

## A Study on Usage of Digital Banking in Rural Areas

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### Abstract

In addition, to the revolution of digital banking, digital payment as been spread into rural areas. Mr. Narendra Modi initiated campaign for Digital India, which forecasted that more than 12000 rural post office are being linked with payment banking through digitalization. The kind of decline has been due to the lower knowledge of the Rural banking system and lack of awareness about digitalization and its effectiveness. The study is made to understand digital banking in rural areas.

**KEYWORD:** Digital banking, Digital services etc.

### INTRODUCTION:-

The digital banking is fast growing worldwide and for the development of economic .Digital banking is part of the broader context for the move to online banking where banking service are delivered over the internet. Large number of countries or cities accepting and encouraging the e-banking or digital banking. It is online activities like fund transfer, loan management, bill payments. It means availability of all banking activities online. Digital banking gives you the luxury of freely accessing and performing all traditional banking activities 24\*7 without having to personally go to a bank branch to get your work done. Digital banking can be done through either a laptop tablet or your mobile phone.

### DIGITAL BANKING IN RURAL AREAS:-

Digital banking is spread over rural and urban areas. The extent to which it is spread is described below

#### 1. Convenient account opening in minute:

Digital cell on boarding allows customers to open a bank accounts no matter where they are or what device they are using 68% respondents are actively using it in their on boarding process, 80% of financial institution identified improving the customers experience has the business objectives in digital account opening process in 2020. 90% of financial institution stated automatic digital account opening process is a priority in 2020. 99% of financial institution state and level are increased budget dedicated to digital account opening in.

#### 2. account to account payment (A2A):

p 2 p or fear to fear payment are a simple but effective solution that allows near money transfer between any device with just a few tops customers can pay and send money to friends and family from their phone and a computer. Banks that offer the convenience

and a simplicity of instant payments can keep their customers in their ecosystem instead of losing them to payment service like Venom.

### **3. Intuitive loan application:**

With an alternated digital application, process customers can effortlessly open additional, obtain credit cards and apply for loans. Lending is a core banking service that can benefit greatly from a next generation digital strategy.

### **4. Schedule payments:**

Monthly and annual bills are recurring payments that take time. Automatic and providing management bills tools bring out a convenience for both individuals and personal has which schedule payment account holders can also send money from single account to multiple recipient with bulk transfer.

### **5. Personal digital card management:**

digital card management allows banks to give customers more controlled over their finance. Setting up online spending limits and blocking payment cards with just a few taps ads convenience and a better sense of security with digital management customers can customers there settings to match they purchasing behavior by turning contracts NFC and online payments on or off.

### **6. Trust worthy security:**

digital banking service collect and store sensitive customer that must be protected and kept secure with innovative. Technology multi-factor biometric identification, card tokenization, and productive fraud detection system are a must for a modern banking experience.

### **7. Timely notifications:-**

With in-app alerts and notifications, customers can monitor their financial activity and protect themselves from fraudulent withdrawals and transactions. Real-time notifications of incoming and outgoing payments, low balance alerts, overdraft protection alerts and payment providers allow customers to stay on top of their finances. Each app alert is also an opportunity for banks to offer better products and services to their customers.

## **SERVICES COVERED UNDER E-BANKING:-**

- 1 Automated teller machines
- 2 Credit Cards
- 3 Debit Cards
- 4 Smart Cards
- 5 Electronic Funds Transfer system

- 6 Mobile banking
- 7 Internet banking
- 8 Telephone banking.

All Banks are making greater use of E-banking facilities to provide best service and to face cut throat competition at entire globe. The spread of E-banking is also greatly helping the ordinary rural customers.

### **IMPORTANCE OF DIGITAL BANKING:-**

#### **\* Increases efficiency:-**

Digitalization of Banking increases the efficiency in banking sector and enable smoother transaction.

#### **\* Fast and Furious:-**

Digitalization will the reduces the time of transactions and their by encourage easy flow of funds compare to traditional banking.

#### **\* Waste coverage:-**

Digitalization of Banking covers large number of people and as wide coverage.

#### **\* improve the quality:-**

Digitalization will improve the quality of service of the banking sector compared to traditional banking.

#### **\* Less human error:-**

Digitalization of banking maintains proper records of transactions and their by reduce the human errors.

#### **\* Environment friendly:-**

As digitalization of Banking save paper and trees it is more of environment friendly.

#### **\* Increases investment:-**

Digitalization of Banking leads to quick and easy access to various banking services and their by increases the investment activities in the country.

#### **\* Less cost:-**

Digitalization of Banking the cost of printing currency notes as is no usage of hard cash and less cost in maintaining records as it available online.

## **LITERATURE REVIEW:-**

The study explores that there are various problems of satisfaction of banks' customers in India in terms of, physical sources, reliability and assurance. Nowadays banks are facing so many challenges in terms of customer performance. They are playing a strategic role to manage the customers in rural areas. The service quality plays a vital role to hold and satisfy the customers in rural areas.

According to Khan H. F.(2017), in his study depicts that the electronic banking is handling various banking transactions with the help of the internet through communication and information technology.

Centeno(2004) in his research title says that digital banking habits among the rural people with special reference to Kottayam "Conveyed that speed, the comfort of access, 7 \* 24 availability and price benefits are the attractive factors for the consumers to use internet banking".

Luslsik (2004) in this research title says that digital banking habits among the rural people with special reference to Kottayam "Has evaluated the digital banking service is a different electronic channel for doing banking transactions with the support of internet, telephone, TV, mobile and computer etc".

According to (Southard and Siall2004, Witman and Poust 2008) considered the digital banking service as a self-service by customers. Since it is a self-service bank needs less resources and less transaction and production expenses.

Mukherjee(2011) the author discussed the role of information and Communication Technology in the rural sector in bringing about growth. Growth and development are being pursued by rural-dominated economic. New-age innovations are helping the economy by delivering value-added services at an affordable cost to achieve the desired outcome.

Potador, Santosh, B. Hidayatulla, K. Pirjade, (2013) some reasons of not using internet banking in rural areas are lack of education, missing e-banking awareness, no prior knowledge on computer and its peripherals, fear to perform bank transactions on machine, mentality unchanged from manual activities, unfaith on computer machine. Economically and sound situation.

Sikdar and Mukkad (2013) in this study discussed on internet banking in India a perspective on benefits and challenges involved suggested that commercial banking activities over the long haul can be significantly streamlined by limiting the branch to Centre around coordinate offering and different exercises requiring higher spotlight with respect to commercial banks.

## **OBJECTIVES OF THE STUDY :-**

1. To study digital banking in rural areas.
2. To evaluate the level of awareness in rural areas.
3. To analyse the percentage use of various services through digital banking.

**SCOPE OF THE STUDY:-**

The study is descriptive in nature in the study is restricted to people in K.R.Nagar rural study only.

**DATA COLLECTION:-**

Questionnaire was designed and was distributed through google form, among 154 was collected and distributed to people in nearby villages.

**ANALYSIS AND INTERPRETATION**

**To understand the level of awareness of digital banking**

Options	Frequency	percentage
Yes	142	92.1
No	12	7.9
Total	154	100

From the above table and graph we can understand that people in rural areas are aware of digital banking. Around 92% of rural areas are aware of digital banking .

**To understand the percentage of usage of digital banking**

Options	Frequency	Percentage
Daily	0	0.26
Never	28	18.14
Once in a week	16	10.4
Once in a month	41	26.3
Once in a year	61	39.5
Very frequently	08	5.4

The following chart shows the percentage usage of digital banking in rural areas. Although people in rural areas are aware of digital banking the frequency of usage is very less. Majority of people use once in a month or year

**Activities through E-banking**

Options	Frequency	Percentage
Google pay	53	34.2
Phone pay	36	23.7
Paytm	08	5.05
Own banks app	08	5.02
All of above	39	25
None of the above	10	6.6

Ebanking is accessible through various apps and the following chart shows the use of apps . majority of people use google pay or phone pay for digital banking

**Preference of online banking inspiteof offline**

Options	Frequency	Percentage
Strongly agree	39	25
Agree	10	6.6
Neutral	39	25
Disagree	26	17
Strongly disagree	40	26.4
Total	154	100

Although majority of people are aware of digital banking the percentage of preference is more for offline banking around 26.4 percent use offline mode

**Association of Activities through E-banking and awareness through chisquare test**

H<sub>0</sub>:there is significant relationship between awareness and activities through e-banking.

H<sub>1</sub>: there is no significant relationship between awareness and activities through e-banking.

	Value	Df	Significance
Pearson chisquare	43.355 <sup>a</sup>	12	0.000
No of valid cases	154		

From the above table it can analysed that the p value is 0.00 which is less than 0.05 hence we can accept the alternative hypothesis that there is no significant relationship between awareness and activities through e-banking.

**CONCLUSION:-**

From this research it can be understood that digital banking in rural areas plays a very important role.now a days rural people are using digital banking through smart phones through fund transfers ,balance checking . Rural people are using digital banking for time saving.Imporvement in technology in rural areas helps usage of digital banking. rural people are using google pay, phone pay, paytm and some people are using there own banking apps.

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