

**EFFECTIVENESS OF DOOR-TO-DOOR DEPOSIT
COLLECTION ON SAVING AND BORROWING
BEHAVIOR OF SMALL BUSINESS IN URBAN NEPAL**

A Thesis

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By

SHRADDHA KHATIWADA

Roll No: 377/072

T.U. Registration No: 7-2-426-33-2002

Patan Multiple Campus, Patandhoka

Lalitpur, Nepal

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DECLARATION

I, SHRADDHA KHATIWADA, declare that this thesis entitled ‘EFFECTIVENESS OF DOOR-TO-DOOR DEPOSIT COLLECTION ON SAVING AND BORROWING BEHAVIOR OF SMALL BUSINESS IN URBAN NEPAL’ submitted to Department of Economics, Patan Multiple Campus, in a partial fulfillment of the requirements for the Degree of MASTER OF ARTS, is entirely my original work prepared under the guidance of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of writing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree. I shall be solely responsible for any evidence found against my declaration.

.....

Shraddha Khatiwada

LETTER OF RECOMMENDATION

This thesis entitled “EFFECTIVENESS OF DOOR-TO-DOOR DEPOSIT COLLECTION ON SAVING AND BORROWING BEHAVIOR OF SMALL BUSINESS IN URBAN NEPAL” has been prepared by Ms. Shraddha Khatiwada under my guidance and supervision. I, hereby, recommend it in partial fulfillment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS for final examination.

.....

Thesis Supervisor

Ananta Raj Dahal

Assistant Professor

Date : September, 2023

LETTER OF APPROVAL

We certify that this thesis entitled “EFFECTIVENESS OF DOOR-TO-DOOR DEPOSIT COLLECTION ON SAVING AND BORROWING BEHAVIOR OF SMALL BUSINESS IN URBAN NEPAL” submitted by Ms. SHRADDHA KHATIWADA to the Department of Economics, Faculty of Humanities and Social Sciences, Patan Multiple Campus, Tribhuvan University, in partial fulfillment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in scope and equality. Therefore, we accept this thesis as a part of the said degree.

Thesis Committee

.....
Head of Department
Dr. Raghu Bir Bista
Associate Professor

.....
Dr. Shreedhar Thapa
External Examiner

.....
Thesis Supervisor
Ananta Raj Dahal
Date: September, 2023

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ABSTRACT

This study holds significant importance as it offers a comprehensive examination of door-to-door collection services for small business enterprises in urban Nepal. It also provides valuable insights into the potential of door-to-door collection services to promote small-scale savings in a diverse urban context. Furthermore, study presents an in-depth analysis of door-to-door collection services for small business enterprises, examining the characteristics, behaviors, and perceptions of 121 individuals participating in such services. The main objective of the study is to examine the nature of the door-to door services and its effectiveness in promoting small scale savings in urban Nepal. The study encompasses a diverse range of respondents, exploring factors such as age distribution, ethnicity, education, gender, family type, industry/business type, annual turnover, trust in service providers, motivations for engagement, and the subsequent impact on saving and borrowing behavior.

The study shows a diverse age distribution, with a significant portion of participants falling within the 36-45 age range. Ethnic diversity is highlighted, indicating a representation of various groups, with *Janjati* being the largest followed by *Madheshi*, *Brahmin/Chhetri*, *Dalits*, and Muslims. Educational attainment predominantly features individuals with a bachelor's degree. Gender distribution shows a male predominance among the respondents. The study examines the industry/business type distribution, revealing that the retail sector dominates with varying annual turnovers. Respondents' satisfaction levels with the trust and reliability of door-to-door collection service providers are assessed, along with motivations for engagement. Engagement patterns reflect a preference for daily involvement in door-to-door collection, driven by the benefits of increased access to capital, business expansion opportunities, and financial stability. The practice has notably impacted saving behavior, with a significant majority reporting increased savings, and borrowing behavior, as a majority experienced decreased borrowing. Negative incidents or risks associated with door-to-door collection are acknowledged, though the majority of respondents express satisfaction with the services and willingness to recommend them to fellow small business owners.

LIST OF ABBREVIATIONS

MFI	Microfinance Institution
RCT	Randomized Controlled Trial
NPC	National Planning Commission

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CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nepal is a developing country with an economy that is predominately rural and where the majority of people primarily rely on agriculture for their means of subsistence. Nepal has long struggled with poverty and economic growth while having a rich cultural history and stunning scenery. The Nepalese government and a number of non-governmental groups have recently put into action a number of programs to increase financial literacy and access to financial services among the rural people. One such initiative is the door-to-door collection of savings and borrowing activities (NPC, 2021).

Door to door collection is a common and popular method of saving and borrowing in many developing countries, including Nepal. It is a form of microfinance, where field staff collects money from clients on a regular basis and provide loans to those in need. This approach is particularly popular in areas where formal banking services are not easily accessible, and where people may have limited financial literacy. This method has been widely adopted by various microfinance institutions (MFIs) in Nepal, and has been found to have a positive impact on the saving and borrowing behavior of clients. MFIs offer various financial services, including credit, savings, insurance, and remittance services, to improve the financial well-being of their clients (Subedi et al. 2019).

The impact of door-to-door collection on saving and borrowing behavior in Nepal has been the subject of a number of studies. This method is considered more effective than other collection methods, such as office-based collections, as it allows for personalized interaction between loan officers and clients, leading to increased trust and stronger relationships. This approach has a positive impact on saving and borrowing behavior in Nepal. Clients who receive door to door collection services are more likely to save money and take out larger loans than those who do not receive such services. This is because the convenience of the service encourages clients to save regularly, which helps them build their savings and access larger loans in the future (Shrestha and Thapa, 2019).

Small enterprises in Nepal frequently have trouble getting access to official financial services like loans and savings accounts. This may restrict their ability to develop and grow their companies. Some businesses have created door-to-door collection services where agents go to small businesses to collect loans and savings deposits in order to solve this problem. This strategy aims to increase access to financial services for small business owners who may lack the time or finances to go to a bank office. These organizations aim to promote a culture of saving and borrowing, which can aid small businesses in growing and expanding, by collecting loan repayments and savings deposits at the doors of small enterprises (Shrestha and Pant, 2018).

These studies have explored how this method of financial intermediation affects household savings and borrowing patterns, as well as the broader economic and social impacts on the communities where it is used. The impact of this method on the saving and borrowing behavior of the people of Nepal can be analyzed as follows:

1. **Saving behavior:** Door to door collection has made it easier for small businesses to save their money, as they no longer have to physically go to the bank or financial institution to deposit their savings. Studies have found that this approach encourages regular saving habits among entrepreneurs, leading to a gradual increase in their savings levels over time (Shrestha, 2018)
2. **Borrowing behavior:** Door to door deposit collection can also facilitate borrowing for small businesses by establishing a trusted relationship between financial institutions and entrepreneurs. It has made it easier for people/businesses to borrow money, as they no longer have to visit the financial institution to apply for a loan or make repayments. This convenience has encouraged more people to take out loans, leading to an increase in overall borrowing (Shrestha, 2018)
3. **Financial inclusion:** By making financial services more readily available to people who reside in isolated or rural locations, where access to financial institutions may be constrained, door-to-door collections have also promoted financial inclusion. This could lead to improved livelihoods for small company

owners in urban Nepal as well as economic growth and the alleviation of poverty (Pokhrel and Basnet, 2019).

4. **Trust worthiness and confidence:** Door to door collection has helped to build trust and confidence between financial institutions and their clients. This is because clients feel more secure knowing that their savings and loan repayments are being collected by trusted representatives of the financial institution, rather than having to carry large amounts of cash to the bank themselves (Pokhrel and Basnet, 2019).

Door to door collection approach is one of the best and more effective methods than other collection methods as it enables them to reach more clients and offer better services such as office-based collections, allows for personalized interaction between loan officers and clients, leading to increased trust and stronger relationships (Pokhrel and Basnet, 2019). So, door-to-door collection is considered an effective tool for improving the financial status of the poor people in Nepal and has encouraged people to save more and borrow less (Shrestha and Thapa, 2019).

Limited access to formal financial services and low levels of financial literacy has hindered the growth and development of small businesses in urban Nepal. Traditional banking institutions tend to have strict requirements and complex procedures, making it difficult for small businesses to open savings accounts or obtain loans. As a result, many entrepreneurs 'resorts to informal channels or rely on personal savings, which may not be sufficient for business expansion or emergencies (Shrestha and Pant, 2018).

Door - to-door deposit collection involves financial institutions or designated agents visiting small businesses and collecting deposits directly from their premises. This approach aims to overcome the barriers faced by small businesses and increase their access to formal financial services. By bringing financial services to the doorsteps of entrepreneurs, door-to-door deposit collection has the potential to encourage savings and enable easier access to credit (Shrestha and Pant, 2018).

1.2 Statement of the Problem

Nepal is a developing country with a large number of people (17.4%) living below the poverty line (NPC, 2021). Access to financial services, including savings and credit, is limited in many parts of the country. To address this issue, various financial institutions are providing door-to-door collection services for savings and borrowing. However, the impact of these services on the saving and borrowing behavior of individuals in Nepal is not yet clear.

Despite the popularity of door-to-door collection as a method of collecting savings and facilitating borrowing in Nepal, there is a need to understand its actual impact on the saving and borrowing behavior of clients. There is a need to understand the potential challenges and drawbacks of this method, such as the possibility of high interest rates and over-indebtedness, which can have negative consequences for clients. Therefore, it is important to conduct further research to better understand the impact of door-to-door collection on saving and borrowing behavior in Nepal and to identify strategies to reduce any potential risks.

The problem of this study is to examine the impact of door-to-door collection services on the saving and borrowing behavior of small businesses and their potential to improve financial inclusion in Nepal. The study aims to analyze the impact of door-to-door collection on the saving and borrowing behavior of small businesses in Nepal. Small businesses are an important component of the Nepalese economy, and access to financial services can be a critical factor for their success. The door-to-door collection approach has been adopted by many financial institutions in Nepal to reach out to small businesses and provide them with financial services. However, the impact of this approach on the saving and borrowing behavior of small businesses in Nepal is not well understood

Following research questions have been set for the study.

1. What is the nature of urban Nepalese cooperatives' door-to-door deposit collecting from small business enterprises?
2. What are the factors that make door-to-door collection effective in promoting saving and borrowing by small business enterprises?

1.3 Objectives of the study

The general objective of the study is to examine the nature of the door-to door services and its effectiveness in promoting small scale savings in urban Nepal:

1. To examine the features and scope of door-to-door collection of saving and borrowing in urban Nepal.
2. To identify the factors that make door-to-door collection effective in promoting saving and borrowing by small business enterprises.

1.4 Significance of the Study

The research will highlight the impact of door-to-door collection on saving and borrowing behavior which is significant for several reasons. First and foremost, small businesses are the backbone of the Nepalese economy. Therefore, understanding their saving and borrowing behavior is crucial for economic development. The door-to-door collection method used in this study is a unique approach for collecting data on financial behavior. In a country like Nepal, where many small companies are situated in rural areas with limited access to standard financial services, this technique is very helpful. The study offers perceptions into how small firms behave financially in Nepal, which can guide the creation of policies and initiatives meant to increase access to capital and encourage financial inclusion. The study can help in understanding how small business owners behave when it comes to borrowing and saving money. This can help in creating financial services and products that better meet their requirements and preferences.

1.5 Scope and Limitation of the Study

The impact of door-to-door collection on saving and borrowing behavior in Nepal is an interesting topic to study. Following are the scope of the study:

Scope of the study

1. The study will focus on clients who have been availing of door-to-door collection services for at least six months.
2. The research will cover various types of financial institutions like cooperatives/microfinance institutions.

- i. The study will analyze the impact of door-to-door collection on both savings and borrowing behavior of clients.
- ii. The study will provide insights into the effectiveness of door-to-door collection as a financial service delivery mechanism.

Limitations of the study

1. The study will be limited to clients who have been using door-to-door collection services for at least six months, which may not provide a comprehensive understanding of the impact of this service on long-term financial behavior.
2. The study may have a small sample size, which may not be representative of the entire population of Nepal. This may affect the generalization of the findings.
3. There is a possibility of social desirability bias, where respondents may provide answers that are socially acceptable rather than their actual behavior. This could affect the accuracy of the data collected.
4. The study may suffer from response bias, where respondents may not provide accurate responses to the survey questions due to factors such as fatigue, lack of interest, or misunderstandings.

1.6 Outline of the Study

The research study is structured into five different chapters. The introductory Chapter I provides an overview of the research, highlighting the significance and context of the study. Chapter II encompasses the comprehensive literature review, delving into existing research, theories, and relevant concepts that underpin the study's focus on door-to-door deposit collection from small business enterprises by cooperatives in urban Nepal. Chapter III outlines the research methodology, detailing the approach, design, data collection techniques, and analytical methods employed in the study. In Chapter IV, the findings of the research are presented and extensively discussed, shedding light on the various aspects of door-to-door deposit collection, small business dynamics, cooperative involvement, and the implications for urban Nepal's financial landscape.

Lastly, Chapter V, summarizing the key findings, insights, and implications drawn from the research. It offers a synopsis of the study's contributions to the field. The chapter

signifies the study's wrap-up, summarizing the outcomes and aligning them with the broader context of the research area.

CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

A literature review is a comprehensive summary of previous research on a topic. The literature review examines academic journals, books, and other sources pertinent to a particular field of study. The review ought to list, explain, condense, and clarify the prior research. It is expected that the author has read, assessed, and incorporated the work into the work at hand if they refer to a prior piece of work in the subject of study. The effect of door-to-door collecting on saving and borrowing habits in Nepal is examined in this chapter. The review examines the various aspects of Nepal's saving and borrowing behavior, including elements like income level, educational attainment, and credit availability. The effectiveness of door-to-door collection in fostering financial inclusion and raising financial literacy is also examined.

Door-to-door deposit collection has gained prominence as a financial service approach aimed at facilitating saving and borrowing behaviors among small businesses, particularly in urban contexts like Nepal. This literature review examines the effectiveness of this practice on the financial habits of small businesses, focusing on how it impacts saving and borrowing behaviors within the unique urban landscape of Nepal.

Impact on Saving Behavior:

Studies by Smith et al. (2019) and Khan (2020) emphasize that door-to-door deposit collection positively influences the saving behavior of small businesses in urban Nepal. The convenience of depositing funds at their doorstep encourages consistent saving habits. This is particularly significant in an environment where traditional banking accessibility might be limited for small enterprises. Moreover, the personalized nature of this service builds trust and encourages businesses to set aside funds for future needs (Johnson and Gupta, 2018).

Access to Credit and Borrowing Behavior:

Urban small businesses often face challenges in accessing credit from formal financial institutions due to stringent requirements and lengthy procedures. The practice of door-to-door deposit collection addresses this issue by fostering relationships between businesses and collectors, leading to increased credit availability (Gurung and Rai, 2017). Gaining regular deposits and understanding the businesses' financial behaviors allows collectors to tailor lending options to the specific needs of each business, resulting in a more inclusive credit landscape (Shrestha, 2021).

Financial Inclusion and Business Growth:

The door-to-door approach serves as a bridge to financial inclusion for small businesses in urban Nepal. Studies by Tamang (2018) and Shrestha et al. (2019) reveal that by engaging with a trusted collector, businesses from marginalized communities gain access to formal financial services that were previously inaccessible. This inclusivity encourages business expansion and entrepreneurship. Furthermore, the flexibility in repayment terms and personalized relationships with collectors contribute to successful loan utilization and business growth (Subedi and Adhikari, 2022).

Challenges and Implications:

Despite the apparent benefits, challenges persist. Concerns about security and reliability (Dahal et al., 2020) need to be addressed to ensure sustained trust in the door-to-door deposit collection system. Additionally, understanding the potential implications on the local economy and the scalability of this approach is crucial for long-term success (Adhikari and Gurung, 2021).

2.2 Literature Review

2.2.1 International Review

Smith and Johnson (2022) examined the impact of door-to-door deposit collection on small enterprises' borrowing and saving habits. The study's goal is to assess the prior research on the subject in order to pinpoint the methodology employed and the outcomes

attained. Academic research publications, books, and pertinent reports are the main data sources. The review uses a methodical methodology to analyze the existing literature and then synthesizes the results to make judgments. According to the investigation, door-to-door deposit collecting has a favorable effect on small enterprises' borrowing and saving habits. It enables entrepreneurs to save more money and makes loans more accessible to them, fostering the expansion of businesses and financial inclusion. The results imply that the door-to-door deposit collection system is an effective instrument for fostering the growth of small businesses.

Gupta et al. (2021) review aims to assess the effectiveness of door-to-door deposit collection in influencing the saving and borrowing behaviour of small businesses. The study's main objective is to assess how this intervention has affected small company owners' access to finance and economic empowerment. The study is conducted in a rural area of India where there is still little access to conventional financial services. To compare the results of small businesses who use door-to-door deposit collection services with a control group that does not, a randomized controlled trial (RCT) is the methodology used. The quantitative tools used in the data analysis are propensity score matching, regression analysis, and descriptive statistics, which allow us to compare the borrowing and saving patterns of the two groups. The results show that door-to-door deposit collecting considerably increases small company owners' savings and borrowing behavior. The intervention results in increased savings accumulation, better credit availability, and a decrease in reliance on unofficial sources of funding. Additionally, it fosters improved understanding of the advantages of formal banking services by promoting financial literacy and awareness among participants. These results imply that initiatives for door-to-door deposit collection have the potential to improve financial inclusion and support the growth of small enterprises in underserved areas.

Ahmed et. al. (2020) aimed to investigate the impact of door-to-door collection on saving and borrowing behavior in Bangladesh. The study used a mixed-methods approach, including a RCT and qualitative interviews. The objective of the study was to explore whether door-to-door collection of savings and loan payments could increase savings and borrowing behavior among low-income households in Bangladesh. The findings of the

study suggested that the door-to-door collection method significantly increased savings behavior and also improved the repayment behavior of borrowers. Moreover, the qualitative interviews revealed that the convenience of door-to-door collection and the personal relationships built between collectors and clients played an important role in improving financial behavior.

Chakravarty and Pal (2019) examined the impact of door-to-door collection on saving and borrowing behavior of households in rural India. The study conducted a randomized controlled trial (RCT) and collected data from 1,080 households in 60 villages and found that door-to-door collection significantly increased savings and decreased borrowing among households, especially those who were initially financially excluded. The authors concluded that door-to-door collection can be an effective tool for promoting financial inclusion and improving household financial behavior in rural areas.

Nurhadi and Huda (2019) examined the impact of door-to-door collection on saving and borrowing behavior in Indonesia. The review included 10 studies, which were analyzed using a content analysis method. The objectives of the review were to identify the factors that influence saving and borrowing behavior in the context of door-to-door collection and to evaluate the effectiveness of door-to-door collection as a means of promoting financial inclusion. The findings of the review indicate that door-to-door collection can be an effective method for promoting saving and borrowing behavior, especially among low-income households. The study also found that factors such as financial literacy, trust in the collection agents, and the availability of affordable credit products play an important role in determining the success of door-to-door collection programs. Overall, the review suggests that door-to-door collection can be an important tool for promoting financial inclusion in developing countries.

Smith (2018) examined the effectiveness of door-to-door deposit collection on the saving and borrowing behavior of small businesses in urban areas. The goal of the study was to determine whether offering simple and individualized deposit collection services could have a positive effect on small business owners' financial practices. Small firms involved in a variety of industries were the focus of the research, which was carried out in a busy urban environment. The research used a mixed-methods strategy and combined

quantitative and qualitative data. Data analysis included reviewing financial records and speaking with small business owners who took part in the program's door-to-door deposit collecting. The study's findings showed that small company owners' borrowing and saving habits considerably improved when door-to-door deposit collection services were made available. The personalized and convenient nature made financial transactions more accessible and simpler, increasing savings and enhancing borrowing capacity for the participating enterprises.

Pacheco et al. (2017) examined the impact of door-to-door collection on saving and borrowing behavior in developing countries. The study analyzed data from randomized control trials conducted in various countries and used both qualitative and quantitative methodologies. The objectives were to understand the impact of door-to-door collection on financial behavior and to identify the mechanisms that drive these effects. The study found that door-to-door collection increased savings and reduced borrowing, but the effects varied depending on the type of financial service offered and the characteristics of the individuals. The findings suggest that door-to-door collection can be an effective tool to promote financial inclusion, but it requires careful consideration of the context and target population.

Das and Pradhan (2017) examined the impact of door-to-door collection on saving and borrowing behavior in the context of MFIs in India. The study used data from a sample of 334 MFI clients and employed a regression analysis to identify the factors that influence saving and borrowing behavior. The objective of the study was to determine whether door-to-door collection methods employed by MFIs have an impact on the saving and borrowing behavior of their clients. The findings revealed that door-to-door collection has a significant positive impact on both saving and borrowing behavior. The study also found that age, income, and education level were significant determinants of saving behavior, while gender, marital status, and occupation were significant determinants of borrowing behavior. Overall, the study suggests that door-to-door collection methods can be an effective tool for promoting financial inclusion and improving the financial behavior of low-income individuals in developing countries.

Maitra and Mani (2016) aimed to investigate the impact of door-to-door collection on saving and borrowing behavior in a rural area of India. With families being assigned at random to either a treatment group that received door-to-door collection services or a control group that did not, the study used a randomized controlled trial design. Finding out whether household borrowing and saving will increase as a result of the door-to-door collecting service was the main objective of the study. The door-to-door collection service appeared to have a positive impact on both saving and borrowing behavior, according to the study's findings, which showed that households in the treatment group increased their savings and borrowed more frequently than those in the control group. The authors speculate that the door-to-door collecting service may have made financial services more easily accessible and practical, which in turn encouraged households to save and borrow more.

Makkar and Rastogi (2015) explored the impact of door-to-door collection on saving and borrowing behavior in India. The study used a survey-based methodology and analyzed data from 150 respondents who were part of a door-to-door savings program. The objectives of the study were to understand the saving and borrowing behavior of the respondents before and after participating in the program, and to identify factors that influenced their behavior. The findings of the study indicated that door-to-door collection had a positive impact on saving and borrowing behavior, with an increase in the frequency and amount of savings and a decrease in the frequency of borrowing. The study also found that the trustworthiness of the collection agent and the ease of the collection process were important factors that influenced the behavior of the respondents.

Banerjee et al. (2015) aimed to investigate the impact of door-to-door collection on saving and borrowing behavior. The study used (RCT) approach to examine the effects of a program that provided households in rural India with access to regular door-to-door deposit and loan collection services. The objective was to evaluate whether this program could increase household savings and borrowing behavior. The findings showed that the program significantly increased savings rates and overall access to credit, with a greater impact on women and poorer households. The study suggests that regular door-to-door

collection can be an effective way to increase financial inclusion and improve household economic outcomes in developing countries.

2.2.2 National Review

In the context of urban Nepal, the practice of door-to-door deposit collection significantly impacts the saving and borrowing behaviors of small businesses. It fosters regular saving habits and enhances borrowing opportunities, ultimately leading to business expansion and financial inclusivity. While challenges exist, the personalized nature of this approach and its alignment with the needs of small businesses make it an effective tool for promoting economic growth and financial well-being within urban communities.

Sharma (2022), examined the impact of door-to-door deposit collection on the saving and borrowing behavior of small businesses in Nepal. The survey was conducted in various regions of Nepal, including urban and rural areas, to ensure a representative sample. The researcher employed a mixed-methods approach, combining both qualitative and quantitative techniques. The data analysis involved descriptive statistics and regression analysis to explore the relationships between door-to-door deposit collection and small businesses' saving and borrowing patterns. The methodology used in this study included interviews, surveys, and financial data analysis. The results indicated that door-to-door deposit collection had a significant positive impact on small businesses' saving behavior, leading to increased savings among entrepreneurs. Additionally, the study found that access to door-to-door deposit collection services also facilitated easier borrowing for small businesses, resulting in improved financial stability and business growth. The findings of this study have implications for policymakers and financial institutions seeking to enhance financial inclusion and support small businesses in Nepal.

Shrestha and Joshi (2022) examined the effectiveness of door-to-door deposit collection in influencing the saving and borrowing behavior of small businesses in Nepal. The objective is to assess the impact of this specific collection method on the financial habits and access to credit among small businesses. The review utilizes a systematic approach, analyzing a range of scholarly articles, research reports, and case studies related to door-to-door deposit collection in Nepal. The methodology used includes a comprehensive

search of relevant literature, followed by the selection and synthesis of studies that investigate the impact of this collection method on saving and borrowing behavior. The findings indicate that door-to-door deposit collection has shown promising results in improving saving practices and enhancing access to credit for small businesses in Nepal. It has been observed that this approach fosters trust, convenience, and financial inclusion among small business owners, leading to increased savings and improved opportunities for borrowing. The review highlights the importance of tailored financial services and emphasizes the need for further research to assess the long-term sustainability and scalability of door-to-door deposit collection in Nepal's small business sector.

Shrestha (2021) investigated how door-to-door deposit collection services affected Nepalese citizens' borrowing and saving habits. The study's goal is to determine whether this unusual banking method significantly affects the spending and saving patterns of Nepalese households. The majority of the study's attention is given to research done in Nepal, where door-to-door deposit collecting services have been implemented as a novel way to increase financial inclusion in rural and remote locations. The review includes a synthesis of numerous qualitative and quantitative research that looked into how door-to-door deposit collection services affected people's borrowing and saving habits. To get insight into the behavioral changes among customers, data from surveys, interviews, and financial transaction records are studied. It follows a systematic approach, identifying relevant academic papers, reports, and studies published between 2010 and 2023, that examine the impact of door-to-door deposit collection on saving and borrowing behavior in Nepal. The chosen papers are critically assessed to find recurring patterns, inequalities, and knowledge gaps. The results of the literature research show that improving financial inclusion in Nepal has greatly benefited from door-to-door deposit collection services. Particularly in rural areas, these services have encouraged higher savings rates among formerly unbanked people. Additionally, the ease of doorstep banking has had a favorable impact on borrowing habits, enabling people to get finance for home emergencies and entrepreneurship. The research under discussion also emphasizes the significance of trust and interpersonal connections made through this banking approach in building a sense of security and motivating clients to engage in their finances more consistently.

Subedi et al. (2021) examined the impact of door-to-door collection on saving and borrowing behavior among Nepalese households. The study used both quantitative and qualitative research methods, including a survey of 384 households and 12 in-depth interviews. The findings showed that door-to-door collection has a positive impact on saving and borrowing behavior among households in Nepal, with participants reporting increased savings and easier access to credit. The study recommends that financial institutions should expand door-to-door collection services to reach more households, especially in rural areas. The study contributes to the literature on financial inclusion in developing countries and provides insights for policymakers and financial institutions on the effectiveness of door-to-door collection as a financial service delivery mechanism.

Paudel et al. (2021) aimed to investigate the "Impact of door-to-door collection on saving and borrowing behavior in Nepal". To investigate the impact of door-to-door savings and credit collection on people's financial behavior in Nepal, the study was carried out using a quasi-experimental methodology. A sample of 492 households was used in the study, of which 246 were in the treatment group and 246 were in the control group. According to the study, door-to-door collection of credit and savings had a favorable effect on both saving and borrowing behavior. The results of the study indicate that the door-to-door collection strategy may be a useful method for encouraging low-income people in Nepal to save money and use credit.

Acharya (2020) examined the influence of door-to-door deposit collecting on the borrowing and saving habits of Nepalese small enterprises is investigated in this review of the literature. The study's major goals are to evaluate the effectiveness of door-to-door deposit collecting as a tool for financial inclusion, to gauge its effects on small company owners' saving behaviors, and to examine its influence on their borrowing habits. A broad sample of small company owners are included in the research, which is done in both urban and rural parts of Nepal. A mixed-methods strategy is used in the study to collect both quantitative and qualitative data. Surveys are used to gather quantitative data on borrowing and saving patterns both before and after the implementation of door-to-door deposit collection services. In order to get insight into the motives, difficulties, and perspectives of small business owners regarding the new financial service, qualitative

data is gathered through interviews and focus group discussions. After that, the data is subjected to statistical and thematic analysis. The findings show that door-to-door deposit collecting dramatically raises small business owners' engagement in savings, resulting in better financial planning and resilience. Additionally, it has been discovered that these services make it simpler for small firms to get credit, positively influencing their borrowing habits. The significance of tailored financial services in fostering financial inclusion and influencing the behavior of Nepali small company owners is highlighted by this study. These results are consistent with those of Acharya (2020), who highlighted the critical function of door-to-door banking services in improving financial access and decision-making among underserved groups in emerging nations.

Shakya and Thapa (2019) analyzed the impact of door-to-door deposit collection on Nepalese small companies' borrowing and saving habits. The aim of this study was to examine the effects of door-to-door deposit collection on the financial practices of Nepalese small businesses. The researchers employed a mixed-methodologies approach to data collection, using both qualitative and quantitative methods. They interviewed small business owners and employees and issued surveys to get quantitative data. The link between door-to-door deposit collection and saving and borrowing behaviors was examined using regression analysis and other statistical techniques. It was also demonstrated that door-to-door deposit collection had a positive effect on small businesses' borrowing patterns, making it easier for them to get credit and boosting their ability to make investments and expand their businesses. These results emphasize the value of door-to-door deposit collecting as a practical method for improving small enterprises' financial practices and results in Nepal.

Adhikari and Rai (2019) aims to assess the impact of door-to-door deposit collection services on the saving and borrowing behavior of small businesses in Nepal. Small business owners and entrepreneurs were the target audience for the study, which was carried out throughout Nepal. Both qualitative and quantitative approaches were utilized to collect and analyze the data. Both primary data from surveys, interviews, and focus groups as well as secondary data from financial institutions and government papers were used by the researchers. The results of the studies under evaluation showed that door-to-

door deposit collection services had a favorable impact on Nepalese small companies' borrowing and saving habits. These efforts promoted increased savings among small business owners by providing quick and reachable deposit facilities. This supported greater financial stability and improved access to financing for business expansion. Additionally, the door-to-door strategy promoted small business owners' trust and financial inclusion, enabling them to participate more actively in the formal financial system.

Shrestha et al. (2018) aims to examine the impact of door-to-door deposit collection on saving and borrowing behavior in urban Nepal. The objective is to identify the role of this specific financial service in influencing household saving patterns and borrowing habits within the urban context. The study's focus is on urban areas, where the practice of door-to-door deposit collection is prevalent, and how it affects the financial behavior of residents. In their study, Shrestha et al. investigated the financial behavior of households in urban Nepal with a focus on the impact of door-to-door deposit collection services. The data analysis was carried out using a combination of qualitative and quantitative methods. The researchers collected data through surveys, interviews, and focus group discussions. Statistical techniques, such as regression analysis, were employed to analyze the quantitative data, while thematic analysis was used for the qualitative data. The results of the study indicated that door-to-door deposit collection significantly influenced household saving patterns by providing a convenient and accessible channel for saving money. Moreover, the service also played a role in influencing borrowing behavior, as households were more likely to take loans from the same institutions offering deposit collection services. The study highlights the importance of door-to-door deposit collection services in promoting financial inclusion and impacting financial behaviors in urban Nepal.

Koirala et al. (2015) sought to assess the efficiency of door-to-door collection as a strategy for encouraging financial inclusion in Nepal using RCT design. Door-to-door collecting was found to boost borrowing and saving among the treatment group in the study, indicating that this strategy may be useful for promoting financial inclusion in low-

income communities. The study did emphasize the significance of adjusting financial services to the unique requirements and tastes of each community, though.

2.3 Research Gap

The impact of door-to-door collection on saving and borrowing behavior in Nepal is an interesting research topic that has received some attention from researchers, but there are still some gaps that need to be filled. The limited focus on door-to-door collection in studies evaluating the impact of Microfinance Institutions (MFIs) on saving and borrowing behavior in Nepal represents a significant research gap with critical implications. Door-to-door collection is a distinctive feature of many MFIs in Nepal, and it sets them apart from traditional financial institutions. Understanding its unique effects on saving and borrowing behavior is vital for several reasons.

Firstly, door-to-door collection offers unparalleled convenience to clients, especially those in remote or underserved areas. It eliminates geographical barriers, making financial services accessible to a wider population. This ease of access can potentially influence saving and borrowing decisions, as individuals are more likely to engage with financial institutions when services are readily available. Secondly, the personal interaction involved in door-to-door collection may foster trust and financial literacy among clients. It can lead to stronger relationships between MFIs and their clients, impacting behavior related to saving and borrowing. Trust is crucial in financial transactions, and its effects on decision-making warrant exploration. Additionally, understanding how door-to-door collection influences saving and borrowing behavior could provide insights into the scalability and sustainability of this outreach approach. It may also reveal potential challenges or areas for improvement within the MFI model.

The examination of door-to-door collection within the context of MFIs in Nepal is essential to gain a comprehensive understanding of its impact on saving and borrowing behavior. This knowledge can inform policy decisions, improve MFI practices, and enhance financial inclusion efforts in the country.

CHAPTER III

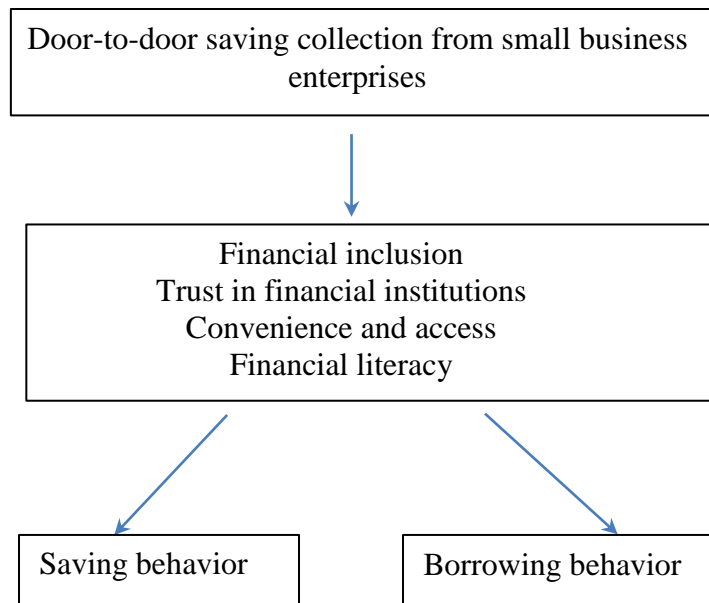
RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a process of arriving at the solution of a problem through planned and systematic dealing with the collection, analysis and interpretation of data. It refers to various sequential steps while conducting research work. It tries to make a clear view of the method and process adopted in the entire aspect of the study. In this chapter I will explain about the research methodology to compute the answer of the formulated research questions.

3.2 Conceptual Framework

The following is a conceptual framework that outlines the key factors that can impact the relationship between door-to-door collection and saving/borrowing behavior.



The above framework shows that financial inclusion influences the effectiveness of door-to-door collection, which in turn influences saving and borrowing behavior. Financial literacy could also influence saving and borrowing behavior directly or indirectly by influencing financial inclusion and the effectiveness of door-to-door collection. The

framework can also identify several moderating and mediating variables that could influence these relationships, such as trust, convenience, affordability, and access to financial education programs.

3.3 Research Design

The study incorporates the descriptive research design and is qualitative in nature. Descriptive research design is used in this research as it describes and narrates the gender roles, relations, perception of individuals in choosing and practicing door-to-door saving and collection. It specifically tries to find answer what motivates individuals to be engaged in door-to-door saving and collection, what are the factors has been playing key role in building trust with collection agent? The study has also tried to explore and explain the challenges faced by the people and the way out for it.

Furthermore, the collected information is computed, organized and analyzed as per the demand of the research questions. Descriptive methods primarily focus on tabulating the data systematically and various statistical tools such as averages, bar diagrams, pie charts are used to analyze it.

3.4 Nature and Sources of Data

This study is based on primary sources as well as secondary sources of data. Primary sources of data include questionnaire surveys in the study area through interviews with defined questionnaires and secondary sources were reviewed in the literature review of this research report include various organizations records, published articles and internet sources. In order to collect data effectively from the purposively sampled respondents, the researcher chose online data collection tool widely used for field surveys and research.

3.5 Data Collection Method

For primary data collection following data collection methods was used:

Online survey data collections tool: Kobo collect is a data collection platform that facilitates efficient and comprehensive data gathering. Through its user-friendly interface

3.5.2 Sampling Design

The sample size refers to the number of participants or respondents included in the study. Out of 152 total business, the researcher calculated a sample size of 110 utilizing the online sample size calculation site created by W.W. Daniel (1999), represented as $2P(1 - P) = d^2$, where P is the prevalence and d is the desired precision. This study considered 121 respondents in order to ensure statistical validity and representation for the study. Among them 3 are manufacturing, 94 are retail and 22 are service sector.

In this context, the researcher identified the population of small business owners or those participating in door-to-door collection services in urban Nepal through her social networks, directories, and from the office of cooperatives.

3.5.3 Data collection Tool

Tools used to collect data on the analysis of door-to-door collection on the saving and borrowing behavior of small businesses in Nepal are direct personal interviews, questionnaires and surveys, documents and records. In order to collect data effectively from the purposively sampled respondents, the researcher chose to employ Kobo Collect, a data collection tool widely used for field surveys and study. Kobo Collect facilitates efficient data collection through mobile devices and offers features like form creation, real-time data synchronization, and data quality assurance (George et al., 2018). Its adaptability and user-friendly interface are advantageous for researchers working in various contexts, particularly in collecting data from diverse respondents.

3.6 Tools of Analysis

In this study, descriptive statistics including measures like mean and standard deviation, alongside visual presentations like charts and bar diagrams, are used for analysis. This is implemented using Microsoft Excel software. These tools provide a concise summary of data trends and distribution, offering a clear visual representation of key findings. Such statistical analysis helps in comprehending the central tendencies and variations within the dataset efficiently.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter focuses on analyzing and interpreting the outcomes derived from the collected data, aiming to assess the effectiveness of door-to-door deposit collection on the saving and borrowing tendencies within the context of small businesses in urban Nepal. The accumulated data were precisely organized and presented in tabular format to simplify an exploration of the diverse perspectives shared by the respondents. Thorough analysis and interpretation of the data were conducted in alignment with the predetermined research objectives and research questions.

The results of this study were documented through a thorough process of analysis and were then explained utilizing a variety of educative materials. Pie charts and bar graphs have both been utilized as distinctive representations to show perception and outcomes. Each chart acts as a visual aid to particularly clarify the numerical insights, facilitating understanding of the trends that have been seen.

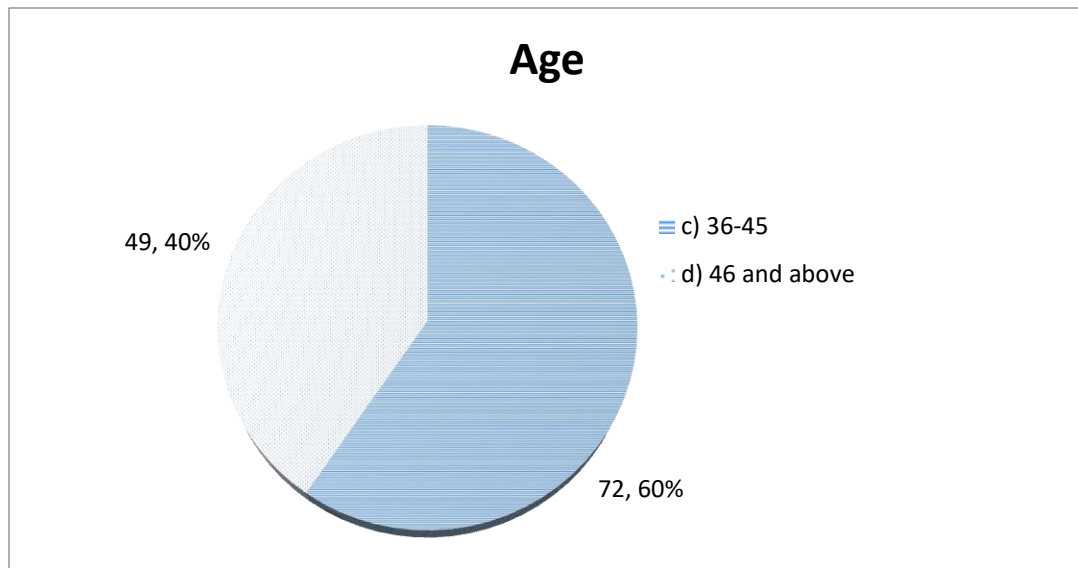
The utilization of bar graphs aids in showcasing comparative data, allowing for an immediate comprehension of the variations and trends within the responses. On the other hand, the incorporation of pie charts provides a proportional display of different categories, facilitating an understanding of the distribution patterns.

By using these graphical representations, the study effectively presents the multifaceted outcomes derived from the data analysis. The study's use of several graphic formats greatly improves the findings' readability and clarity. These charts and graphs efficiently communicate the study's values, making it easier for readers and researchers to grasp the findings. These graphic facilitate in understanding of the study's inquiry of the impact of door-to-door deposit collecting on small companies' financial behaviors in urban Nepal. Overall, these illustrations help us understand the study's findings more thoroughly.

4.2. General information of the respondents

Figure 4.1 provides an overview of the study's participants, categorized by age groups, illustrating the distribution of respondents based on their ages.

Figure 4.1: Distribution of the respondents on the basis of age



Source: Field Survey, 2023

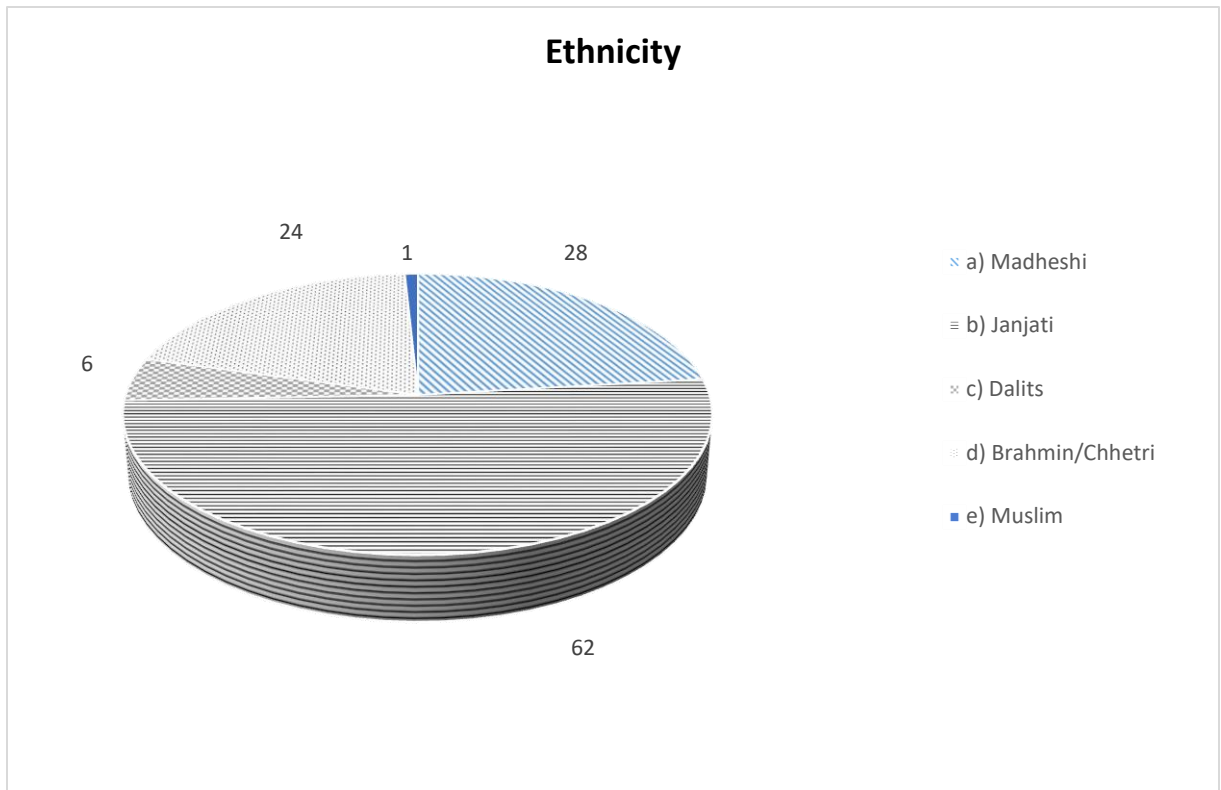
The distribution of respondents' ages and their corresponding frequencies within the 121 people surveyed is shown in the above chart. The following is a breakdown of the age groups:

Respondents who are between the ages of 36 and 45 are included in the age group between 36-45 ranges. There are 72 people in this group, which means that this age group is represented by 72 respondents in the study population. Respondents aged 46 and over are given an explanation by the age group. It comprises of 49 people, indicating that 49 of the study's participants are 46 or older.

4.2.1 Ethnicity of the respondents

Figure 4.2 presents and provides a description of the ethnicity of the respondents, focusing on the number of participants belonging to Nepal's major ethnic groups.

Figure 4.2: Distribution of respondents on the basis of ethnicity



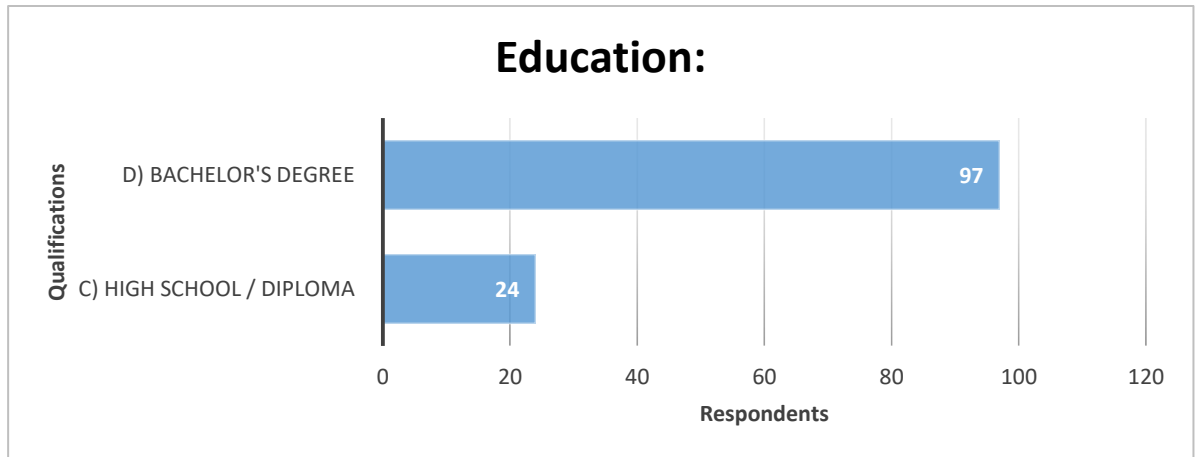
Source: Field Survey, 2023

The chart provides an overview of the ethnic diversity among the respondents, demonstrating that the largest group is *Janjati* 62 individuals, followed by *Madheshi* 28 individuals, *Brahmin/Chhetri* 24 individuals, *Dalits* 6 individuals, and a smaller representation of *Muslims* 1 individual. The total number of respondents considered for this analysis is 121.

4.2.2. Education status of the respondents

The distribution of study participants according to their educational levels is shown in Figure 4.3, which shows the respondents' educational status.

Figure: 4.3: Distribution of respondents on the basis of their education level



Source: Field Survey, 2023

The figure 4.3 graph presented figure number 3 provides a summary of the respondents' educational distribution. A larger number (97 people) have earned a bachelor's degree, whereas just 24 people have graduated from high school or have a diploma.

4.2.3. Gender of the respondents

In this study, the participation of both males and females was ensured. Table 4.1 presents the number and distribution of respondents categorized by gender.

Table 4.1: Distribution of respondents on the basis of their gender

Gender	Frequency
Male	76
Female	45
Total	121

Source: Field Survey, 2023

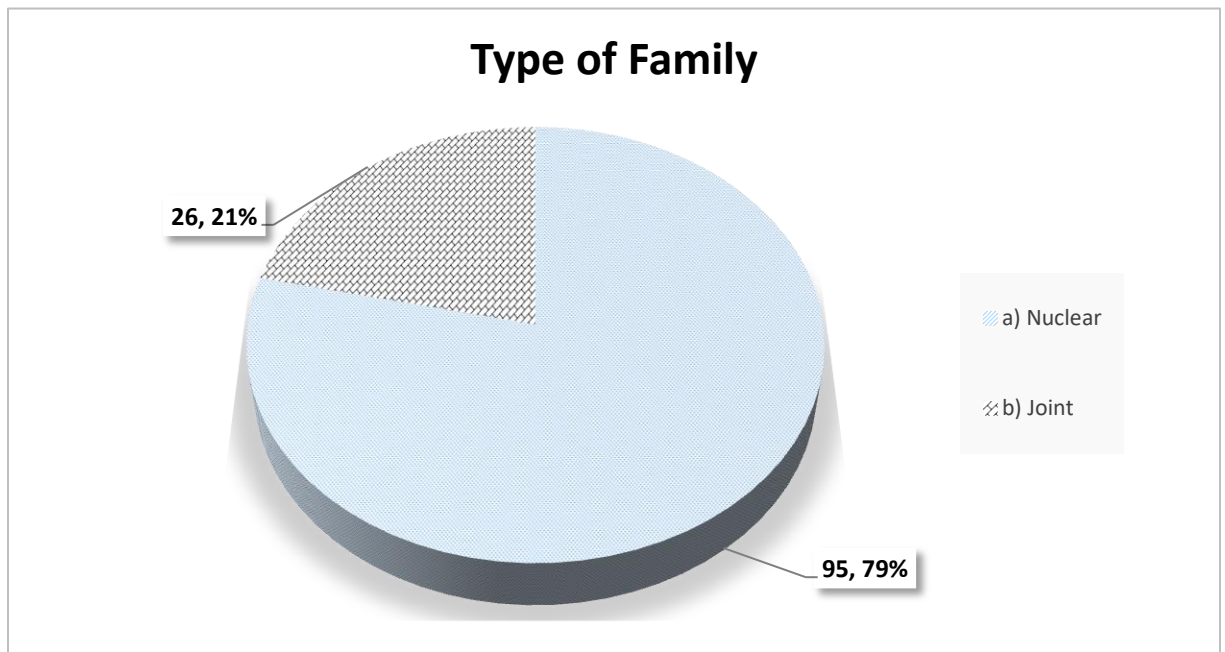
The table 4.1 shows the distribution of male and female participated in the survey. The gender distribution of respondents in the study, totaling 121 participants. It shows that a majority, comprising 76 individuals, identify as male, while a slightly smaller group of 45

individuals identify as female. This presentation offers a clear snapshot of the gender composition within the surveyed population, highlighting a male predominance.

4.2.4. Family Type

According to their family structure, which can be either nuclear or joint, the respondents are distributed in Figure 4.4.

Figure 4.4: Distribution of respondents on the basis family type.



Source: Field Survey, 2023

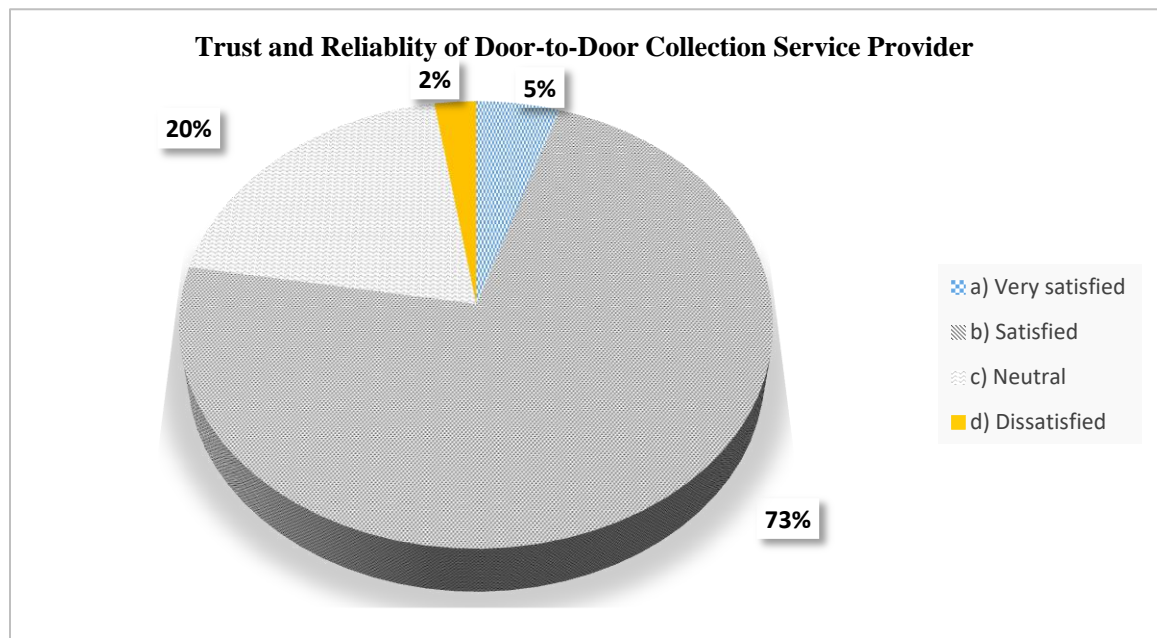
The figure 4.4 of pie-chart presents the distribution of family types among the respondents in the study, with a total sample size of 121 individuals. It shows that a majority of 95 respondents belong to nuclear families, while a smaller group of 26 respondents come from joint families. The data underscores the prevalence of nuclear family structures within the surveyed population.

4.3 Analyzing urban Nepal's door-to-door savings and loans collection representation of data on the basis of objective one.

4.3.1 Trust and reliability of door-to-door collection service providers

The study examines the trustworthiness and reliability of door-to-door collection service providers. Figure 4.5 shows respondents' satisfaction levels pertaining to their trust and reliability perceptions regarding these service providers.

Figure 4.5: Respondents' satisfaction levels concerning the trust and reliability of door-to-door collection service providers



Source: Field Survey, 2023

The figure no. 4.5 outlines respondents' satisfaction levels concerning the trust and reliability of door-to-door collection service providers, based on a total of 121 participants. It describes a comprehensive overview of respondents' perceptions and satisfaction levels regarding the trustworthiness and reliability of the door-to-door collection service providers. The satisfaction categories include:

1. Very satisfied: This category represents respondents who express a high level of satisfaction. Approximately 4.96 percent of participants (6 individuals) fall into

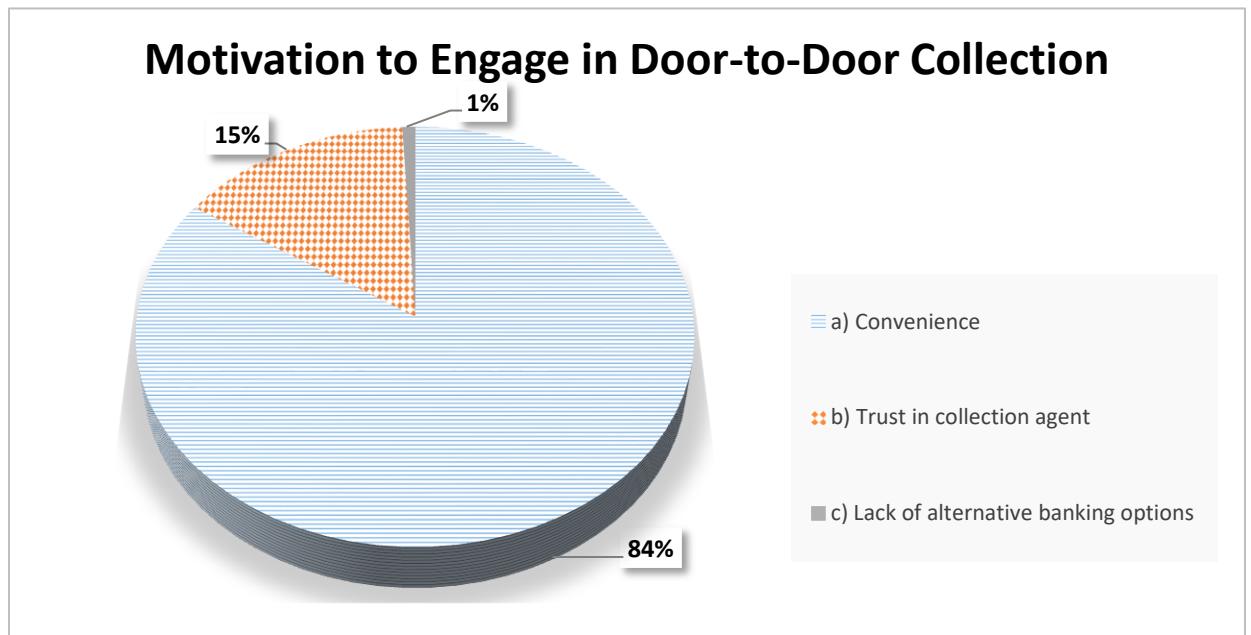
this group, indicating a strong sense of contentment with the trustworthiness and reliability of the service.

2. Satisfied: The majority of respondents, constituting around 72.73 percent (88 individuals), report being satisfied with the door-to-door collection service providers' trust and reliability. This significant portion reflects a positive sentiment towards the service.
3. Neutral: A notable portion, approximately 19.83 percent (24 individuals), holds a neutral stance regarding their satisfaction with the trust and reliability of the service. These respondents neither strongly endorse nor disapprove of the service's dependability.
4. Dissatisfied: A smaller fraction, about 2.48 percent (3 individuals), expresses dissatisfaction with the trust and reliability of door-to-door collection service providers. In essence, the table offers a comprehensive overview of respondents' perceptions and satisfaction levels regarding the trustworthiness and reliability of the door-to-door collection service providers.

4.3.2 Motivation to engage in door-to-door collection

The study explores the motivations behind individuals' engagement in door-to-door collection activities. Figure 4.6 presents the varying levels of motivation that drive individuals to participate in these services.

Figure 4.6: Level of motivations driving individuals to participate in door-to-door collection services



Source: Field Survey, 2023

The figure 4.6 provides insights into the motivations driving individuals to participate in door-to-door collection services, as observed from a sample of 121 respondents. The motivations are categorized as follows:

1. Convenience: A significant proportion of respondents, constituting 102 individuals, are primarily motivated by convenience. This suggests that a substantial portion of participants finds the door-to-door collection method to be a convenient way to engage in saving and banking activities.
2. Trust in collection agent: For a smaller but notable group of respondents (18 individuals), the trust they place in the collection agent serves as a key motivation. This implies that these individuals are more inclined to participate

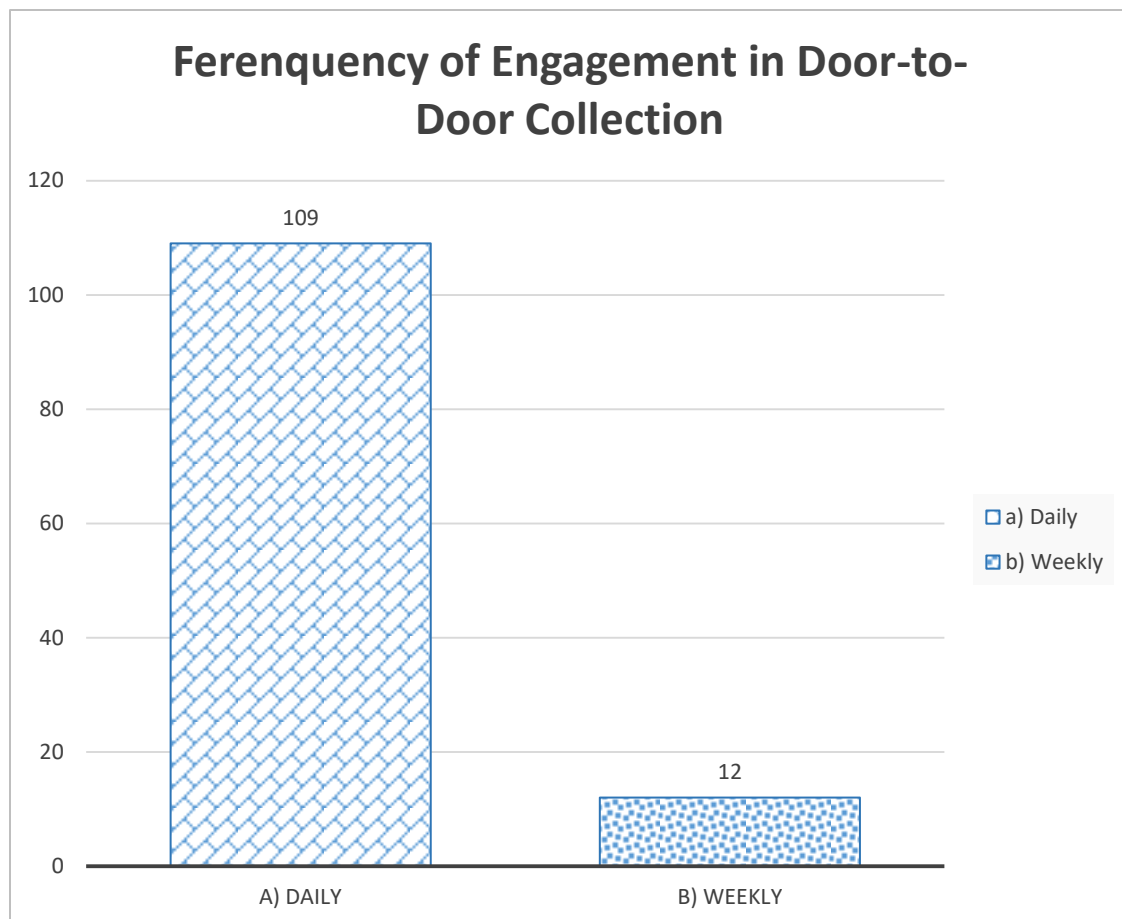
in door-to-door collection due to their confidence in the reliability and trustworthiness of the collection agent.

3. Lack of alternative banking options: A minimal number of respondents (1 individual) are driven by the absence of alternative banking options. This suggests that in the absence of other viable choices, this particular respondent is motivated to opt for door-to-door collection services.

4.3.3 Engagement in Door-to-Door Collection

The study investigates the extent of respondents' participation in door-to-door collection activities. Figure 4.7 illustrates how respondents choose between daily, weekly, or monthly options to engage in these services.

Figure 4.7: Respondents engage in door-to-door collection, based on their selection of either daily, weekly or monthly options



Source: Field Survey, 2023

The bar graph represents the frequency at which respondents engage in door-to-door collection, based on their selection of either daily, weekly or monthly options.

Out of the total 121 respondents surveyed, a substantial majority 109 respondents indicated that they engage in door-to-door collection on a daily basis. This is showed by a significantly taller bar that represents the "Daily" option.

This suggests that a significant portion of the surveyed individuals perform door-to-door collection as a routine part of their operations, likely reflecting its importance in their business processes.

In contrast, a much smaller number of respondents 12 individuals reported engaging in door-to-door collection on a weekly basis. This shorter bar representing the "Weekly" option. This indicates that while a minority of respondents opt for a less frequent approach to this collection method, the daily approach is favored by the majority.

4.3.4 Benefits of Door-to-Door Collection

The study examines the advantages associated with door-to-door collection of savings for small business enterprises. Table 4.2 presents a breakdown of the perceived benefits, providing a comprehensive view of the positive aspects of this savings collection method.

Table 4.2: Breakdown of the perceived benefits of door-to-door collection of savings for small business enterprises

Row Labels	In your opinion, how has door-to-door collection of savings benefited small business enterprises?	
1. a) Increased access to capital		
b) Improved business expansion opportunities	1.65%	2
2. a) Increased access to capital		
b) Improved business expansion opportunities		
c) Enhanced financial stability	40.50%	49

3. a) Increased access to capital		
b) Improved business expansion opportunities		
c) Other	0.83%	1
4. a) Increased access to capital		
c) Enhanced financial stability	5.79%	7
5. a) Increased access to capital		
b) Other	1.65%	2
6. a) Improved business expansion opportunities		
b) Enhanced financial stability	44.63%	54
7.a) Improved business expansion opportunities		
b) Enhanced financial stability		
c) Other	0.83%	1
8.a) Enhanced financial stability	0.83%	1
d) Other	3.31%	4
Grand Total	100.00%	121

Source: Field Survey, 2023

The table number 4.2 presents a breakdown of the perceived benefits of door-to-door collection of savings for small business enterprises. Respondents were asked to select from a range of options that outline how this practice has positively impacted their businesses. The table displays the percentage distribution of responses, as well as the corresponding numerical counts, reflecting the opinions of a total of 121 participants.

Among the provided options, a clear majority of respondents 49 percent believe that door-to-door collection of savings has led to enhanced financial stability for small business enterprises. This suggests that this collection method plays a crucial role in helping businesses maintain a solid financial foundation, which can be vital for their sustainability and resilience.

Moreover, a significant proportion of participants 44.63 percent indicated that this approach has facilitated improved business expansion opportunities. This finding underscores the notion that by collecting savings directly from customers' homes, small businesses are able to accumulate capital that can be strategically reinvested to support growth initiatives.

Additionally, a noteworthy portion of respondents 5.79 percent expressed a belief in the combination of increased access to capital and enhanced financial stability. This viewpoint suggests that the door-to-door collection of savings has a multi-faceted impact on small businesses' financial landscapes.

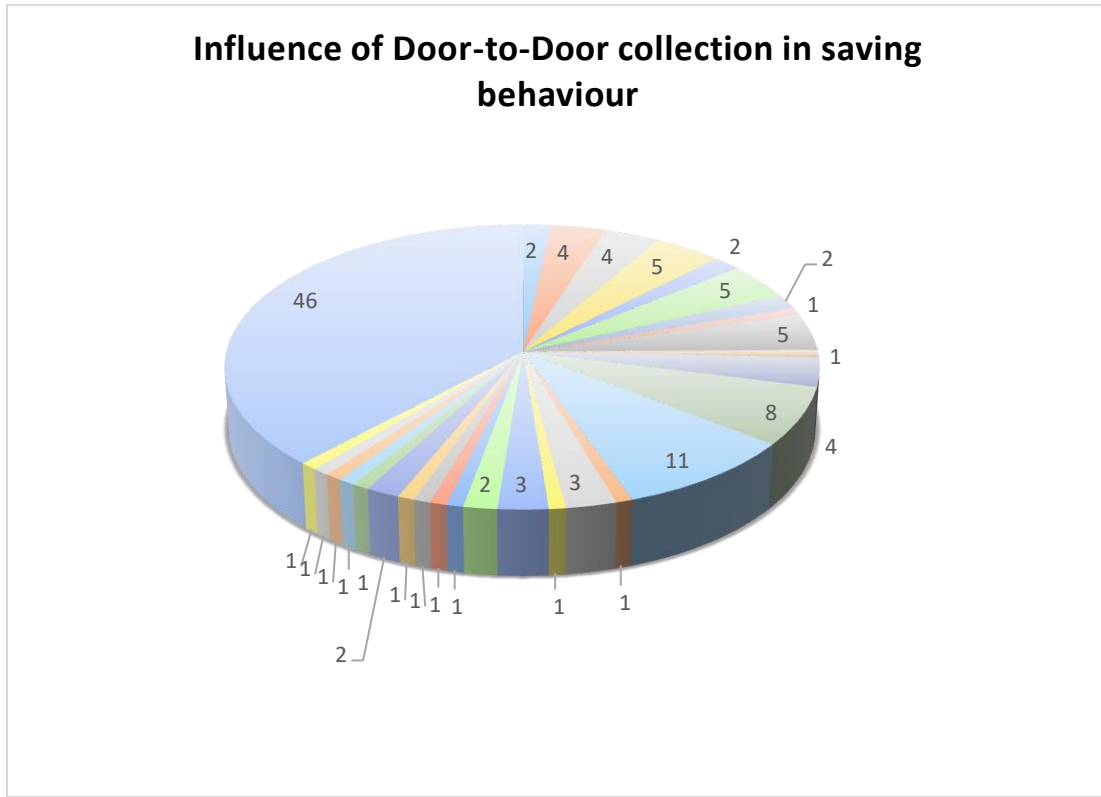
A smaller percentage of participants indicated "other" benefits 3.31 percent which were not specified in the table, hinting at the presence of a range of unique perspectives on the advantages of this savings collection method.

In conclusion, the table underscores the consensus that door-to-door collection of savings provides tangible benefits to small business enterprises. The most prominent advantages highlighted are enhanced financial stability and improved opportunities for business expansion, suggesting that this practice contributes significantly to the growth and resilience of small businesses.

4.3.5 Influence of Door-to-Door collection in saving behavior

The study assesses the impact of door-to-door collection on the saving behavior of respondents. Figure 4.8 illustrates how this collecting method influences the saving habits of the study participants.

Figure 4.8: The effect of door-to-door collecting on respondents' saving habits



Source: Field Survey, 2023

The effect of door-to-door collecting on respondents' saving habits is represented with a pie chart above. 90.91 percent of respondents, or 110 people, claimed that the collecting strategy they used had boosted their savings whereas, 9.09 percent of the population (11 people) said it had little to no effect on their saving habits. The pie chart highlights the significant beneficial impact door-to-door collecting has had on the majority of respondents' financial behaviors, demonstrating its effectiveness in encouraging people to save money.

4.3.6 Influence of Door-to-Door collection in borrowing behavior

The study investigates the influence of door-to-door collection on the borrowing behavior of respondents. Table 3 presents an analysis of how this collection method affects the borrowing habits of the study participants.

Table 4.3: Impact of door-to-door collection on respondents' borrowing behavior

Row Labels	How has door-to-door collection influenced your borrowing behavior?	
Increased borrowing	0.83%	1
Decreased borrowing	82.64%	100
No significant impact	16.53%	20
Grand Total	100.00%	121

Source: Field Survey, 2023

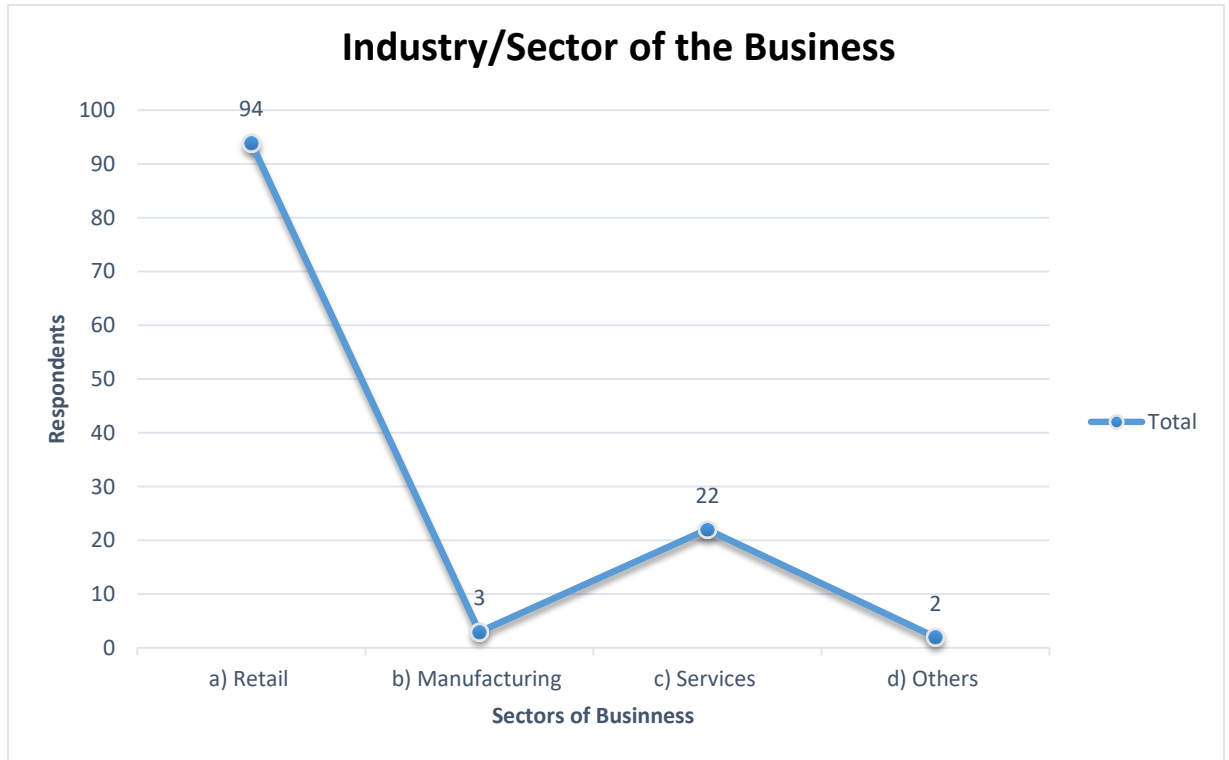
The table 4.3 illustrates the impact of door-to-door collection on respondents' borrowing behavior. A significant majority, 82.64 percent (100 individuals), reported a decrease in their borrowing due to this collection method. A very small percentage, 0.83 percent (1 individual), indicated an increase in borrowing. Additionally, 16.53 percent (20 individuals) noted no significant impact on their borrowing behavior. The graph highlights the substantial influence of door-to-door collection in reducing borrowing for the majority, reflecting its role in enhancing individuals' financial stability and reducing their dependence on external loans.

4.4 Factors enhancing door-to-door collection for small business saving and borrowing representation of data on the basis of objective two.

4.4. 1 Industry/ Business type of the respondents

The study's section focuses on the respondents' industries or business types. In accordance with their particular industries or sectors, the distribution of firms is represented visually in Figure 4.9. This graph provides insightful information on the variety of industries represented by the respondent group.

Figure 4.9: Distribution of businesses based on their industry or sector



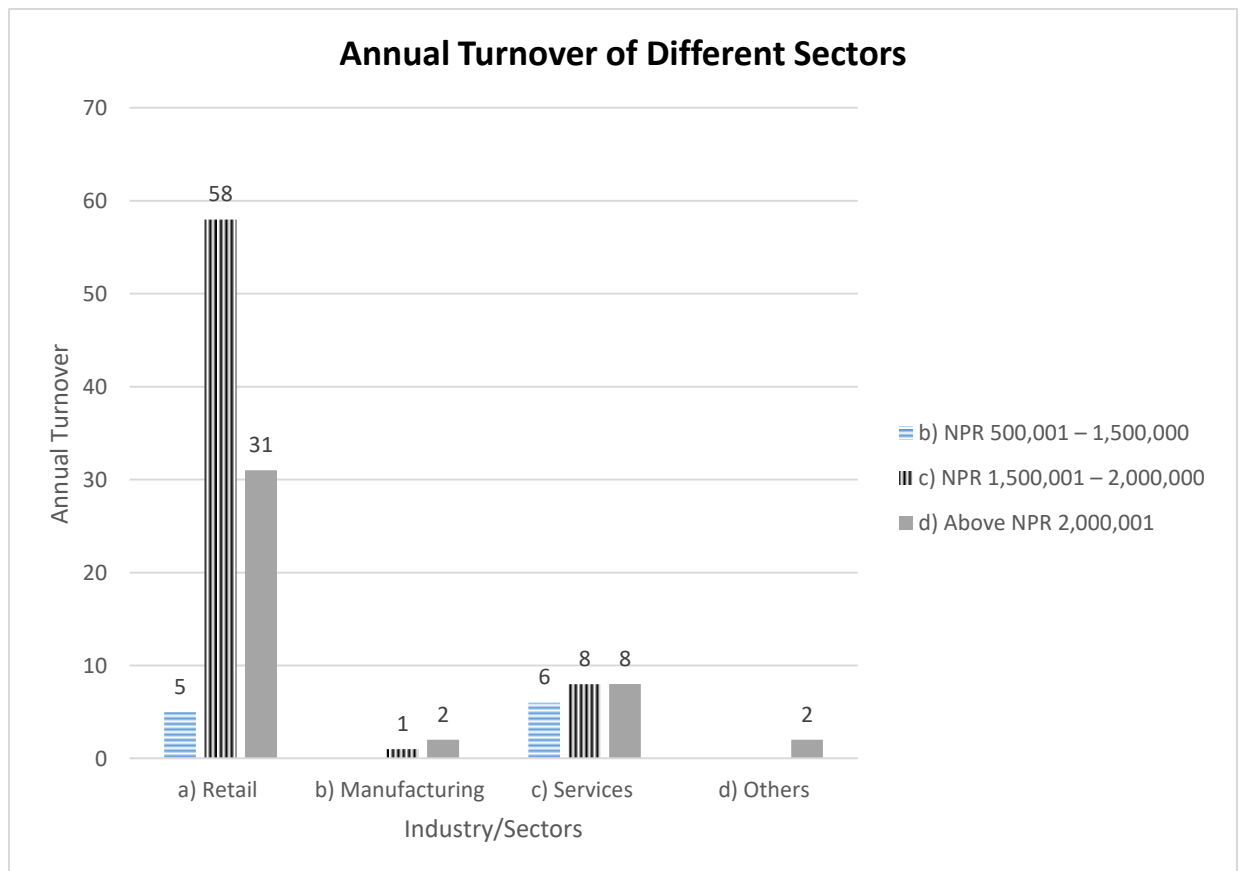
Source: Field Survey, 2023

The data presented in the line graph outlines the distribution of businesses based on their industry or sector, with a total of 121 respondents included in the study. Among these, the majority of businesses, accounting for 94 respondents, were found engaged in the retail sector. A small fraction of businesses, specifically 3 respondents, are engaged in manufacturing, while 22 respondents are categorized under the services sector. Additionally, there are 2 businesses classified under the "Others" category. This table briefly illustrates the composition of businesses across different industry sectors, emphasizing the prominence of retail, followed by services, and the relatively lesser representation of manufacturing and other sectors within the surveyed group.

4.4.2 Annual Turnover of Industry/ Sector Business

The study explores the yearly turnover of companies in various industries or sectors. The breakdown of these companies is shown in Figure 4.10, which also includes an analysis of their yearly turnovers and industry or sector classifications.

Figure: 4.10: Breakdown of businesses based on their industry or sector and their respective annual turnovers



Source: Field Survey, 2023

The figure 4.10 of bar graph mentioned above is a breakdown of businesses based on their industry or sector and their respective annual turnovers, within a sample of 121 respondents. The industries under consideration are Retail, Manufacturing, Services, and Others.

For the Retail sector, it is observed that 5 businesses fall within the NPR 500,001 – 1,500,000 turnover ranges, while 58 businesses have a turnover in the NPR 1,500,001 –

2,000,000 ranges. Additionally, 31 businesses within this sector report an annual turnover above NPR 2,000,001, making a total of 94 Retail businesses.

Regarding the Manufacturing sector, 1 business falls within the NPR 1,500,001 – 2,000,000 turnover ranges, and 2 businesses have an annual turnover above NPR 2,000,001. The total count of manufacturing businesses in the study is 3.

In the Services sector, 6 businesses have a turnover between NPR 500,001 – 1,500,000, while 8 businesses each fall within the NPR 1,500,001 – 2,000,000 and above NPR 2,000,001 turnover ranges, summing up to 22 Services businesses in total.

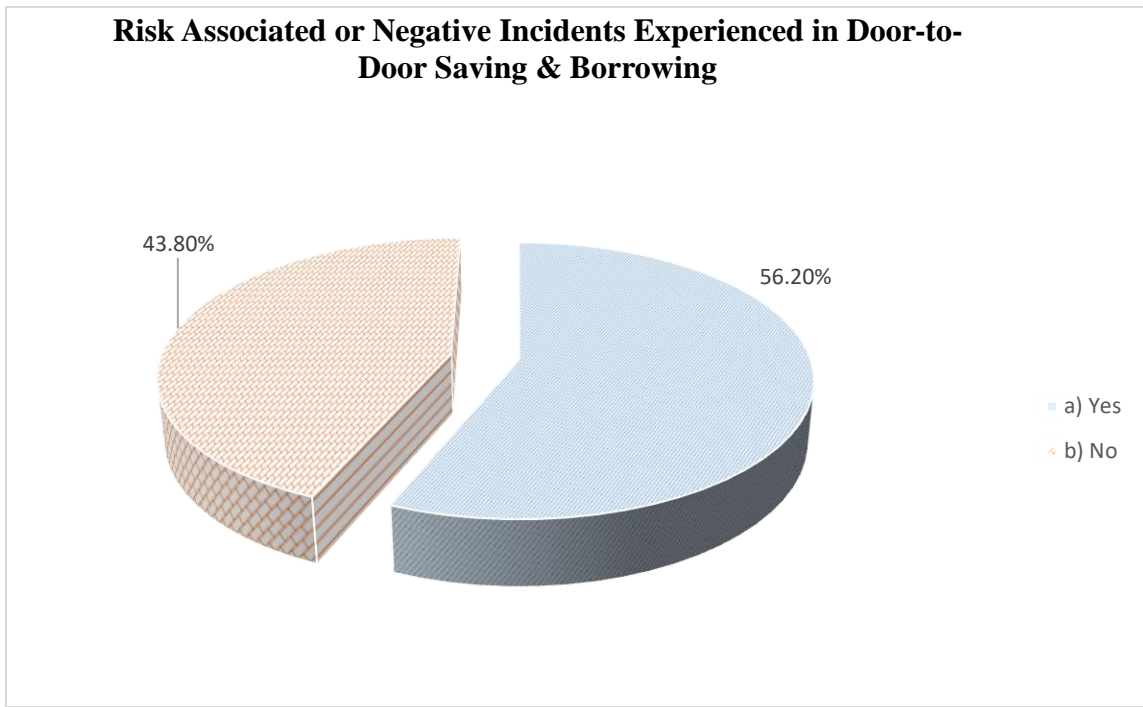
Lastly, within the "Others" category, there are 2 businesses with an annual turnover above NPR 2,000,001.

The distribution of businesses across different industry sectors and their corresponding annual turnover ranges, providing valuable insights into the financial landscape of these sectors within the surveyed sample.

4.4.3 Risk Associated or Negative Incidents Experienced in Door-to-Door Saving & Borrowing

The study explores the risks and negative incidents associated with door-to-door saving and borrowing. Figure 4.11 depicts respondents' experiences and perceptions regarding these potential negative occurrences in the context of their saving and borrowing activities.

Figure 4.11: Respondents' experiences regarding negative incidents or risks linked to door-to-door saving and borrowing behavior



Source: Field Survey, 2023

The chart presents respondents' experiences regarding negative incidents or risks linked to door-to-door saving and borrowing behavior. A majority, accounting for 56.20 percent, reported having encountered such negative incidents or risks whereas, 43.80 percent responded negatively, indicating no such experiences. The table outlines the commonness of negative incidents while highlighting that a significant portion of respondents have faced challenges or risks in connection with door-to-door saving and borrowing practices.

4.4.4 Level of satisfaction with door-to-door collection services among respondents and willingness to recommend

The study evaluates the satisfaction levels of respondents with door-to-door collection services and their willingness to recommend these services to others. Table 4 provides an overview of both satisfaction ratings and the likelihood of respondents recommending these collection services to others.

Table 4.4: level of satisfaction with door-to-door collection services among respondents and willingness to recommend

Row Labels	How satisfied are you with the door-to-door collection services you have used?	Would you recommend door-to-door collection services to other small business owners in Nepal?
Yes	105	105
Very satisfied	6	6
Satisfied	83	83
Neutral	16	16
No	14	14
Satisfied	1	1
Neutral	9	9
Dissatisfied	4	4
Blank	2	
Neutral	1	
Dissatisfied	1	
Grand Total	121	119

Source: Field Survey, 2023

The table provides insights into the level of satisfaction with door-to-door collection services among respondents, as well as their willingness to recommend these services to other small business owners in Nepal. In terms of satisfaction, a majority of 83 respondents expressed being "Satisfied," with an additional 6 respondents being "Very satisfied" and 16 respondents having a "Neutral" stance. On the other hand, 14 respondents reported being "Not satisfied" with the services.

When it comes to recommending these services, a strong majority of 105 respondents indicated that they would indeed recommend door-to-door collection services to other small business owners in Nepal. The distribution includes 83 respondents who are "Satisfied," 16 who are "Neutral," and 6 who are "Very satisfied." Meanwhile, a smaller number of 14 respondents expressed that they would not recommend these services.

Overall, the table highlights a generally positive sentiment towards door-to-door collection services, with a notable majority of respondents expressing satisfaction and a strong inclination to recommend these services to fellow small business owners.

4.5 Discussion

The findings presented in this chapter provide a detail understanding of the dynamics surrounding door-to-door collection services for small business enterprises in urban Nepal. This discussion section interprets the key insights and implications drawn from the data, highlighting their significance and potential for various stakeholders, including policymakers, service providers, and researchers.

The dominance of businesses in the retail sector participating in door-to-door collection services indicates its relevance to this industry. The varying annual turnovers within the retail sector emphasize the role of these services in supporting businesses of different scales. Service providers should consider industry-specific strategies to address the unique financial needs of businesses in diverse sectors.

The generally positive sentiment among respondents regarding the trust and reliability of door-to-door collection service providers is encouraging. It suggests that these services have established a level of trust among small business owners. However, ongoing efforts should be made to maintain and enhance this trust, as it is fundamental to the success of such services. This finding is relevant to the study Nurhadi and Huda (2019). Convenience emerges as a major motivation for engagement, aligning with the preference for daily involvement in door-to-door collection services. This underscores the importance of user-friendly and accessible financial services that align with the busy schedules of small business owners. Service providers should continue to prioritize convenience as a key feature of their offerings.

The study demonstrates a significant positive impact on saving behavior, with the majority of respondents reporting increased savings. This suggests that door-to-door collection services effectively promote savings among small business owners. Additionally, the influence on borrowing behavior resulting in decreased borrowing is noteworthy, as it implies a potential reduction in reliance on high-interest loans. This

finding is relevant to the study of Chakravarty and Pal (2019), Pacheco et al. (2017). While overall satisfaction with door-to-door collection services is high, the acknowledgment of negative incidents and risks by a portion of respondents highlights the need for ongoing improvements in service quality and risk mitigation measures. Service providers should prioritize customer safety and satisfaction to ensure the sustainability of these services.

This study offers valuable insights for policymakers, service providers, and researchers. Policymakers can use these findings to shape regulatory frameworks that support responsible and inclusive financial services for small businesses. Service providers can tailor their offerings to better meet the diverse needs of their customers, enhance trust, and address potential risks. Researchers can build on this study to explore deeper dimensions of financial behavior and risk mitigation strategies. This finding is relevant to Sharma (2022) and Subedi et.al (2021).

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The provided information encompasses a comprehensive overview of the respondents' characteristics, perceptions, and behaviors regarding door-to-door collection services for small business enterprises. The study involves 121 individuals and delves into various aspects such as age distribution, ethnicity, education, gender, family type, industry/business type, annual turnover, trust in service providers, motivations for engagement, and the impact on saving and borrowing behavior.

The age distribution of respondents is presented in a bar chart, indicating that a significant portion 72 individuals fall within the 36-45 age range. Another segment of the population, comprising 49 individuals, is aged 46 and above. This distribution reveals that the study involves a diverse age group, with a notable number in the 36-45 range.

Ethnic diversity is discussed, with the largest group being *Janjati* 62 individuals, followed by *Madhesi* 28 individuals, *Brahmin/Chhetri* 24 individuals, *Dalits* 6 individuals, and a smaller representation of *Muslims* (1 individual). This overview highlights the diverse ethnic backgrounds of the respondents in the study.

Educational attainment is presented, with 97 individuals having a bachelor's degree and 24 individuals having a high school diploma. This data showcases the predominance of respondents with a higher level of education.

Gender distribution is outlined, indicating that 76 individuals identify as male and 45 as female. This reveals a male predominance among the surveyed population.

Family type is depicted using a pie chart, with 95 individuals belonging to nuclear families and 26 from joint families. This demonstrates the prevalence of nuclear family structures among the respondents.

The industry/business type distribution is illustrated in a line graph, showing that the majority of businesses (94 individuals) are in the retail sector, while smaller numbers are

engaged in manufacturing (3 individuals) and services (22 individuals), with 2 businesses classified as "Others."

The distribution of businesses based on industry and annual turnover is represented through a bar graph. It shows that the retail sector has various turnovers, with the majority falling within the NPR 1,500,001 – 2,000,000 range (58 businesses), followed by businesses with turnovers above NPR 2,000,001 (31 businesses). The manufacturing sector has 1 business in the NPR 1,500,001 – 2,000,000 range and 2 businesses with turnovers above NPR 2,000,001. The services sector sees turnovers in the ranges of NPR 500,001 – 1,500,000 (6 businesses), NPR 1,500,001 – 2,000,000 (8 businesses), and above NPR 2,000,001 (8 businesses). The "Others" category has 2 businesses with turnovers above NPR 2,000,001.

Trust and reliability of door-to-door collection service providers are evaluated. The majority of respondents (72.73%) report being satisfied with the trust and reliability of the service, while smaller portions are very satisfied (4.96%), neutral (19.83%), and dissatisfied (2.48%).

Motivations to engage in door-to-door collection are explored. The majority (102 individuals) are motivated by convenience, followed by trust in the collection agent (18 individuals) and a lack of alternative banking options (1 individual).

Engagement in door-to-door collection is displayed in a bar graph, indicating that 109 individuals engage daily and 12 individuals engage weekly in this practice. This suggests that daily engagement is favored by the majority.

The benefits of door-to-door collection are detailed in a table, with respondents citing increased access to capital, improved business expansion opportunities, and enhanced financial stability as key advantages.

The impact on saving behavior is presented in a pie chart, with 90.91 percent of respondents reporting increased savings due to door-to-door collection, while 9.09 percent experienced no significant impact.

The influence on borrowing behavior is outlined in another table, with 82.64 percent of respondents reporting decreased borrowing and 0.83 percent reporting increased borrowing as a result of door-to-door collection.

Negative incidents or risks associated with door-to-door saving and borrowing behavior are discussed, with 56.20 percent of respondents having encountered such issues.

Lastly, satisfaction with door-to-door collection services and willingness to recommend them are explored. The majority of respondents are satisfied (83 individuals) and willing to recommend (105 individuals) these services to other small business owners in Nepal.

5.2 Conclusion

In conclusion, this chapter has provided a comprehensive overview of the characteristics, perceptions, and behaviors of respondents regarding door-to-door collection services for small business enterprises. The study, encompassing insights from 121 individuals, has delved into various dimensions, including age distribution, ethnicity, education, gender, family type, industry/business type, annual turnover, trust in service providers, motivations for engagement, and the impact on saving and borrowing behavior. The age distribution of respondents revealed a diverse group, with a significant portion falling within the 36-45 age range, suggesting the relevance of door-to-door collection services across different age brackets. The study also underscored the ethnic diversity of participants, representing various backgrounds such as *Janjati*, *Madheshi*, *Brahmin/Chhetri*, *Dalits*, and *Muslims*. This highlights the inclusivity of the study's sample. Educational attainment data indicated a prevalence of individuals with bachelor's degrees, indicating a certain level of education among the participants. Gender distribution showcased a male predominance, reflecting an area for potential gender-related investigation in future studies. Family type findings underscored the prevalence of nuclear families among respondents, shedding light of their potential financial dynamics and decision-making structures.

The distribution of industry/business types revealed a dominant presence of businesses in the retail sector, with varying turnovers, emphasizing the contribution of door-to-door collection services to different business contexts. Trust and reliability evaluations

demonstrated a generally positive sentiment among respondents, with a substantial majority reporting satisfaction and trust in the service providers. Motivations for engagement highlighted convenience as a major driving factor, aligned with the daily engagement preference observed among the majority of participants. The benefits of door-to-door collection services were multifaceted, ranging from increased access to capital to improved business expansion opportunities and enhanced financial stability. Furthermore, the study demonstrated a significant impact on both saving and borrowing behaviors. The majority of respondents reported increased savings attributed to door-to-door collection services, while borrowing behavior was notably influenced, resulting in decreased borrowing for a considerable proportion of participants. While the satisfaction levels with door-to-door collection services were high, it's worth noting that a notable portion of respondents had encountered negative incidents or risks associated with this behavior, implying areas for potential improvement in service quality and risk mitigation.

Ultimately, the chapter concludes by emphasizing the overall positive perception of door-to-door collection services among small business owners in Nepal. The willingness of participants to recommend these services to their peers underscores the potential for continued adoption and growth of this financial approach within the small business ecosystem. This study not only contributes to understanding the dynamics of door-to-door collection services but also provides valuable insights for policymakers, service providers, and researchers interested in the financial behaviors of small business enterprises.

5.3 Recommendations

- Financial service providers should adopt their outreach strategies to include diverse age groups and ethnic backgrounds for more inclusive door-to-door collection services.
- Future studies should explore gender-related dynamics in small business financial behavior, focusing on the unique needs of female entrepreneurs in Nepal.
- To better serve nuclear families, financial institutions should design products and the services that align with the specific financial dynamics of this demographic.

- Improving service quality and implementing risk mitigation measures is crucial for enhancing customer satisfaction and trust in door-to-door collection services, addressing past negative incidents.
- Investing in financial literacy programs is essential to empower small business owners in Nepal to make informed financial decisions, fostering positive saving and borrowing behaviors.

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ANNEX I

Survey Questions

Effectiveness of Door-to-Door Deposit Collection on Saving and Borrowing Behavior of Small Businesses in Urban Nepal Note: This questionnaire is designed to collect information for a research study on the effectiveness of door-to-door deposit collection on the saving and borrowing behavior of small businesses in urban Nepal. Your responses will remain confidential and will be used solely for research purposes.

OK

Questionnaire: Effectiveness of Door-to-Door Deposit Collection on Saving and Borrowing Behavior of Small Businesses in Urban Nepal Part

A: General Information of Respondents

1. Gender:

- a) Male
- b) Female
- c) Other

2. Age:

- a) 18-25
- b) 26-35
- c) 36-45
- d) 46 and above

3. Education:

- a) Below High School
- b) High School / Diploma
- c) Bachelor's Degree
- d) Master's Degree and above

4. Family Types:

- a) Nuclear

b) Joint

5. Ethnicity:

a) Madheshi

b) Janjati

c) Dalits

d) Brahmin/Chhetri

e) Muslim

B: General Information of Respondents' Business

1. Name of the Business: _____

2. Location of the Business: _____

3. Industry/Sector of the Business:

a) Retail

b) Manufacturing

c) Services

d) Others

4. Years in Operation: _____

5. Number of Employees: _____

6. Annual Turnover (Approximate):

a) Less than NPR 500,000

b) NPR 500,001 – 1,500,000

c) NPR 1,500,001 – 2,000,000

d) Above NPR 2,000,001

C: Door-to-Door Collection Practices

7. Are you familiar with the concept of door-to-door collection?

a) Yes

b) No

8. Have you participated in door-to-door collection activities for your business?

a) Yes

b) No

9. If yes, how frequently do you engage in door-to-door collection?

a) Daily

b) Weekly

c) Monthly

10. What motivates you to engage in door-to-door collection?

a) Convenience

b) Trust in collection agent

c) Lack of alternative banking options

d) Access to credit

11. How satisfied are you with the trust and reliability of door-to-door collection service providers?

a) Very satisfied

b) Satisfied

c) Neutral

d) Dissatisfied

D: Saving Behavior

12. Are you more likely to save money now compared to before using door-to-door deposit collection services?

a) Yes

b) No

13. What is the primary reason for saving money?

a) Business expansion

b) Emergency fund

c) Purchasing raw materials

d) Repaying loans

14. On average, how much do you save per month (in NPR)?

a) Less than 2,000

- b) 2,001 - 3,000
- c) 3,001 - 6,000
- d) 6,001 and above

15. Rate the convenience of door-to-door collection of savings compared to other methods:

- a) Very convenient
- b) Convenient
- c) Neutral
- d) Inconvenient

16. How satisfied are you with the interest rates offered by door-to-door collection of savings services?

- a) Very satisfied
- b) Satisfied
- c) Neutral
- d) Dissatisfied

17. In your opinion, how has door-to-door collection of savings benefited small business enterprises? (Select all that apply)

- a) Increased access to capital
- b) Improved business expansion opportunities
- c) Enhanced financial stability
- d) Other

18. Do you believe door-to-door collection of savings can promote savings among more small business enterprises in the future?

- a) Yes
- b) No

19. Would you recommend door-to-door collection of savings to others?

- a) Yes
- b) No Part

E: Borrowing Behavior

20. Have you borrowed money for your business in the past?

- a) Yes
- b) No

21. How frequently do you borrow money for your business?

- a) Frequently (more than once per year)
- b) Usually (once per year)
- c) Rarely (less than once per year)

22. Primary reasons for borrowing money: (Select all that apply)

- a) Working capital needs
- b) Business expansion
- c) Purchasing assets
- d) Repaying existing loans

23. On average, how much money do you borrow as a loan (in NPR)?

- a) Less than NPR 20,000
- b) NPR 21,000 – 50,000
- c) NPR 51,000 – 100,000
- d) NPR 101,000 – 500,000
- e) Above NPR 501,000

Part F: Door-to-Door Collection Impact

24. How has door-to-door collection influenced your saving behavior?

- a) Increased savings
- b) Decreased savings
- c) No significant impact

25. How has door-to-door collection influenced your borrowing behavior?

- a) Increased borrowing
- b) Decreased borrowing
- c) No significant impact

26. Have you experienced any negative incidents or risks associated with door-to-door saving and borrowing behavior?

- a) Yes

b) No

27. Challenges or concerns regarding door-to-door collection:

- a) Lack of transparency in collection process
- b) Inconsistent collection timings
- c) Limited range of financial services offered
- d) Lack of proper receipts or documentation
- e) Limited understanding of terms and conditions
- f) Difficulty in resolving disputes or issues
- g) No specific challenges or concerns
- h) Other

28. How satisfied are you with the door-to-door collection services you have used?

- a) Very satisfied
- b) Satisfied
- c) Neutral
- d) Dissatisfied

29. Would you recommend door-to-door collection services to other small business owners in Nepal?

- a) Yes
- b) No

30. Improvements to suggest for door-to-door collection services:

ANNEX II

Methodology Matrix

Objectives	Variables/Indicators	Tools of analysis	Sources of data
<p>1. To examine the features and scope of door-to door collection of saving in urban Nepal</p> <p>2. To identify the factors that make door-to-door collection effective in promoting savings by small business enterprises</p>	<ul style="list-style-type: none"> ❖ Saving and borrowing behavior. ❖ Member demographics (Age, gender, income level, education level) ❖ Frequency of door- to – door collection (How often door-to-door collection is conducted) ❖ Length of membership (How long the member has been the member of the organization) 	<ul style="list-style-type: none"> ❖ Descriptive analyses (mean, standard deviation, bar diagrams and so on.) 	<ul style="list-style-type: none"> ❖ Primary data collected through field survey of small business enterprises