



# Rural People Regarding the Use of E-Banking Facilities

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**Abstract:** *The program of inclusive growth and financial inclusion pay the way to spread more and more bank branches in the rural India which in turn encouraged banking habits among the rural people of the country. In the Globalization period technological development and expose to which is inevitable to citizen of the country. In recent E- years India's move is in favor of cashless transaction and economy. Hence, in this process the whole banking sector, may be rural or urban, stepped out to adopt all possible modern technology and also suggested to the people of the country to accept and execute the idea in the day today banking activities The main step to go for cashless economy is E-Banking. Electronic Banking or e-banking refers to a system where banking activities are carried out using informational and computer technology over human resource. The paper tries to throw light up on the Interest and Responsiveness of Rural People regarding the use of E-Banking Facilities with reference to Udupi district. The study is based on primary data collected through questionnaire and analysis is made by using simple statistical techniques like percentage, Graphs etc. The main findings can be summarized as majority people in the study area are certain extent interested and responsive towards the E- banking facilities, but all of them are not using every E-banking facilities provided by banks. At the same time rural people opinioned that E- banking is the need of the hour in everywhere in the country, because, which helps them to carry banking works very easily and quickly.*

**Key Words:** *Banking, Rural People, Facilities, Banks, Interest*

## I. INTRODUCTION

The agenda of inclusive growth and financial inclusion pay the way to spread more and more bank branches in the rural India which in turn encouraged banking habits among the rural people of the country. In the globalization period technological development and expose to which is inevitable to citizen of the country. In recent years India's move is in favor of cashless transaction and economy. Hence, in this process the whole banking sector, may be rural or urban, stepped out to adopt all possible modern technology and also suggested to the people of the country to accept and execute the idea in the day today banking activities

The main step to go for cashless economy is E-Banking. Electronic Banking or e-banking refers to a system where banking activities are carried out using informational and computer technology over human resource. In comparison to traditional banking services, in e-banking there is no physical interaction between the bank and the customers. E-banking is the delivery of bank's information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as personal computer and a mobile phone with browser or desktop software, telephone or digital television (Daniel, 1999) The paper tries to throw light upon the interest, awareness and response about E-banking facilities by rural people with considering rural people of Udupi district.

## II. OBJECTIVES

- 1) To know the interest of different age group of rural bank customers using E banking facilities.
- 2) To study the knowledge about the E- Banking facilities among rural people.
- 3) To know the intention of Using E-Banking Facilities in Rural area.
- 4) To make out factors affecting rural bank customers in using E-banking facilities

## III. METHODOLOGY

The study is based on primary data. The primary data were collected with the help of specially prepared Questionnaires. Totally more than 98 respondents were included in the sample from Udupi district of Karnataka. The majority of questionnaire was served to the customers who have accounts in nationalized banks which are having branches in rural area. In order to examine and analysis the so collected data, some conventional statistical tools like the simple percentage, average, graphs etc. are used.

**IV. ANALYSIS**

The coastal Karnataka is called cradle of five banks among which two nationalized and one private bank gave birth in the Udupi district alone. Thus, Udupi is the centre of banking activities. These banks served the banking needs of the people, particularly many poor people of the area and also encouraged rural banking activities. It gave employment opportunities to many unemployed youths and developed the habit of thrift among the poor people. At present all Nationalized and national level banks in the country have their branches in Udupi and have been giving good banking services. Thus, the study carried out with E- banking facilities users particularly in rural areas.

**Profile of Respondents:**

As per the study, among E-banking facilities users in rural area of the district, majority are fall in the age group of 18 to 30 years, which was 46.94% in the study area. 18.37% users are from the age group of 31-41, 14.50% from 41-50 age group. Regarding education of the respondents 47.96% are having graduation or post graduation degree, 20.41% are having PUC level education, 19.39% secondary level education. Relating to occupations, 28.57% of E- banking facilities users are employed in one or the other sector. 22.45% are self employed, 36.74% others like students, business men, house wife etc

**Table No.1. Banks and Type of Bank accounts of Respondents**

Name of Banks	No.of Respondents	In %	Type of Accounts	No.of Respondents	In %
State Bank of India	42	42.86	Savings Account	91	92.86
Syndicate Bank	30	30.62	Current Accounts	7	7.14
Vijay Bank	11	11.22			
Corporation Bank	4	4.08			
Canara Bank	11	11.22			
Total	98	100		98	100

Sources: Primary Data

The study mainly focused on nationalized bank customers, thus, among the respondents, 42.86% account holders are having account in SBI branches, 30.62% having accounts in Syndicate bank branches, 11.22% account holders in Vijaya bank (Now Bank of Baroda) remaining accounts are in Corporation bank and Canara bank. (Table. No.1). When it comes to types of account through which people are carrying E-banking activities, it seems majority are having Saving Bank accounts i.e. 92.86% rest of the accounts are current accounts.

**Table.No.2. Knowledge of Internet and E-Banking Services. (Out of 98 Respondents)**

Matters	Yes	In %	No	In %
Number of Internet Users	76	77.55	22	22.45
Awareness about E- Banking Facilities.	68	69.39	30	30.61
E- Banking services are necessary in the present scenario	78	79.59	20	20.41
Have access to Internet connection in mobile phone	74	75.51	24	24.49

Sources: Primary Data

The Study carried regarding the knowledge of bank customers about internet to carry E-banking activities. As per the Table.no.2. 77.55% respondents are internet users and 69.39% respondent have either heard or are fully aware about E- banking facilities in the study area. 75.52% respondent are having internet connection to their mobile phones. And 79.59% respondents said E- banking services are very much needed in the present scenario.

**Table No.3. E- banking Facilities provided by the Banks and Use of such facilities by the Customers (Out of 98 Respondents)**

Services	Number of Bank Branches provided the types of services	In %	Services used by the customers	Number of costumers used services	In %
ATM	62	63.27	ATM	92	93.88
Online banking	72	73.47	Online banking	20	20.41
Mobile	67	68.37	Mobile banking	32	32.65



banking					
SMS banking	92	93.88	SMS banking	64	65.31

Sources: Primary Data

As per the study 63.37% bank branches provided ATM facilities,73.47% online banking facilities,68.37% mobile banking facilities and 93.88% SMS banking facilities.( Table no.3) but use of such facilities by the customers concerned 93.88% bank customers are using ATM facilities, however only 20.41% uses Online Banking,32.65% respondents using Mobile banking and 65.31% respondents are using SMS banking (Table.no.3).

Table No.4. Purpose of Using E-Banking Facilities in Rural area. (Out of 98 Respondents)

Purpose	Number of customers using.	In %
Online Funds Transfer	12	12.24
Online purchase and payment	46	46.94
Regular Checking of bank statement	32	32.65
Credit card payments	27	27.55
Stock and trading	2	2.04
Withdraw money	94	95.92

Sources: Primary Data

Of course, there are a number of purposes and intentions to use banking facilities, as per the study, it is revealed that 12.24 % respondents use it for online fund transfer, 46.94% respondents used it for Online purchase and payments. 32.65% respondents for regular checking of bank statement, 27.55% users for credit card payments, just 2.04% for stock and trading and 95.92% respondents for withdraw money. (Table no.5). It seems, majority are using ATM facilities.

Graph.no.1. Purpose of Using E-Banking Facilities in Rural area

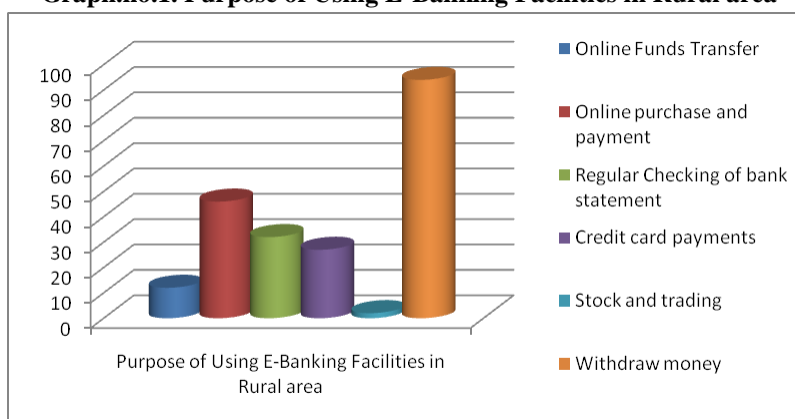


Table No.5. Reason for respondents to prefer E-banking (Out of 98 Respondents)

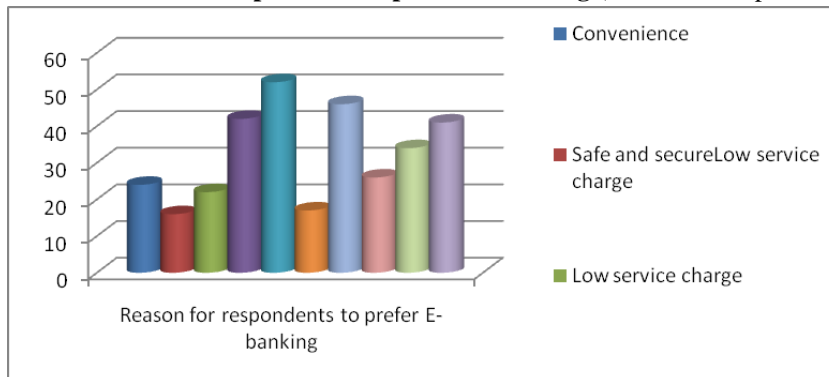
Reason	Responses Number of customers	In %
Convenience	24	24.49
Safe and Secure	16	16.33
Low Service Charge	22	22.45
Easy to maintain banking transactions	42	42.86
Online Shopping easy	52	53.06
Internet Banking available 24x7	17	17.35
Need not to carry cash	46	46.94
Internet banking is available in mobile also	26	26.53
There is no need to travel for money	34	34.69
Quicker	41	41.84

Sources: Primary Data

When the respondents are asked for the reasons why they are prefer E-banking, every respondent is having their own reason, it can be analyzed as 24.49% of total respondent said it is because of convenience,16.33% , because of safe and secure, 22.45% Lower service charge,42.86% said easy to

maintain banking transactions, 53.06% easy to online shopping,17.35 said it is available 24x7, 46.94% said Need not carry cash, 26.53% it is possible by mobile also,34.69% no need to travel to banks and 41.84% said it is quicker( Table.No.5)

**Graph No.2. Reason for respondents to prefer E-banking (Out of 98 Respondents)**



**Table No.6. Customers concern about E-Banking services. ( Out of 98 Respondents)**

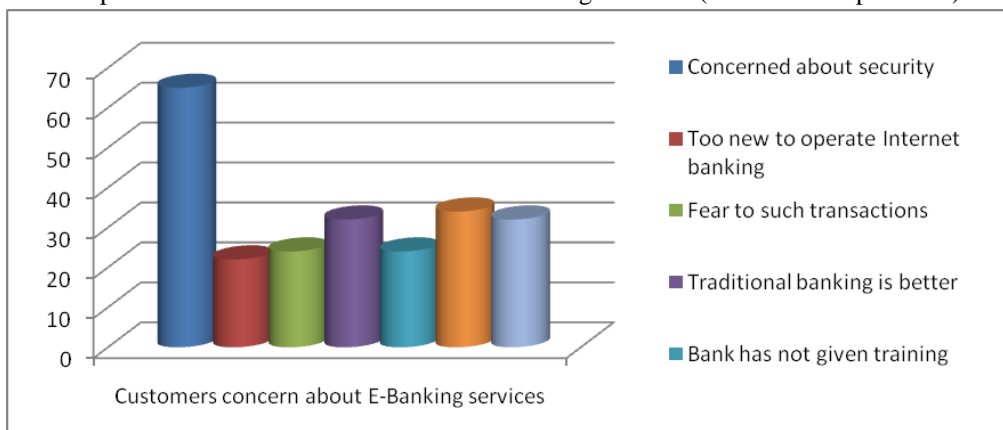
Reason	Responses Number of customers	In %
Concerned about security	65	66.33
Too new to operate Internet banking	22	22.45
Fear to such transactions	24	24.49
Traditional banking is better	32	32.65
Bank has not given training	24	24.49
Not Easy for uneducated people	34	34.69
Critical process	32	32.65

Sources: Primary Data

E-Banking has become part and partial of modern banking activities, but bank customers are still having a number of apprehension about the ongoing changes in favor of cashless economy. As per the study 66.33% respondents are concerned about security, 22.45% have fear about such

transaction, 32.65% respondents said operation is very critical process, 34.69% said not easy for uneducated people, 32.65% have the opinion traditional banking is better. 24.49% said bank should give training to their customer in this regard. Thus, it indicates people are still in dilemma mind setting.

**Graph No.3. Customers concern about E-Banking services. (Out of 98 Respondents)**





## V. CONCLUSION

In conclusion, among the users of banking facilities in rural area majority people are fall in the age group of 18 to 30 years, most are having graduation or post graduation study ,77.55% respondents are internet users and 69.39% respondent have either heard or are fully aware about E- banking facilities in the study area,75.52% respondent are having internet connection to their mobile phones. 79.59% respondents said E- banking services are very much needed in the present scenario. Though every respondent is having their own reason to prefer E-banking facilities, main reasons are, Lower service charge, easy to maintain banking transactions, easy to online shopping, Need not carry cash, no need to travel to banks and it is quicker , main concerns in using E- banking facilities are 66.33% are about security, 22.45% have fear about such transaction, 32.65% respondents said operation is very critical process, 34.69% said not easy for uneducated people.

Thus,E-banking method is regarded as more important than branch banking. Most customers prefer banking through ATMs followed by cell phones, and the least preferred method is telephone banking (Masocha, 2011) Thus ,it may be the residents of either rural or urban area everybody today gradually using E- banking facilities, it is becoming inevitable to carry all banking activities easily and quickly. However, ruralpeople are also aware about some important shortcomings of Internet banking which could cause a threat their banking activities. In conclusion, one can summarize like if banking system, with full security and safety and infrastructure, provide E- Banking facilities, than all citizens of the country will carry e- Banking transactions.

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