



E-ISSN: 2278-4136
P-ISSN: 2349-8234
JPP 2019; 8(5): 178-181
Received: 10-07-2019
Accepted: 12-08-2019

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Farmers' behavior towards digital banking of Ambajogai Tehsil of Maharashtra

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Abstract

The Present study was conducted in Beed district of Maharashtra (India) during 2018-19. The data were collected with the help of structured interview schedule through 100 farmers selected on the basis of simple random sampling. The findings of the investigation indicate that counter banking found more reliable to the respondents in comparison of digital banking. However, digital banking is becoming popular among the younger generation who are frequently using smart phones and internet facilities. People have started using digital/internet banking to check the balance and transaction history but still they are scared about online funds transfer and payments. They feel that online transfers are not safe and they have also accepted that they have got not any type of training or course to understand its benefits and system.

Keywords: Digital banking, rural

Introduction

Digital banking contains a full transformation to a digital environment frontend and backend and anything in between for both customers and employees. Digital banking relies on big data, analytics and embracing all new technologies to improve the customer's experience. You will only be considered a digital bank if you have digitized all the functions you have from product development to customer service. There are several reasons why digital banking becomes increasingly important in the banking industry. It is a well-known fact that digital India is the outcome of many innovations and technological advancements. These transform the lives of people in many ways and will empower the society in a better manner. The Digital India Programme, an initiative of honourable Prime Minister Mr. Narendra Modi, will transpire new development in every sector. The motive behind the concept is to build participative, transparent and responsive system. The Digital India drive is a dream project of the Government of India to remodel the country into a knowledgeable economy and digitally empowered society, with good governance for citizens by bringing synchronization and co-ordination in public accountability, digitally connecting and delivering the government programs and services to mobilize the capability of information technology across government departments. Today, every nation wants to be fully digitalized and this programme strives to provide equal benefit to the user and service provider. Hence, an attempt has been made under this study to understand Digital India – as a campaign where technologies and connectivity will come together to make an impact on all aspects of governance with transparency and help to improve the quality of life of citizens.

E-Banking is one of the latest approaches to provide comfort to the client system as well as service providers regarding monetary transactions. Through E-Banking the bank wants to introduce the core concept of IT based Enabled Services (ITES). The major idea is to provide a series of services to the customer through the internet, and make the customer feel flexible in calling out simple tasks faster instead of making visit to the bank every time. Today, one of the surest most comfortable and less risk oriented faced by banking sectors the application of electronic commerce. E-banking is considered to have a substantial impact on banks' performance. More and more people are adapting to this technique and the banking industry is bound to grow. The evolution of electronic banking started with the use of automatic teller machines and has included telephone banking, direct bill payment, electronic fund transfer and online banking.

This research shows that the application of e-banking can help their local banks reduce operating costs and provide a better and fast service to their customer. It provides an insight into various aspect of E-banking. The shift from the formal banking to E-Banking has been a remarkable 'leap change' in Indian banking history.

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Thus, E- banking today proves to be a strong innovative tool in delivering refined and improved services to customers. This study clearly reveals that the different roles involved in Indian economic growth.

Objectives

- To study age groups and analyze awareness among the rural customer about digital banking
- To study the facilities provided by the banks and relationship between occupation, education, income and choice of digital/internet banking among rural consumers.
- To know the constraints facing by the respondents in digitization in banking sector.

Methodology

The study was done by collecting primary data as well as secondary data. Secondary data was collected from different published sources. Non probability and convenience sampling applied to conduct this research. Data is collected from 100 respondents for the purpose for determining the rural consumer's preference towards digital Banking. Random sampling method has been opted in order to collect the data. As far as the data collection is concerned, 10 villages were identified randomly for the purpose of gathering the information. The respondents have been personally interviewed by means structured schedule framed on the basis of objectives of study. Multistage stratified sampling technique has been applied for obtaining the sample and data have been calculated on general arithmetic mean value and percentage basis.

The secondary data has been collected and compared from internet sources, articles, newspapers etc. The recorded responses have been counted and converted into mean scores of each constraints and have been accorded with ranking. We have taken equal percentage from both areas because we are identifying those factors which are responsible for the development of digital banking in rural area.

Result and Discussion:

Age

As the data depicted in table 1 all the respondents were ranging in the age group of 17 to 70 years. Out of that (48%) respondents have been in the age group of 17-30, followed by (44%) have been in 31-40, (5%) have been in 41-50 and only (3%) remained in 51 & 70 age group. Here we need to understand the perceptions young people have digital banking. For instance, our research found that more than 50% of 17-30 year olds who used smart phones for their recreation, obtaining knowledge through internet, photography and what app can be future user of digital banking.

Table 1: Age group of respondents

Items	No. of Respondents
17-30	48
31-40	44
41-50	5
51 & 70	3
Total	100

Education

As per the analysis of table 2 the maximum percentages (65%) of respondents have been in the category of who passed intermediate. Second largest percentages (15%) are in the category of illiterates while only (7%) respondents are in the category of post graduation. Only (13%) respondents are in the category of graduation.

Table 2: Education Level of respondents

Items	No. of Respondents
Illiterate	15
Intermediate level	65
Graduate	13
Post Graduate	7
Total	100

Occupation

According to table 3 in the present scenario, occupation is the most important aspect for any person for the survival, it is necessary for every person that he or she should be self-dependent. In rural area 45% respondents who are self-employed, 23% respondents working in private/NGO jobs and only 08% respondents are govt. employee. However, only 24% respondents are involved in uncategorized occupation.

Table 3: Occupation of respondents

Items	No. of Respondents
Govt. employee	08
Private employee	23
Self-employed	45
Multitasking	24
Total	100

Annual Income

Investment and saving both are largely depends on individual's income. Not only in India but also in world income is an important aspect and peoples invest in savings with banks. As a result of the survey it was found that in rural area 57% respondents are having only Rs. 1 lakh annual income, 22% having between 1-5 lakh, 15% having 5 lakh-10 lakh and only 6% respondents having more than 10 lakh annual income.

Table 4: Annual Income of respondents

Items	No. of Respondents
Up to Rs. 1,00,000	57
Rs. 1,01,000 to 5,00,000	22
Rs. 5,01,000 to 10,00,000	15
Rs. 10,00,000 & above	6
Total	100

Bank Accounts

Table 5 reveals about interest, awareness and importance of banking system among the respondents. There are several options are available for saving, securing and their money, they can go with public bank, private bank, co-operative bank etc. when we conducted the survey in rural area 23% respondents had accounts in public bank, 15% respondents had accounts in private bank and 62% respondents availing the co-operative bank's services because of farming. It is because of most of the farmers using kisan credit cards and they are also associated with societies so that their payment of sugarcane directly goes in cooperative banks and they feel comfortable because of friendly behaviors of staff of cooperative banks mostly branches of cooperative banks are in rural areas respondents and the staff of cooperative banks know the temperament of each other and staff is also helpful in filling up the form in their local Marathi language. While in private and public banks farmers do not feel comfortable and the process of account opening is very lengthy and tedious and non cooperation attitude of staff members keep away the rural customers.

Table 5: Bank Account of respondents

Items	No. of Respondents
Public Bank	23
Private Bank	15
Co-operative Bank	62
Total	100

Banking Facilities

As far as banking facilities are concerned, in present scenario every bank provide online and offline banking services. During survey it was found that about 87% respondents believe in using counter banking. The reason behind they said that counter banking is safer than internet or digital banking out of 87% respondents only 52% farmers are having ATM cards rest of 38% farmers have not accepted the ATM card facility. Most of the farmers having fear that using ATM machines are not safe and even they are not able to understand the instruction display on screen they also admit that remembering ATM pin is also a big task for them and carrying cash from ATM machine is not safe. If we refer to table no. 1&2 it shows that users of digital banking is in between the age group of 17-30 year (48%) and the education level of this group is also more or less intermediate level. We can say that real user of digital banking or payments is younger generation middle age group ranging from (31-70) years are having lots of hesitation in using digital payments. Even they do not know/use internet banking.

Table 6: Respondents uses the banking facility

Items	No. of Respondents
Counter Banking	87
Digital Banking	13
Total	100

They are unaware about mobile apps like BHIM, PAYTM, PAY Phone, Goggle Pay etc. Only 13% respondent's uses digital banking but still they uses limited facilities of digital banking like withdraw of money from ATM machine and balance check only they do not use the money transfer facilities. Respondents also described the genuine problems of rural areas like electricity is not provided to all the villages, Villagers may not be able to purchase smart phones or laptops, Operations of accounts, conducting transactions through mobiles and to make online payments need training, ATM centers to be provided at least at a distance of 5-6 kms for easy access.

Banking Services

Interpretation of table no. 7 clearly indicates that banks provide various digital services for their users. Such services are helpful for easily transaction. 89% respondents use the digital banking only for check the balance & transaction history, 4% online fund transfer, 1% for card to card transfer, opening FD and railway tickets and 5% respondents avail the digital banking for shopping in rural area. During discussion it was found that even younger generation is not feeling safe online transactions they said we use ATM cards only to check the balance and mini statements, online transfer is not safe because they have not got any type of training and read any manual. However, only 1% rural youth accepted that they tried card to card fund transfer process only experimental basis they are not used to about this facility. Only 5% respondents used the internet banking facility and they used this facility to transfer their university fee and they also mentioned that this is not in our regular practice because they

are not having smart phone or laptop/computer. They usually have to use the cyber café facility to transfer the money which is not safe practice. Only 5% respondent have availed the facility of shopping by using Debit card out of 5 people 2 have used ATM card for filling the petrol, 2 have purchased movie ticket and only 1 respondent used his card in shopping mall. Only 1 respondent has purchased railway ticket and paid by ATM card. Here they have accepted that they will not use in future because they thing it is not safe.

Table 7: Services mostly used by respondents

Items	No. of Respondents
Balance & Transaction History	89
Online Fund Transfer	4
Card to Card Fund Transfer	1
Shopping	5
Railway Ticket	1
Total	100

Transactions through internet secure

Table no. 8 depicts about the security of transactions through internet banking about 71% respondents said that transaction through internet banking is not safe. 19% accepted it may be little bit safe but they are not sure how much it is safe but they admitted transaction of money is faster. Nobody admitted that internet banking is very much safe. During survey it was observed that people are not aware the benefits of internet banking and they have not got any type of training/help regarding operations of internet banking.

Table 8: Transactions through internet secure

Items	No. of Respondents
Very much	0
Much	19
Not at all	71
Total	100

Satisfaction level

Table 9 shows that customer satisfaction is the first priority of any service. On the behalf of this survey 89% respondents are very much satisfies with counter banking in rural area only 11% respondents showed little bit satisfaction in digital banking because they admitted that counter banking is very much time consuming, lots of paper work required, long queue, expenditure in transportation, have to spare lots of time for banking purpose. They also admitted that they have heard about other only line transaction facility but they are not very much aware and they are not used to. Banks have not organized any training programmes and using of smart phone is still a big deal for rural area people.

Table 9: Satisfaction Level of Respondents with counter banking

Items	No. of Respondents
Very much	89
Little	11
Total	100

According to table no. 10 Prose and cones are the parts of any services.

There are lots of benefits of digital banking but under rural conditions still lots of constraints are there. In rural area 73% respondents are facing difficulties of using digital banking because they are not so much aware about digital banking. ATM machines are not in nearby areas, problem and regularity of cash in ATM machines, electricity problem. 08%

respondents complained about lack of assistance from banking staff, 17% respondents admitted that digital banking is not safe due to hacking, cloning of ATM cards etc, only 2% respondents admitted that internet facilities are not up to the mark so that lots of time they are unable to get cash from banks as well as from ATM machines. On the other hand,

24% respondents are not aware with using online banking, 17% said that there is lack of assistance, 12% respondents are safety concern, 44% respondents are depend on internet and 3% respondents are unreliable with digital banking in urban area.

Table 10: Disadvantages of Digital Banking

Items	No. of Respondents
Overall difficulty of using online banking system	73
Lack of assistance	08
Security concern	17
Dependence on Internet service	02
Total	100

Table 11: Constraints responsible for slow adoption of Digital Banking

S. No.	Constraints	No. of Respondents	Rank order
1.	Poor speed of internet connectivity	96	I
2.	Language problem (English & Hindi)	93	II
3.	Lack of trust in digital banking	64	VI
4.	High cost of smart phones	79	IV
5.	Multitasking nature of farming community	47	VIII
6.	Low level of financial inclusion	59	VII
7.	Non of availability of ATM machines in rural area	91	III
8.	Limited working hours of ATM machines	67	V

Data presented in table no. 11 revealed that poor speed of internet connectivity remained first constraint, followed by language problem and non availability of ATM machines was the third constraint, high cost of smart phones and limited working hours ATM machines remained fourth and fifth constraints respectively, 63 percent respondents showed lack of trust in digital banking as sixth constraint, low level of financial inclusion and multitasking nature of farming community were the seventh and eight constraints respectively.

Conclusion

A digitally connected India can help in improving social and economic condition of people through development of non-agricultural economic activities apart from providing access to education, health and financial services. However, it is important to note that ICT (Information and Communications Technology) alone cannot directly lead to overall development of the nation. The overall growth and development can be realized through supporting and enhancing elements such as literacy, basic infrastructure, overall business environment, regulatory environment, etc. The Digital India program is just the beginning of a digital revolution, once implemented properly it will open various new opportunities for the citizens.

Digital banking is more complex for rural area people because of poor connectivity or availability internet facilities, language used in ATM machines either in Hindi or English and Multitasking nature of farming community because of use of cash is more farmers have to pay wages in cash, he has to pay their relatives like sister, sister in law and other relatives in cash. High cost of smart phones is also a major constraint to adoption of digital banking; lots of people are not aware how to use internet banking or how to get registered for internet banking facility from banks. A very big problem was also observed in rural area younger generation who can learn and easily operate digital banking but they do not have account in bank. However, family head who are having account in bank but they do not allow their children connect

their account with digital facilities. Annual income is also a major constraint in adoption of digital banking. Lots of respondents admitted that they purchase all the inputs like seed, pesticides, fertilizers and so on credit basis from unorganized market or small shopkeepers and they have to pay in cash to those shop keepers. They are unable to save enough money to keep in accounts.

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