banking gap, while private sector banks have focused on continuously engaging their customers through data analytics initiatives. Overall, both types of banks have enhanced financial literacy and inclusion, but each has done so via a different method and at different levels of sophistication.

ORIGINALITY AND VALUE OF THE STUDY

This study is unique and valuable because it compares the different types of financial literacy programs provided by banks in both the public and private sector. It demonstrates their differences, the advantages of each, and where they can improve. The majority of previously conducted studies are limited to only examining one type of institution, while this study allows for a more complete understanding of the two sectors. By comparing both sectors side by side, the reader will gain a better understanding of how the financial literacy programs of both sector institutions (public and private) address the needs of their customers (individuals, businesses and community organizations) across many different segments. It provides examples of best practices used by these banks that create opportunities for individuals to gain financial literacy, identify areas of outreach and engagement where banks can do a better job and may provide ideas to help create more effective and inclusive financial literacy programs for banks. The results of this study present valuable information not only for policymakers and banking professionals but also for researchers who study financial inclusion. It also presents ongoing discussions regarding financial inclusion that support the notion that public and private banks working together can provide greater benefits to society and achieve wider socio-economic development objectives.

PRACTICAL IMPLICATIONS

Research on the financial literacy initiatives of public and private sector banks provides a number of valuable implications for stakeholders wishing to improve financial inclusion and awareness. For public sector banks, the study's findings indicate that the modernization of their outreach strategy through the use of digital tools, and additionally, expanding their focus beyond rural areas, to include semi urban populations is necessary. For private sector banks, the findings of the study suggests that banks can take advantage of the knowledge provided in this study to develop more inclusive programs designed to meet the needs of the underserved communities and help to reduce the barrier of access to banking services. Additionally, the study recommends that governmental policy makers should utilize these findings to promote cohesive collaboration between both public and private banks through the use of shared resources and the development of combined financial literacy campaigns between the two bank types. In addition, the study highlights the importance of integrating financial education into the banking services that are offered to bank customers, thereby, providing bank customers with financial knowledge and information during their banking experience. By conducting research that identifies the best practices in this area, banks will have the ability to engage with their customers, foster responsible financial behavior among their customers and further assist in achieving the larger goal of economically sustainable growth.

CONCLUSION

The comparative study of the financial literacy initiatives between the public and private banking sectors reveals the importance of both sectors' roles in promoting financial awareness among customers and expanding access to financial services to different types of customers. Public sector banks are a leader in advancing basic financial literacy and access to banking services within rural and economically disadvantaged areas while at the same time private sector banks are leveraging technology and innovation to connect with customers that are urban-based and technology savvy. Although both sectors approach financial literacy differently there are opportunities for synergy; specifically public sector banks integrating digital innovations and private sector banks targeting less served areas. The results of this study indicate there is a need for collaboration between both sectors in order to effectively eliminate the gaps that exist in financial literacy and access to financial services. A more financially literate and capable population can be developed if both sectors combine their unique capabilities and align their efforts to achieve the same objectives. This research contributes to the understanding of the current state of the banks providing financial literacy education and also offers banks, policymakers, and all related stakeholders to develop more effective and far-reaching financial literacy initiatives.

LIMITATIONS OF THE STUDY

The study of both public and private financial institutions' efforts towards increasing consumer knowledge of money management is a significant use of resources. Nonetheless, there exist limitations associated with how the data used to conduct this research was acquired. The majority of the information submitted for this study was acquired by means of a structured questionnaire. Consequently, it is likely that there was either a selection bias or an inherent inaccuracy with respect to participants' self-reported data. In addition, while random sampling allows for a statistically representative sample of a population, it is possible that random sampling will not allow for the accurate representation of subgroups from the population who experience particular financial literacy barriers. Additionally, the population sample was limited to 385 individuals. While sufficient for this study, the diversity of the geographical and demographic profiles of individuals throughout various areas may limit the generalizability of results and conclusions related to those specific areas. Furthermore, while this research focused primarily on the top 4 banks in terms of asset size, it is possible that this study omitted the valuable contributions made by smaller banks and by the non-bank lenders. Finally, the rate of change within the financial services industry, especially with respect to the increasing use of technology, may render aspects of this study's findings obsolete in the near term future. Lastly, while descriptive statistics provide insight; there is less breadth and depth of information to describe the impact of the initiatives studied and the benefits to be gained by utilizing more advanced modelling methodologies or qualitative methods. This indicates that there exists the potential for further research on this topic to gain a more thorough knowledge of the topic described.

SCOPE FOR FUTURE RESEARCH

The future research areas related to Financial Literacy Issuance by Commercial Banks include: - Long-term impacts of financial literacy on customer behavior, Financial Inclusion and Economic Development using longitudinal studies. - Comparative Analysis of different regions or countries to understand the effect of Contextual Factors on the effectiveness of Financial Literacy Programs. - Investigate Emerging Technology (AI, Blockchain, Gamification) and their potential to enhance the delivery and accessibility of financial literacy initiatives. - Incorporate Qualitative Research Methods (Interviews, Focus Groups) to gain a deeper understanding of customer perceptions and barriers to accessing Financial Education. - Assess the collaboration between public and private sector banks to address the financial literacy gap and the effectiveness of such collaborations.

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