

Role of Financial Institutions in Promoting Micro Service Enterprises with Special Reference to Hairdressing Salons

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Abstract : Financial sector is the backbone of any economy and it plays a crucial role in the mobilisation and allocation of resources. One of the main objectives of financial sector is inclusive growth. The constituents of the financial sector are banks, and financial Institutions, which mobilise the resources from the surplus sector and channelize the same to the different needful sectors in the economy. Micro Small and the Medium Enterprises sector in India cover a wide range of economic activities. These enterprises are divided on the basis of investment on equipment. The micro enterprises are divided into manufacturing and services sector. Micro Service enterprises have investment limit up to ten lakhs on equipment. Hairdresser is one who not only cuts and shaves but also provides different types of hair cut, hairstyles, trimming, hair-dye, massage, manicure, pedicure, nail services, colouring, facial, makeup application, waxing, tanning and other beauty treatments etc., hairdressing salons provide these services with the help of equipment. They need investment on equipment not more than ten lakhs. Hence, they can be considered as Micro service enterprises. Hairdressing salons require more than Rs 2.50,000 to start a moderate salon. Moreover, hairdressers are unable to access the organised finance. Still these individuals access finance from money lenders with high rate of interest to lead life. The socio economic conditions of hairdressers are not known properly. Hence, the present study brings a light on the role of financial institutions in promoting hairdressing salons. The study also focuses the socio-economic background of individuals in hairdressings salons, problems faced by them. The present study is based on primary and secondary data. Primary data collected among hairdressing salons in Davangere city. Samples selected with the help of simple random sampling techniques. Collected data analysed and interpreted with the help of simple statistical tools.

Keywords : micro service enterprises, financial institutions, hairdressing salons, financial sector

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