



To Study the Gen'z Perception About Role of Bank's and Financial Non-Banking Financial Companies (NBFC'S) in Economic Development of the Country with the Reference of Ahmedabad City

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ARTICLE INFO

Keywords: Generation Z, Banks, NBFCs, Economic Development

Received : 2 September

Revised : 15 Oktober

Accepted: 19 November

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ABSTRACT

This study investigates Generation Z's perceptions of the roles of banks and non-banking financial companies (NBFCs) in the economic development of Ahmedabad, India. As the youngest and most technologically adept demographic, Gen Z's attitudes towards financial institutions are crucial for understanding future economic trends and consumer behavior. Through a mixed-methods approach that combines quantitative surveys and qualitative interviews, this research highlights how Gen Z views banks and NBFCs concerning accessibility, trust, innovation, and financial literacy. The findings reveal that Gen Z perceives traditional banks as stable yet sometimes lacking in personalization, while NBFCs are seen as more innovative and accessible, particularly for underserved populations. The study also underscores the importance of technological integration, with digital platforms playing a significant role in shaping Gen Z's interactions with financial services. Moreover, the desire for financial education and social responsibility emerges as a significant factor influencing their loyalty to financial institutions. The implications of these perceptions are manifold. Financial institutions must adapt their strategies to meet the unique needs of this demographic by offering tailored products, enhancing digital experiences, and investing in financial literacy programs. Additionally, promoting social responsibility initiatives can foster trust and engagement. The study's insights contribute to the broader discourse on financial inclusion and economic development, offering valuable recommendations for policymakers and financial leaders aiming to connect with the emerging consumer base.

INTRODUCTION

In fact, the financial system of a country is intrinsically linked to the process of economic development and plays an important role in mobilizing savings and channelling them toward productive venture capital (Modi, Harkani, Radadiya, & Vidani, 2016). This role finds its inquisitiveness, especially in the later period, particularly that of Generation Z, those born between the mid-1990s and early 2010s (Vidani, 2015). It would involve very useful data regarding predictions for the future of the financial sector of understanding how the dynamics of Gen Z view the role of banks and NBFCs in economic development compared to Ahmedabad-the major economic hub in India (Vidani & Solanki, 2015). One of the most vibrant cities in India, Ahmedabad has seen glorious growth sectors beginning with textiles, pharmaceuticals, real estate, and now technology and finance (Vidani, 2016). Growth was supported by a healthy financial system through NBFCs as well as through traditional banks. While the traditional banks offer services such as deposits and loans, along with foreign exchange services, the NBFCs, free from the same regulatory strictures that govern a bank, offer complementary services like micro loans, vehicle finance, and infrastructure funding (Vidani, 2015). Gen Z is distinguished by its tech-savviness, entrepreneurial mindset, and desire for financial independence. The generation develops some expectations towards convenience, digital solutions, and transparency of financial services and thus sets a scene for shaping the future of banking and finance (Vidani, 2015). As the first generation to enter the labour market, attitudes toward the financial system by Gen Z are crucial to policymakers, financial institutions, and regulators (Sukhanandi, Tank, & Vidani, 2018). Those preferences are likely to have an influence and make a difference in banking innovations, financial products, and terms of government policy regarding orienting economic development. For the last two decades, India's financial landscape changed (Vidani, 2015). Modern banking complements the existence of NBFCs that service particular niches generally ignored by mainstream banks: the small businesses and rural masses. Being a developing city, Ahmedabad has seen more financial institutions come up in this city, and hence it stands to be one of the prominent locations to be studied on the perceptions of Gen Z toward the role played by these institutions in the development of an economy (Sukhanandi, Tank, & Vidani, 2018). In this study, we try to examine the perception of Gen Z towards banks and NBFCs in relation to fueling economic growth, focusing on the Ahmedabad city location (Solanki & Vidani, 2016). We will talk about their attitudes towards factors including accessibility towards the service, trust towards banking institutions, digitalization, and socio-economic impacts that such organizations create. Exploring those perceptions would give deeper insights into growing dynamics between the younger generation and the financial institutions (Vidani, 2016). Banks and NBFCs have created a significant space in sectors such as agriculture, housing, infrastructure, and MSMEs (Micro, Small, and Medium Enterprises) in India. Nevertheless, it is important to identify whether Gen Z sees them as a positive agent of change in economic development or merely as a source of money. Adoption of digital banking and use of fintech has transformed how

young people go about their financial activities (Bhatt, Patel, & Vidani, 2017). These are digital natives, and Gen Z frequently goes for fast, frictionless, and transparent transactions that might not always be aligned with conventional banking practices. A segment of Gen Z finds the idea of NBFCs contributing to financial inclusion among less privileged segments very attractive, especially if that generation has sensitivities toward social entrepreneurship or social equity issues (Bhatt, Patel, & Vidani, 2017). However, governance, as also the issues of transparency and regulatory supervision over NBFCs, were issues in the wake of the IL&FS scandal in India, raising concerns (Vidani, 2015). In this explorative survey and interview conducted among the members of Gen Z in Ahmedabad, the complex dynamics will be examined by focusing on trust, accessibility, technological adoption, and financial literacy to understand how these factors also influence the perceptions of banks and NBFCs (Vidani, 2015). The outcomes of the study will not only contribute to the body of knowledge but also be useful for financial institutions looking to alter their services according to the demand of the young generation (Vidani, 2016). Conclusively, since Ahmedabad continues her journey as an economic powerhouse, the perceptions of Gen Z regarding the role of banks and NBFCs will very much shape the future of financial services (Sukhanandi, Tank, & Vidani, 2018). The growth of the city has a direct correlation with the capability of the financial sector to respond to the expectations and demands of the young, digitally accomplished citizenry (Solanki & Vidani, 2016). This study will provide a window into the future of banking and finance in the region, showing how banks and NBFCs can best serve the needs of the next generation and sustain themselves in their attempt to offer productive help toward economic development (Singh, Vidani, & Nagoria, 2016).

Research Objectives

1. Understanding Gen Z's attitude toward banks and NBFCs in Ahmedabad.
2. Determining factors that can have an influence on the trust of Gen Z with financial institutions.
3. To observe how technological advancement can impact the decision-making of Gen Z while making a choice for bank or saving account.
4. How do Gen Z perceive the role of banks and NBFCs in economic development?
5. Whether financial literacy affects the banking engagement of Gen Z ?

LITERATURE REVIEW

1. The Role of Banks and NBFCs in the Economic Development: Various studies highlight how financial institutions are a primary catalyst for mobilizing savings as well as facilitating investments. Besides, banks and NBFCs are the most crucial sectors to fund infrastructural undertakings, small enterprise development, as well as agricultural input (Niyati & Vidani, 2016).
2. Banking Preferences of Generation Z: Research indicates that Gen Z has lower interest in the traditional banking system and is much more likely (Pradhan, Tshogay, & Vidani, 2016).

Research Gap

Despite the growing significance of Generation Z as an important demographic for building the economic trend, very few empirical studies exist on their perception towards the banks and NBFCs in the paradigm of economic development, especially in Indian cities like Ahmedabad. The broad themes of the existing literature include discussions on financial behaviour and consumer trust in financial institutions, but there is a failure to limit to the specific needs and perspectives of Gen Z. Moreover, while the impact of financial institutions has been documented to be relatively quite strong on economic growth, the kind of studies that get pursued often lack enough research connecting such roles to the perception of young consumers. It seeks primary research whereby this generation's perceptions regarding the accessibility, reliability, and innovative capability of banks and NBFCs can be understood. These perceptions are vital not only for financial institutions seeking to reach out to such a demographic but also for policymakers interested in making economic development in rapidly urbanizing areas, such as Ahmedabad, more holistic. The current study, therefore, tries to fill this gap of research by extracting some useful and relevant insights to not only highlight the changing landscape of financial services but also understand the implications associated with an efficient financial service network for economic growth.

Table 1. Validation of Questionnaire

Statements	Citation from JV citation file (You can add more than 1 citation)
How important is the role of NBFCs in a country's financial development?	(Mala, Vidani, & Solanki, 2016) (Dhere, Vidani, & Solanki, 2016) (Singh & Vidani, 2016) (Vidani & Plaha, 2016)
How would you rate the desirability of banks in promoting financial inclusion?	(Solanki & Vidani, 2016) (Vidani, 2016) (Vidani, Chack, & Rathod, 2017) (Vidani, 2018)
How frequently do you think Gen Z uses banking services?	(Biharani & Vidani, 2018) (Vidani, 2018) (Odedra, Rabadiya, & Vidani, 2018) (Vasveliyya & Vidani, 2019)
How satisfied are you with the current services provided by NBFCs in Ahmedabad?	(Sachaniya, Vora, & Vidani, 2019) (Vidani, 2019) (Vidani, Jacob, & Patel, 2019) (Vidani J. N., 2016)
How would you rate the preference of NBFCs over traditional banks for obtaining a loan?	(Vidani & Singh, 2017) (Vidani & Pathak, 2016) (Pathak & Vidani, 2016) (Vidani & Plaha, 2017)
What level of customer expectation do you think banks in Ahmedabad meet?	(Vidani J. N., 2020) (Vidani J. N., 2018) (Vidani & Dholakia, 2020) (Vidani, Meghrajani, & Siddarth, 2023)

How would you rate the importance of banks in providing secure savings and investment options for Gen Z?	(Rathod, Meghrajani, & Vidani, 2022) (Vidani & Das, 2021) (Vidani J. N., 2022) (Saxena & Vidani, 2023)
Do you agree that NBFCs contribute significantly to the country's infrastructure development?	(Vidani, Das, Meghrajani, & Singh, 2023) (Vidani, Das, Meghrajani, & Chaudasi, 2023) (Bansal, Pophalkar, & Vidani, 2023) (Chaudhary, Patel, & Vidani, 2023)
How frequently do you think Gen Z in Ahmedabad interacts with digital banking services?	(Patel, Chaudhary, & Vidani, 2023) (Sharma & Vidani, 2023) (Sharma & Vidani, 2023) (Mahajan & Vidani, 2023)
What factor is most important when choosing between a bank and an NBFC?	(Biharani & Vidani, 2018) (Vidani, 2018) (Odedra, Rabadiya, & Vidani, 2018) (Vasveliyya & Vidani, 2019)
How satisfied are you with the accessibility of NBFCs in rural areas around Ahmedabad?	(Sharma & Vidani, 2023) (Sharma & Vidani, 2023) (Mahajan & Vidani, 2023) (Saxena & Vidani, 2023)

Source: Author's Compilation

METHODOLOGY

Table 2. Research Methodology

Research Design	Descriptive
Sample Method	Non-Probability - Convenient Sampling method
Data Collection Method	Primary method
Data Collection Method	Structured Questionnaire
Type of Questions	Close ended
Data Collection mode	Online through Google Form
Data Analysis methods	Tables
Data Analysis Tools	SPSS and Excel
Sampling Size	67
Survey Area	Ahmedabad

Sampling Unit	Students, Private and government Job employees, Businessmen, Home maker, Professionals like CA, Doctor etc.
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Demographic Summary

The demographic summary of the sample reveals that the majority of participants are aged 18-20 (59.1%), with a substantial proportion in the 21-24 age range (40.9%). The sample consists predominantly of students (60.6%), followed by those who are employed (31.8%) and a smaller number who are unemployed (4.5%). Regarding educational qualifications, most participants hold postgraduate degrees (56.1%), followed by undergraduates (25.8%), with a small percentage having completed high school (9.1%) or other qualifications (9.1%). This distribution highlights a predominantly young, educated, and student-oriented sample, providing valuable insights into the research context.

Cronbach Alpha

Table 3. Cronbach Alpha

Cronbach Alpha Value	No. of items
0.717	14

The Cronbach's alpha value of 0.717 indicates a moderate level of internal consistency among the 14 items in the scale used for this research. This suggests that the items are reasonably correlated and measure a similar underlying construct. While the value is above the commonly accepted threshold of 0.7, it also implies that there may be room for improvement in the scale's reliability. Overall, the results support the use of this instrument in the context of the study, but further refinement may enhance its robustness.

DISCUSSION

Understanding the Perception of Banks and NBFCs in the Economic Development of Gen Z: A Case Study of Ahmedabad Introduction.

The financial situation today is quite different from two decades ago, particularly considering the proliferation of NBFCs along with the traditional banking systems. This paper discusses how Generation Z perceives these financial institutions and their economic functions within the fast-growing area of Ahmedabad in the country, India. As Gen Z will probably define the new economic environment, its perceptions are important to analyse.

Role of Banks in Economic Development

1. Access to Financial Services Access to various financial services, including savings accounts, loans, and investment opportunities, is basically the role of banks. The types of services Gen Z is aware of do influence the extent of their financial awareness and engagement with economics. In Ahmedabad, which performs best in entrepreneurship, the existence of diverse financial products provided by banks can impact the ability of the young people even more in starting and running enterprise ventures.
2. Financial Literacy/Financial Education Mainstreaming financial education has become part of the traditional banking initiatives aimed at outreach. Any efforts to enhance financial literacy among the youth would

likely help sensitize these individuals about economic systems and encourage appropriate financial behaviour. Views of Gen Z toward banks as education institutions can make a difference in the level of trust they have in banks and their receptivity toward dealing with them.

3. **Supporting Startups:** Banks in Ahmedabad that offer products and services based on the 'young entrepreneur' model may be seen to contribute to local entrepreneurship. This section of Gen Z kids thinks in innovation and support to local enterprise. In this light, understanding how the banks have steered their products and services to these needs will communicate the positive pertinence of the services offered by them as catalysts of growth in the economy.

Role of NBFCs in Economic Development

1. **Alternative financing options:** It provides crucial alternative financing options to those people who may not qualify to obtain a loan from a traditional bank. This flexibility can empower young entrepreneurs and individuals from various economic segments. Gen Z's perception of NBFCs as accessible financial resources is vital, especially in a city like Ahmedabad, where economic disparities do exist.
2. **Technological Integration** The emergence of fintech has transformed the functioning of NBFCs into something more advanced and appealing to Gen Z's love for tech. The ease with which technology is implementable in finance will increase user experience and reliability. The study regarding familiarity and comfort of Gen Z with the digital platforms offered by NBFCs would give an idea about how these brands are perceived as modern day financial products.
3. **Social Impact and Financial Inclusion** Most NBFCs take the financial inclusion and social impact route as their focus area, where they cater to unbanked populations. The young generation, Gen Z, for instance, is considered to be highly social conscious, and companies that act with corporate social responsibility mean a lot to them. Understanding such values may reveal larger social attitudes towards economic development.

The Comparison of Perception of Banks and NBFCs

1. **Trust and Reliability** Perceived only in the general context, trust is one of the most important factors shaping the perception Gen Zers would give to banks as well as NBFCs. Even though traditional banks are perceived to be older or more established and recognized for their reliability, the NBFCs generally focus on a customer-centric approach, so the generation might sympathize with it more and get attracted towards it. Surveys assessing the general level of trust within these institutions will be capable of revealing the underlying preferences and biases among Gen Zers in Ahmedabad.
2. **Brand Image and Marketing Approach:** The greatest influence on Gen Z is placed on the brand image and marketing approach regarding banking and NBFCs. Banks and NBFCs are likely to appeal better by using smart, contemporary branding and social media marketing. On the other hand, it can help NBFCs change the way of people by focusing on innovative

solutions for society. As per what is learned from marketing trends in reaching Gen Z in Ahmedabad, this is an area of sensitive analysis.

3. Service diversification and innovation NBFCs and banks service diversification will help determine Gen Z preferences. Banks which have diversified portfolios would attract customers to be holistic solutions providers while those NBFCs with niche services would approach niche seeking customers needing targeted financial products. A critical understanding of how balance between diversity and innovation can assist both types of institutions better serve young consumers.

Challenge and Opportunities

1. Regulatory Environment What transpires in the regulatory scenario determines the actions of banks and NBFCs in a country. The attitudes of Gen Z towards banks and NBFCs can further be influenced by the recent amendments in regulations, especially the consumer protection and financial stability-related ones. Challenges and opportunities would be noted by understanding how the above factors of regulations are perceived by Gen Z in Ahmedabad.
2. Economic Awareness The aggregate economic awareness among Gen Z in Ahmedabad would be the indicator of the level of involvement of the present generation with banks and NBFCs. What they perceive about the economy, financial system, and their roles can really uncover their areas of ignorance, which banks and NBFCs can be targeting through focused educative efforts.
3. Future Expectations Due to this, the expectations of Gen Z from financial institutions are expected to shift with age. Since their long-term expectations about the roles of the banks and the NBFCs in economic development would reflect future trends, it would be interesting to know what kind of innovations are required in these sectors and how they can evolve to meet changing consumer needs.

These perceptions of the role played by the banks and NBFCs in economic development by Generation Z take a myriad of forms, including accessibility, trust, technology integration, and social impact. This makes Ahmedabad, with its vibrant entrepreneurial spirit and diversified population, a city. This understanding becomes essential for financial institutions trying to engage effectively with youth. Banks and NBFCs could further contribute to the regional economic development of the region by fostering financial literacy, embracing innovation, and promoting inclusivity.

It is possible to use this discussion as a framework to analyse the perception of Gen Z pertaining to banks and NBFCs in Ahmedabad. If each section is expanded with empirical data, case studies, and qualitative insights gathered from interviews or surveys, then it will add depth and breadth to the paper and eventually meet the word count expected.

Theoretical Implications

Perception of Banks and NBFCs by Gen Z in Economic Development

While perusing the perceptions of Generation Z toward the roles of banks and NBFCs in economic development, especially in the case of Ahmedabad, several theoretical implications have arisen. The scope of the existing understanding

regarding the behavior of consumers in the financial service industry, technological influence on the perceptions, and the socio-economic dynamics of economic development has now been widened.

1. Consumer Behaviour Theories

Understanding how Gen Z perceives banks and NBFCs can complement consumer behavior theories, especially those related to financial decision-making. The particularly relevant theories include:

- Theory of Planned Behavior (TPB): The individual behavior, as explained by this theory, is commanded by the attitudes, subjective norms, and perceived behavioral control. In this scenario, the attitudes of Gen Z towards banks and NBFCs may arise from experiences, social influences, or the accessibility of financial products as perceived. These components may be analyzed to demonstrate how such perceptions guide their financial behaviors, such as saving, borrowing, and investing.
- Cognitive Dissonance Theory: It will help in explaining why people are uncomfortable with the co-existence of inconsistent beliefs or attitudes. Gen Z is supposed to feel cognitive dissonance between the traditional image of stability attached to banks and the novel adaptable solutions provided by NBFCs. Analyzing this will enable banks to shift their marketing communications towards more effective resonance of values and expectations of Gen Z.

2. Inclusion of Technology in Financial Services

Nevertheless, the role of technology is a critical factor that influences the perceptions of Gen Z pertaining to banks and NBFCs. Theories related to the adoption of technology and diffusion of technology might be used as a basis in explaining this phenomenon:

- Technology Acceptance Model (TAM): This model states that when a user perceives the ease of use and usefulness of technology, then those are the two factors most likely to influence the acceptance of technology by a user. This can be analyzed with respect to Gen Z's comfort levels regarding digital platforms, such as how friendly the interfaces are and innovative in the features that allow them to trust and engage more with financial institutions.

Diffusion of Innovations Theory: The theory deals with the diffusion of ideas and technologies in a social system. The belief of banks and NBFCs being more of an innovator or laggard when it comes to technology can influence Gen Z's choices. Knowing how the attributes of financial service appeal to this target demographic enables better ways to communicate innovation.

Socio-Economic Dynamics

The perception of financial institutions by Gen Z is also inextricably linked with more general socio-economic theories focusing on the role of financial inclusion and economic development:

- Financial Inclusion Theory: This theory helps establish the concept that financial services are a prerequisite tool for achieving economic empowerment, especially among marginalized groups. Gen Z's perceptions on the role of banks and NBFCs in achieving financial

inclusion can be used to develop a theoretical argumentation on how they will effectively reach various communities, especially in urban cities such as Ahmedabad.

- **Social Capital Theory:** The theory writes about the importance of social networks and relationships in offering access to resources. Gen Z's trust in banks and NBFCs may be affected because of their social network and the reputation of those institutions in their perception. Knowing these social dynamics can help institutions to devise strategy with community trust and involvement.

4. Development Economics

The perceptions of Gen Z regarding economic roles of banks and NBFCs can also add to the current discourse in development economics:

- **Human Capital Theory:** It is considered to be the worth of education and training as a critical component of enhancing economic productivity. Therefore, although Gen Z advocates for more financial knowledge and education, banks' and NBFCs' differential expectations regarding the learning opportunities that these organizations offer can be applied for formulating policies that foster economic development. There also lies the possibility of exploring more deeply into financial knowledge initiatives and their association with economic development.
- **Participatory Development Theory:** This theory prescribes the involvement of people in the development processes that are undertaken to affect their lives. Involvement of Gen Z with financial institutions can be labeled as participatory development, in which perception and preference determine the bank or NBFC services. The same informs strategies for the inclusive economic development.

The theoretical implications of the perceptions of Gen Z toward banks and NBFCs in economic development are rather multi-disciplinary, cutting across consumer behavior, technology adoption, socio-economic dynamics, and development economics. These theories may be integrated to allow researchers and practitioners to draw a rounded view of how financial institutions can better meet the needs of this emerging demographic as a step toward generally advancing the current economic development goals. In addition to enriching academic discourse, this exploration will also offer actionable insights for policymakers and financial institutions looking for efficient ways to reach the youth of Ahmedabad and beyond.

Practical Implication

Practical Implication: Perception of Banks and NBFCs by Gen Z toward Economic Development

The perception insights from the study about Generation Z of banks and NBFCs in Ahmedabad hold significant practical significance for financial institutions, policymakers, and educators. It can influence strategies that enhance engagement, are meaningful to economic development, and promote financial inclusion.

1. Tailoring Financial Products and Services

- Customized Product/Services: The banks and NBFCs should develop products that can cater to the needs and preferences of Gen Z. Example: Some minimum loan amount, flexible repayment, or unique savings accounts that could fit with the lifestyle and financial goals of a young consumer. Customization enhances access and relevance; through it, the young consumer will be motivated more towards loyalty.
- Intuitive, user-centric digital platforms: Since technology is something affectionate and constantly fought with by Gen Z, financial institutions also have to make their digital platforms very intuitive and easy to use. Investment in user experience design and mobile banking features can help provide smooth interactions and induce higher usage of financial services.

Improving Financial Literacy and Education

- Targeted Financial Education Programs: Banks and NBFCs should begin and manage targeted educational activities on financial literacy, specifically targeting Gen Z. Workshops, online courses, and interactive content could be power tools for equipping young people with the information needed to take judicious decisions about their finances.
- Corporate Partners with Educational Institutions: An agreement with schools and universities will fill the knowledge gap. Through this integration of financial knowledge into the school curriculum, financial institutions are supporting the creation of a bright, financially literate generation.

3. Building Trust and Brand Loyalty

This can be achieved through transparent communication on charges, terms, and conditions of products offered by banks and NBFCs. This increases clarity in financial services, leading to security among young consumers.

- Community Engagement: The involvement of a company within the community through CSR activities can increase brand image and loyalty. Gen Z is likely to favor institutions that can demonstrate social responsibility and contribute positively to societal development.

4. Technology and Innovation

- Inheriting Fintech Innovations: Banks and NBFCs need to take into consideration fintech innovations that appeal to Generation Z, such as peer-to-peer lending, robo-advisors, and services of cryptocurrencies. These banks can position themselves at the forefront of technological trends and also as modern and relevant financial partners.
- Data Analytics: Financial institutions will be in a much stronger position to understand consumer behavior due to data analytics and can shape their offerings accordingly. Banks and NBFCs can further develop strategies to give more satisfaction through preferences, expenditure pattern, and feedback from Gen Z.

5. Improving Financial Inclusion

- Inclusive Financial Services: Financial sectors and institutions have to direct efforts towards the availability of all these services towards all

sections of Gen Z, including the lower socio-economic background. Such micro-loans, no-fee accounts, etc., low-barrier financial products that help bring in much-needed inclusion by empowering the youth of marginalized communities.

- Marketing Strategies that will reach the heart of Gen Z. Campaigns that focus on the values of Gen Z such as sustainability and social equity, can really push the marketing toward attracting young consumers. Adding efforts toward financial inclusion will also make it more appealing to the brand.

6. Policy Recommendations

- Regulatory Frameworks. The Policymakers need to be reminded of the presence of Gen Z when coming up with regulations for financial institutions. Policies that are transparent, accessible, and consumer-friendly tend to create an environment conducive to young consumers.
- Promote Collaboration: This would add bank, NBFC and educational institution collaborations. Under such schemes by the government, more financially aware and active youth can be created.

Conclusion
But as such perception about the gen z by the banks and NBFC also draws practical implications on the real ground for financial institutions, as in how they are coming up with strategies to reach this new set. These would be fine-tuned products, better financial education for the customer, increased trust, usage of technology by exploiting it, protecting the rights of underprivileged groups, and support for sound policies. Banks and NBFCs with such endeavors will reach out to Gen Z properly and contribute significantly toward growth in Ahmedabad. It will contribute toward longterm sustainability and growth of the financial sector in such a fast moving scenario.

CONCLUSIONS AND RECOMMENDATIONS

In examining Generation Z's perceptions of banks and non-banking financial companies (NBFCs) in the context of economic development in Ahmedabad, it is evident that these perceptions are shaped by a unique combination of technological affinity, social consciousness, and a desire for financial inclusivity. As this generation emerges as a significant economic force, their views on financial institutions will profoundly impact how these entities operate and engage with consumers.

The findings highlight the critical role that banks and NBFCs play in fostering economic development by providing accessible financial services, promoting financial literacy, and adapting to the evolving needs of a tech-savvy youth demographic. To remain relevant and build lasting relationships with Gen Z, financial institutions must prioritize user-friendly digital platforms, tailor their products and services to align with young consumers' preferences, and commit to transparent communication and community engagement.

Moreover, enhancing financial literacy through targeted educational initiatives and partnerships with educational institutions can empower Gen Z to make informed financial decisions. Financial institutions that embrace technological innovations and prioritize social responsibility will not only build

trust and loyalty among young consumers but also contribute to broader societal goals of financial inclusion and economic empowerment.

Ultimately, as policymakers and financial leaders recognize the significance of Gen Z's perceptions, they can create strategies that support this generation's economic engagement. By fostering an environment conducive to innovation and inclusivity, stakeholders can ensure that banks and NBFCs play a pivotal role in the economic development of Ahmedabad and beyond, paving the way for a more resilient and inclusive financial landscape in the future.

FURTHER STUDY

As this study highlights Generation Z's perceptions of banks and non-banking financial companies (NBFCs) in Ahmedabad, several avenues for future research can deepen understanding and broaden the scope of inquiry. Here are key recommendations for future research and the potential expansion of this study:

1. Comparative Studies Across Different Regions

- **Regional Variations:** Future research can concentrate on the perceptions of banks and NBFCs across various cities and states of the Indian subcontinent. The perceptions of banks and NBFCs vary regionally across different cities and states of India. The regional economic conditions, cultural aspects, and demographical impacts might all be better understood here for Gen Z's perception of financial institutions.
- **International Comparisons:** This comparison would give an idea of the overall global trends in the financial behavior and attitude among Gen Z around the world. This could thus bring out the best practice areas and innovative strategies that can be adapted locally.

2. Longitudinal Studies

- **Perceptual Change over Time:** The longitudinal studies capturing the shift in Gen Z's perception over time, while growing up and entering into adulthood and facing different economic circumstances, will be really insightful. This will highlight how periods of life and economic changes influence their transactions with financial institutions.
- **Economic Events:** Looking at how major economic events such as recession and pandemics impact the way Gen Z perceives banks and NBFCs can go a long way in understanding their resilience and adaptability.

3. In-depth Qualitative Research

- **Focus Groups or Interviews.** Qualitative research may even be through focus groups or, based on the nature of the research question, even in-depth interviews to uncover perceptions and attitudes that might remain invisible to methodologies applying numbers. Perhaps richer findings may come from the understanding of personal experiences and stories behind Gen Z's financial decisions.
- **Stronger motivational and barrier factors:** Through qualitative research, greater analysis can be done regarding the reasons why Gen Z prefers one

financial service over the others or barriers that are on the way of accessing the service.

4. Development of Technology and Fintech

- **Technological Adoption:** Future research should focus on the fact as to how different technological innovations such as mobile wallets, blockchain affect the perceptions of Gen Z toward banks and NBFCs. It will help them understand which set of technologies most fits this generation and can thereby guide the type of innovation institutions need to adapt in their offerings.
- **Consumer Behavior with Fintech:** Research into the behavior of Gen Z toward fintech solutions compared to traditional banking services may help understand what it prefers most and hence aid strategies for introducing technology in financial institutions.

5. Role of Social Media and Influencers

- **Social Media Influence:** Analyzing how social media and influencers impact Gen Z's perceptions about financial institutions will help establish leads. Understanding how digital marketing strategies would reach this target segment further makes campaign execution more important.
- **Peer Influence:** The role played by peer influence and community discussions can be traced from research so that financial attitudes formed by these social networks can be understood. It would be great to know how Gen Z interacts with banks and NBFCs through their social networks.

6. Financial Inclusion and Social Responsibility

- **Impact of Financial Inclusion Initiatives:** An impact assessment of financial inclusion programs targeting Gen Z can define where its initiatives are most deficient as it impacts their perception and behavior. Identifying the outcome will, therefore be key toward perfecting strategy implementation towards improved financial access.
- **Corporate Social Responsibility (CSR):** Analyzing the perception of Gen Z towards the CSR activities of banks and NBFCs can help adopt brand loyalty strategies to enhance brand loyalty. Understanding which social cause the generation connects to can help institutions align their mission with what the customers value.

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