

THE PERCEPTION OF RURAL WOMEN ENTREPRENEURS TOWARDS MICRO FINANCE INSTITUTIONS – A SPECIAL REFERENCE TO KRISHNA BHIMA SAMRUDDHI BANK (KBSLAB)

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Introduction

Crop husbandry, animal husbandry, poultry, fishing, cottage & village industries, handicrafts, transportation, repair shops and trade & services are all examples of economic activity in rural areas. However, the most recent technique is to ensure flexibility in financing and repayment dependent on the borrower's ability to earn enough to repay - whether it be daily, weekly, monthly, or seasonal. The poor may require short-term loans to purchase (HYV) seeds, fertiliser, and to irrigate leased-in land, among other things. Long-term loans may be necessary for the purchase of bullocks (or a boat) as well as machinery and equipment. Long-term loans may be necessary for debt repayment, building a shed/shop and purchasing land, among other things. The government recognises the significance of female entrepreneurship. As a result, it provides a variety of initiatives for female entrepreneurs. One of the sources organized by the government is KBSLAB.

Krishna Bhima Samruddhi Bank (KBSLAB)

This company, the sole microfinance bank in India, is unique in its sort. Only the Krishna Bhima Samruddhi Bank was ever established, despite other such banks being considered by the bank's holding company, BASIX.

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The central bank made it very evident to the LAB promoters following the 2002 RBI panel assessment that "you have miles to go before uttering a definitive pronouncement on your success or failure".

The idea that it doesn't matter to RBI whether the bank survives or not is thus something that the CBS Bank must contend with. Even with more robust funding, a lot of organizations—like the Grameen Banks (RRBs) and local primary cooperative banks—had to fight their way through the maze or withered away quietly. If this bank falters on its erratic journey through the rural economy, nobody will notice. The RBI may refer to it as a botched attempt to close the credit gap in rural India. If it does well, though, it might spark a social banking revolution that other banks would find profitable to follow and serve as a model for rural development.

Review of Literature

According to Binney (2006), customer advocacy exists when customers are eager to suggest an organisation and its services/products to others. The author goes on to say that Customer advocacy evaluates performance based on the every aspect of the organisation is viewed through the eyes of the consumer.

According to **Lawer and Knox (2006)**, is an advanced kind of market orientation that reacts to the new drivers of customer choice, involvement, and knowledge.

According to the authors, customer advocacy attempts to deepen customer connections by gaining new levels of trust and commitment, as well as fostering reciprocal transparency, communication, and partnerships with customers. Customer views of service fairness reflect "rightness" in their assessment of trade inputs and outcomes (**Oliver 1997**).

Customers value fairness because of the social nature of services, which has an impact on the evaluative and relational aspects of service loyalty (**Huppertz, Arenson, and Evans 1978; Oliver and Swan 1989**). We anticipate that fairness will have an impact on satisfaction; if customers believe that service outcomes are comparable with inputs, they will score their overall satisfaction with the service positively (**Oliver 1997**).

Objectives of the study

This study tried to assess the perception of women entrepreneur towards Micro Finance Institutions particularly, Krishna Bhima Samruddhi Bank (KBSLAB).

Data analysis and interpretation

Comprehending the client profile can prove to be an advantageous instrument for MFI management. Demographic analysis might reveal patterns and elements that either encourage or inhibit people from using microfinance services. This kind of data can be integrated into a management information system (MIS) to correlate access to microfinance and human features within a landscape, as well as to visually represent demographic patterns. Demographic analysis is also used to determine the proportion of the overall population that uses microfinance loans for a specific purpose, resulting in a typical satisfaction response. MFI managements can create outreach and training programs that are specifically targeted at the local communities by breaking down this data by to age, sex, or educational attainment. 100 people who were surveyed in three districts were given the questionnaire. We have gathered data on each respondent with respect to the following variables: Age, in case of gender- only women were considered, social class, level of education, size and monthly income of the household, number of children, sources of income, length of time the household has been associated with KBSLAB, etc.

Table 1**Exploratory Factor Analysis of SERVPERF Items**

SERVPERF Items	Factors		
	Tangibility	Reliability/ Assurance	Empathy/ Responsiveness
KBALAB has up to date equipment	0.625		
KBSLAB's physical facilities are visually appealing	0.400		
KBSLAB's employees are well dressed	0.625		
Appearance of KBSLAB's physical facilities is in keeping with the service provided	0.530		
When KBSLAB promises to do something it does so.		0.640	
KBSLAB is dependable		0.420	
KBSLAB provides its services in time it promises to do so		0.518	
KBSLAB keeps its records accurately		0.549	
You can feel safe in your transactions		0.522	
Employees are polite		0.443	
When you have problems, KBSLAB is sympathetic and reassuring			0.662
You can trust employees of KBSLAB			0.633
Employees of KBSLAB give customers personal attention			0.675
Employees understand the specific needs of customers			0.665
KBSLAB's operating hours are convenient to all their customers			0.511
Cronbach's alpha	0.689	0.701	0.601

Source: Primary Data

First-order confirmatory factor analysis (CFA) was performed on the three factors that were acquired in the previous step along with their indicators using a measurement model that used AMOS 7.0. The measurement model ($\chi^2 = 353.83$, $df = 125$, $p < 0.001$; CFI = 0.936; TLI = 0.923; IFI = 0.936; NFI = 0.911; and RMSEA = 0.06) showed a good match to the data. Moreover, each indication showed a strong loading on its corresponding latent construct, resulting in uni-dimensionality. Internal consistency was provided by the Cronbach's alpha values of all the quality indicators, which ranged from 0.72 to 0.82. The AVE values for every quality component were greater than or equal to 0.50, indicating the convergent validity, and the factor loadings for SERVPERF quality items ranged from 0.50 to 0.80, respectively (significant at $p < 0.001$) (Fornell & Larcker, 1981).

By comparing the squared correlation estimates of the related inter-quality factors with the average variance extracted (AVE), the discriminant validity of the quality factors was evaluated (Fornell and Larcker, 1981). As a result, it was discovered that the quality dimensions had sufficient psychometric qualities.

Table 2
Standardized Parameter Estimates of the Hypothesized Paths

Hypothesized Paths	Path Coefficient	Results
Tangibility – Satisfaction	0.208*	H1 (accepted)
Reliability – Satisfaction	0.171*	H1 (accepted)
Empathy – Satisfaction	0.180*	H1 (accepted)
Service Fairness – Satisfaction	0.180 (NS)	H2 (rejected)
Service Fairness – Customer Advocacy	0.201 (NS)	H3 (rejected)
Satisfaction – Attitude	0.293*	H4 (accepted)
Satisfaction – Behavioral Loyalty	0.197*	H5 (accepted)
Satisfaction – Customer Advocacy	0.038 (NSS)	H6 (accepted)
Attitude – Behavioral Loyalty	0.330*	H7 (accepted)
Attitude – Customer Advocacy	0.206*	H8 (accepted)

Source: Primary Data

The findings presented in Table 10 below demonstrate the strong correlations that all three of the SERVPERF dimensions—tangibility, reliability, and responsiveness—had with customer satisfaction.

The findings substantiated hypothesis 1 by demonstrating that tangibility has a direct and favourable influence on customer satisfaction (coefficient = 0.240, $p < 0.001$), reliability has a direct and positive effect on customer satisfaction (coefficient = 0.272, $p < 0.001$), and empathy has a significant and positive impact on customer satisfaction (coefficient = 0.181, $p < 0.001$).

Consumer satisfaction significantly influences behavioural loyalty (coefficient = 0.393, $p < 0.001$), customer advocacy (coefficient = 0.199, $p < 0.001$), and attitude toward the MFI. These findings contradict H4 and support H5 and H6. Next, while customer advocacy was significantly impacted by attitude toward the MFI, behavioural loyalty was not positively impacted (coefficient = 0.340, $p < 0.001$).

For this reason, hypothesis H8 is supported and hypothesis H7 is rejected. H9 is supported by the substantial correlation between behavioural loyalty and customer advocacy (coefficient = 0.208, $p < 0.001$). The findings did not show a substantial correlation between customer advocacy, satisfaction, and service fairness.

Conclusion

The study's key finding is that end users' advocacy and loyalty are positively impacted by their level of happiness. This is crucial for MFIs since satisfied clients will refer business to the organization favourably and help them bring in an increasing number of new clients if they are treated honestly. However, in order to keep them, MFIs must treat clients fairly and provide the essential services in a way that meets the needs of the end user. Nonetheless, there are clear distinctions and disparities—as if microfinance has entered the banking vocabulary—and the infrastructure and political support needed to match traditional banks are notably absent. Particularly, women entrepreneur felt that this MFI helps to get success and overcome financial huddles.

Reference

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