



## RESEARCH ARTICLE

# Combination of financial literacy, strategic marketing and effective human resource for sustainable household wealth development

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## Abstract

Financial literacy encompasses not only knowledge of financial terminology and basic concepts but also the ability to comprehend, analyze, and make informed decisions about financial options. As individuals navigate a complex financial environment characterized by new products, market complexities, and global influences, the need for financial literacy becomes paramount. In the contemporary financial landscape, the concept of financial literacy has garnered increasing attention due to its profound implications for individual and societal prosperity. This study delves into how financial literacy, combined with strategic marketing and effective human resource management, contributes to sustainable household wealth development, examining its impact on prudent decision-making, effective financial planning, and the ability to respond to economic dynamics. The present study encompasses a mixed-methods approach, combining quantitative and qualitative research techniques. A structured questionnaire, including Likert scale questions, is administered to a diverse sample of participants, ensuring representation across various demographics. The survey aims to gauge the current level of financial literacy, understand financial behaviors, and assess the impact of financial literacy on decision-making related to wealth management. Data analysis involved both quantitative and qualitative methods, such as percentage analysis, to identify levels and relations, and qualitative content analysis to derive themes and narratives from responses. Drawing on research findings, the study explored the linkage between financial literacy and sustainable wealth development, shedding light on its multifaceted influence on financial behaviors, investment choices, and overall economic well-being.

**Keywords:** Financial literacy, Marketing dynamics, Strategic marketing, Sustainable household wealth, Financial behaviour, Human resource management.

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## Introduction

The notion of financial literacy has emerged as a crucial subject in recent years. There has been a consistent rise in financial awareness across various age groups globally, attributed to rapid progressions in financial services and the occurrence of financial crises worldwide (Boora *et al.*, 2020). Financial literacy comprises two fundamental dimensions: understanding financial concepts and the practical application of these concepts. Aligning both aspects in real-life situations is challenging (Gale & Levine, 2010). In addition to understanding financial planning principles, individuals must possess the skills to effectively apply these concepts in their day-to-day transactions. The financial knowledge of individuals encompasses various parameters such as money management, saving, financial investment, financial planning, and budgeting. Consequently, individuals need sufficient knowledge, proficiency, and a positive attitude toward financial matters to navigate daily financial challenges (Boora & Agarwal, 2018).

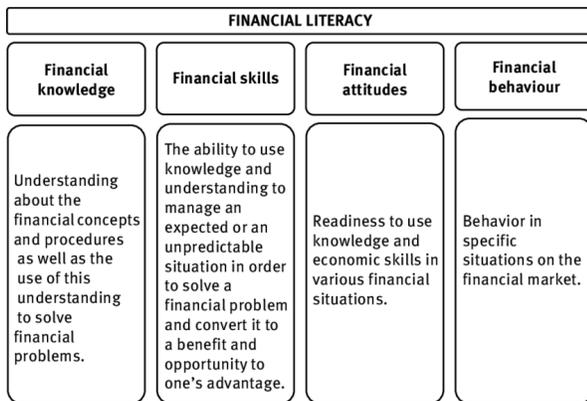


Figure 1: Elements of financial literacy, Source: (Beata,2019)

Financial literacy encompasses the following components, as shown in Figure 1.

### **Financial Knowledge**

This calls for an understanding of economic theories and economic systems. Persons with financial literacy are better able to understand financial processes and deal with financial difficulties. It includes applied, procedural, and conceptual financial knowledge.

### **Financial Skills**

These involve applying acquired economic knowledge to make informed decisions, including analysis, evaluation, and choices. It is the capacity to use understanding effectively in managing both expected and unpredictable situations, transforming financial challenges into opportunities.

### **Financial Attitudes**

These show a person's drive and preparedness to use their knowledge and financial acumen in a variety of real-world circumstances. Financial attitudes are personal characteristics that manifest as tendencies toward specific financial practices or actions, indicating an individual's inclination to undertake particular behaviors.

### **Financial Behavior**

This pertains to the actions individuals take in specific financial market situations, demonstrating the practical application of financial knowledge, skills, and attitudes (Beata,2019).

## **Literature Review**

Financial literacy, planning, and decision-making have developed pivotal elements for both personal financial well-being and the overall achievement of society (Lusardi & Mitchell, 2014). Launching a robust financial strategy in one's personal life is considered contingent upon possessing financial literacy as an essential tool (Arora, 2016). In essence, financial literacy involves information on financial terminology and basic financial thoughts (Marie, 2014). It equips individuals with the capacity to comprehend,

analyze, and make informed decisions about financial options, devise a retirement plan, and respond effectively to events impacting everyday financial choices (Lusardi & Mitchell, 2017). Increasingly significant factors in financial literacy include the introduction of new financial products, the complexities of financial markets, substantial shifts in the political system, demographic changes, and the dynamics of economic transformations (Mian, 2014).

Moreover, the continuous evolution of new financial products and services is propelled by advancements in information technology, information systems management, and the influence of globalization. The accessibility of these new financial products and services, particularly through online platforms, has made them readily available to individuals. However, this accessibility could encourage hasty and reckless financial decisions, such as heightened spending and increased borrowing, imposing a significant burden on household wealth and creating challenges in managing daily expenses (Demirguc-Kunt *et al.*, 2013; Lusardi & Mitchell, 2017). In regions like the Middle East and North Africa (MENA), a low level of financial literacy has been linked to poor and uninformed financial decisions, resulting in unaffordable loans and excessive credit usage (Derhally, 2012).

Understanding fundamental financial concepts is crucial for individuals, empowering them to make informed decisions and assess the broader economic impact of their financial choices (Lusardi & Mitchell, 2017). Proficient financial knowledge fosters a realization of the importance of robust financial planning from an early age, paving the way for achieving various financial goals such as property acquisition, children's education, and prudent saving or investing for retirement (Setianingsih *et al.*,2022). Early exposure to financial education is vital for instilling an awareness of retirement planning needs.

Individuals equipped with financial literacy are more likely to acknowledge the significance of actively contributing to their retirement perks. Nevertheless, the risks of poor financial decisions, particularly with the temptations of easy credit access and convenient payment methods, are prevalent throughout life, especially for younger adults (Raveendra *et al.*, 2018). A robust financial education system targeting young people can serve as a preventive measure against such financial pitfalls (Arora, 2016).

Details, Author's & Achari, Dominic & Oduro, Richard & Felix, & Nyarko, Felix. (2020). Financial literacy on retirement planning. Many studies conducted around the world emphasize the importance of financial literacy in this modern dispensation since in recent years financial literacy has been recognized as a key skill that leads to healthy financial attitudes. This study examines the effect of financial literacy on retirement planning using the workers in UMaT as a study. A total of 203 respondents were used for the study. The respondents were quizzed on their knowledge in general finance, savings and borrowing, insurance,

**Table 1:** Responses on level of financial literacy

S.No	Statements	Statement code	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	I am aware of the various kinds of investment opportunities. (e.g., stocks, bonds, mutual funds).	S1	3	12	18	40	27
2.	I feel contented creating and maintaining a diversified investment portfolio.	S2	5	10	25	40	20
3.	I have faith in my abilities to handle a budget well.	S3	5	10	20	45	20
4.	I understand the concept of compound interest and how it can impact savings.	S4	2	8	15	40	35
5.	I understand the importance of having an emergency fund.	S5	4	15	20	45	16
6.	I can interpret and analyse financial statements (e.g., income statements, balance sheets).	S6	8	10	20	45	17
7.	I am aware of the factors that can affect credit scores.	S7	3	20	18	40	19
8.	I feel confident in my ability to make informed decisions when it comes to financial matters.	S8	5	15	22	40	18
9.	I regularly review and update my financial goals.	S9	10	15	20	40	15
10.	I am familiar with basic financial terms and concepts (e.g., interest rates, inflation, risk).	S10	8	18	15	35	24

Created by researcher from collected data

investment and with some information on their retirement decisions and demographic factors. A quantitative approach was adopted for the study since it examines the relationship between financial literacy on retirement planning with a structured self-administered questionnaire as a mean for data. The study identified that financial literacy has a significant positive influence on retirement preparedness. The study documented recommendations from staffs on the need for employers to increase the amount of publications on financial education at the University Library and also organize financial literacy programs which will improve worker’s financial knowledge in order to help in their retirement planning. Further, based on the findings of this study, a national policy on financial literacy is urgently needed in Ghanaian education system to educate people at the early stages of their lives.

**Objectives**

- To highlight the current level of financial literacy among individuals.
- To Analyse the impact of financial literacy, marketing dynamics and human resource on sustainable household wealth.

**Material and Methods**

The present study employs a mixed-method approach, encompassing both quantitative and qualitative data collection methods. This comprehensive research design aims to gather diverse perspectives and insights, with collected data analysis, to meet the research objectives effectively. The research design integrates to gather diverse perspectives and insights and collected data is analyzed

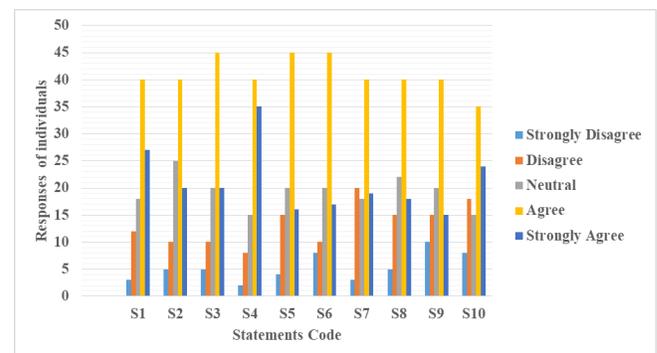
to fulfill the research objectives. Primary data is gathered from randomly selected 100 individuals/respondents, and Secondary data, is obtained from the existing literature done in related fields. Qualitative insights are derived from the analysis of responses and a review of existing literature in the relevant field. The quantitative analysis involves the application of the percentage method to assess the current level of financial mastery, financial behaviour, marketing behavior and the perceived impact of sustainability on wealth management decisions.

**Result and Analysis**

**Current Level of Financial Literacy**

The presentation of the responses in Table 1 provides insights into the current level of financial literacy among the individuals.

The analysis of the responses received shown in Table 1 and Figure 2 are as follows:



**Figure 2:** Responses on level of financial literacy

*I am familiar with several kinds of investment opportunities (e.g., stocks, bonds, mutual funds)*

About 67% of respondents claim knowledge about different investment options. This suggests a moderately positive level of awareness regarding investment instruments.

*I feel comfortable creating and maintaining a diversified investment portfolio*

The responses reveal that 60% of respondents feel comfortable creating and maintaining a diversified investment portfolio. This indicates a reasonable level of confidence in investment-related decisions.

*I am confident in my ability to manage a budget effectively*

A majority of respondents (65%) either agree or strongly agree that they are confident in managing a budget effectively. This suggests a relatively high level of confidence in budget management skills.

*I understand the concept of compound interest and how it can impact savings*

A significant proportion of respondents (75%) express agreement or strong agreement, indicating a good understanding of the concept of compound interest and its impact on savings.

*I understand the importance of having an emergency fund*

A majority (61%) acknowledge this. This reflects a good awareness of the financial need for emergency preparedness.

*I can interpret and analyse financial statements (e.g., income statements, balance sheets)*

Around 62% of respondent’s express confidence in interpreting and analysing financial statements. This

suggests a fair understanding of financial statements among the respondents.

*I am aware of the factors that can affect credit scores*

A significant proportion (59%) claim awareness of factors affecting credit scores. This is crucial for responsible financial behaviour, such as managing debts and credit.

*I feel confident in my ability to make informed decisions when it comes to financial matters*

Approximately 58% of respondents feel confident in making informed financial decisions. While this is positive, there is room for improvement in enhancing overall financial confidence.

*I regularly review and update my financial goals*

A balanced distribution of responses with 55% agreeing or strongly agreeing indicates that a considerable portion of respondents actively reviews and updates financial goals.

*I am familiar with basic financial terms and concepts (e.g., interest rates, inflation, risk)*

The majority (59%) claim familiarity with basic financial terms and concepts. This suggests a decent understanding of fundamental financial terminology.

Overall, the analysis indicates a positive trend in the financial literacy level of the individuals, with notable strengths in budget management, understanding compound interest, and awareness of investment products and credit-related concepts.

**Impact of Financial Literacy, Marketing Dynamics and Human Resource on Sustainable Household Wealth**

The presentation of the responses in Table 2, delves into the multifaceted relationship among financial literacy,

**Table 2:** Responses on impact of financial literacy, Marketing dynamics and human resource on household wealth

S.No	Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<i>I- Financial literacy</i>						
1.	I agree that having a good understanding of financial concepts is crucial for effective financial decision-making.	5	10	20	40	25
2.	I believe that financial education influences spending habits.	8	15	25	35	17
3.	I agree that being financially literate helps in making better investment choices	6	12	22	40	20
<i>II-Marketing dynamics</i>						
4.	I think marketing tactics are in shaping consumer behaviour.	7	18	30	35	10
5.	I agree that understanding marketing dynamics contribute in making better purchasing decisions for household.	6	15	20	40	19
<i>III-Human resource</i>						
6.	I think job satisfaction is important for maintaining income stability.	10	22	25	30	13
7.	I believe career development opportunities fosters household financial growth.	8	20	30	28	14
8.	I agree that employee financial wellness programs contribute to overall household financial stability.	6	18	25	32	19

Created by researcher from collected data

marketing strategies, and human resource practices and unravel the key factors influencing sustainable wealth accumulation and empowers households to make informed decisions for a prosperous future.

Table 2 shows the responses, which are analysed as follows:

#### *Financial literacy*

The responses indicate a strong recognition of the importance of financial literacy among the participants. For the statement regarding the necessity of understanding financial concepts for effective financial decision-making, 65% of respondents either agree or strongly agree, highlighting a general consensus on the significance of financial literacy. Only a small portion (15%) disagrees or strongly disagrees with this statement. When considering the influence of financial education on spending habits, 52% of respondents agree or strongly agree, while 23% disagree or strongly disagree. A notable 25% remain neutral, suggesting that while many see the value of financial education in shaping spending habits, a significant number are either undecided or view it differently. Regarding the impact of financial literacy on making better investment choices, 60% of respondents agree or strongly agree, indicating a majority recognition of its benefits in investment decisions. However, 18% disagree or strongly disagree, and 22% remain neutral.

#### *Marketing dynamics*

The responses on marketing dynamics show varied opinions among respondents. For the influence of marketing tactics on consumer behavior, 45% agree or strongly agree, highlighting a significant acknowledgment of marketing's impact. However, 25% disagree or strongly disagree, and 30% are neutral, suggesting that while many recognize marketing's role, a notable portion remains skeptical or unsure. In contrast, 59% of respondents believe that understanding marketing dynamics aids in making better household purchasing decisions, indicating a strong consensus on the practical benefits of marketing knowledge. Only 21% disagree or strongly disagree, and 20% are neutral, reflecting a clearer agreement on the value of marketing understanding for informed purchasing decisions compared to the influence of marketing tactics on consumer behavior.

#### *Human resources*

The responses reveals varied opinions. For job satisfaction's role in income stability, 30% agree, while 25% are neutral, and 22% disagree, indicating a mix of views with fewer strong negative opinions. Regarding career development opportunities, 28% see them as beneficial for financial growth, but 30% are neutral, and 28% show skepticism. For employee financial wellness programs, 32% believe these programs enhance financial stability, the highest agreement, though 25% are neutral and 18% disagree, showing general support but also significant uncertainty or skepticism.

Overall, the survey shows a strong acknowledgment of financial literacy and marketing dynamics in decision-making, with significant recognition of their value. However, there is notable variation in opinions on the influence of marketing tactics and their impact of career development, indicating that further education and clarification could be beneficial.

### **Conclusion**

In conclusion, the analysis of respondents' perceptions of financial literacy reveals a generally positive trend. Notable strengths include confidence in budget management, understanding compound interest, and awareness of investment and credit-related concepts. While a majority demonstrates financial literacy, there's room for improvement, especially in making informed financial decisions and regularly reviewing financial goals.

As per the analysis it indicates more facts and consensus among respondents on the impact of economic literacy, marketing and marketing and advertising incentives and human capital on own circle of relatives wealth. This fact provides valuable signs to inform strategies for boosting economic literacy, optimizing marketing and marketing and advertising approaches, and improving human beneficial useful resource manipulation practices. By leveraging this fact, groups and policymakers can boom-centered interventions that effectively promote own circle of relative economic well-being.

The analysis, also reflects varying levels of awareness and agreement among respondents regarding the impact of financial literacy, marketing dynamics, and human resources on household wealth. These insights can inform strategies aimed at enhancing financial literacy, optimizing marketing strategies, and improving human resource management practices to promote household financial well-being.

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