Motivations for Electronic Banking Adoption in Rural Areas of India: A Quantitative Study

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Abstract
The main purpose of this paper is to have a look and discover the type of motivations that provoked rural peoples of India to accept and use electronic banking services. E-banking or electronic performs a vital role in the present situation of banking functionality. It will also let us know how the Government of India considers it as a main vision from the past few decades to achieve such sustainable development as well as an inclusive growth. We will also realize how increase in number of smart phone users and its utilization among every corner of rural India made it possible and an awesome ability towards adoption of electronic financial services to the un-banked and under-banked in rural areas. This paper basically covers a systematic literature overview on its evolution and their motivating factors on its adoption throughout rural India. Major conclusions drawn from various research works stated that cellular banking has a huge potential to alternate the manner of people in such areas transact and store cash. With the help of electronic banking, the banking sector all across the world is gaining a huge customer base with satisfaction and loyalty. The research has considered people from rural areas. This study was conducted to know the Motivation for adoption of electronic banking in rural areas in India, and it is found in the study that respondent says that through electronic banking customers would enjoy many benefits such as mini statement, cheque related functions, balance enquiry, etc. Through electronic banking paying and receiving amount can be done from anywhere and at any time, Electronic banking removes geographical barriers.

Keywords: Electronic, Banking, Adoption, Motivations, Development.

INTRODUCTION
Digitalization of banking services all across every corner of the world has mounted a well built secured network which assists a quick disbursement of all financial services (Brandon, 2016). It has therefore, authorized the people of rural India to be more effective in bringing down the transaction gaps between both rural and urban areas (Bansal, 2014). In the world of banking, development done by the information and communication technology experienced an enormous...
impact on their improvement to provide the users with more flexible methods of transactional services as well as more-user friendly banking services. Electronic banking or e-banking offers and involves, the consumer to make use of internet to access their bank account while sitting from anywhere across every corner of the country and undertake their banking transactions (Raja, 2012). Our Indian economy adds up to about 60% of the rural population which definitely means a majority community and adoption of such services as well as undertaking such banking services in a wide range is definitely going to be an essential factor which recognizes the success of digital economy. In this discussion we will also cover several strategies by Government of India to digitize banking in rural India as such attempts seeks to bring the entire nation into the digital era. E-banking will definitely increase the use of cashless transactions amongst the people of rural areas and also aid them towards creating a safer space and more financial freedom within them. People of rural areas are getting motivated because they provide services to their customers for 24*7. But, in today’s scenario such advantages of e-banking has made “anywhere and anytime” banking services a reality. It has given their customers less difficult, quicker and greater on hand banking services and off course rural India is really getting motivated as well as very much interested to practise electronic banking. Therefore, banking today has become very much easier and it has brought a comfortable way for all its customers to maintain their hard earned money in their financial institutions account. There are various alternatives available to all of them which are ranging from debit cards, credit cards, and e-wallet, net-banking as well cellular banking thus, replacing the conventional method of transaction. Thus, adoption of electronic banking services amongst rural people also allows banks to get returns on their funding and also ensure them with a competitive environment (- Safeena, et.al, 2011).

Electronic banking adoption is getting important among the people of our country as such several financial institutions are moving away completely from traditional bank branch offerings and most of the banks are focusing more on electronic means of customer interaction. People of rural areas are also very much concerned about their security and privacy. In the below section, we will also cover how e-banking is also a cost-effective channel of banking and simultaneously it generates a reciprocal relationship between financial institutions as well as their customers. Fast, cost-effective, wider accessibility and their 24*7 services hours are always the main concern by rural people in considering electronic banking. Now, in the present scenario it also avails features that allows people in almost every kind of purchase or transactions which would be needed by them at any hours of the day. Customers can transact a huge sum of money in just a blink of an eye. They can also enjoy many benefits such as mini statement, cheque related functions, banking transactions alert, mobile recharge, bill payments, PIN management as well as balance enquiry and many more through their electronic devices. The banks are in the hands of all individual customers. Yet, such advancements is
being considered in the field of banking sector and still countless steps are made by Reserve Bank of India as well as different financial institutions but, despite such improvements financial inclusion or adopting electronic banking still remains unsatisfactory. As the cellular devices are possibly the largest accessible tool today amongst every individual, the present study explores motivational factors that affect potential customers to accept and adopt E-banking facilities (Hoehle, et.al, 2012). The present study examines several determinants towards its adoption among the rural low literate and low-income masses.

LITERATURE OF REVIEW

Electronic banking which is also described as digital banking allows users to use electronic technologies and computer devices in place of cheques as well as for other kinds of paper transactions (Chavan, 2013). It has become one of the best self service delivery channels that help to allow financial institutions to deliver information and other services amongst their customers in a more convenience manner. Evolution of e-banking has led towards various transformations the way banks traditionally used to operate their businesses and the way their customers used to perform their banking activities (Ali & Bharadwaj, 2010).

E-banking has evolved rapidly over the recent years, with the advancements done in technological sector and such improvements give everybody an opportunity for an ease access in their banking activities. Information and Communication technology is playing a totally vital function in its development and also in all strolls of our lifestyle, as it has supplied us with a very important role in handling over the high-quality services to its consumers. The findings of the study also suggested us that users tend to get motivated when they used such services for a long period of time. It is developing as an effective distribution channel amongst the people of rural India because they are able to do banking from anywhere without visiting their financial institutions.

The economic growth of a region is directly associated with numerous factors such as input, resources and productive participation of all sections in our society with respect to weaker as well as low-income groups of the society. This means of banking facilitates effective payment and accounting system to its users thereby, encouraging and enhancing the pace of delivering such banking services substantially as well as considerably. Today’s rural Indian people are getting highly motivated towards its adaptation because the customer’s of rural banks are gaining a lot more amount of knowledge than he had decades ago. So, they need convenient access to their banking services through multiple channels and greater control over his/her personal finance and decisions. These methods of banking system are beneficial to both the provider and the customer. Rural people of India are getting used to such methods of transactions because it can save a lot of time and money at their conveniences. Mostly, people of rural areas have are getting relatively easy access to their account, 24 hours per day and seven days a week. It is becoming bigger and brighter among such sections of our society. Usually the financial institutions or banks...
are very far distant from their houses so to refuse such long distance travelling to do their transactions people prefer e-banking services which are less laborious and time-saving to them. Rural India is finding electronic banking a lot easier because they are easy to operate rather than just visiting the bank for the same purpose (Malhotra & Singh, 2010).

Automated teller machines or considered as ATM machines which is one of the most popular types of e-banking. Installation of ATM machines in rural areas of India allowed the customers to withdraw and deposit money at any time convenient, change their debit card PIN. To use services of an ATM the consumer must have a password. They serve as an economic lubricant. ATM card holders are able to save their transportation charges thus, by bringing self-service banking into convenient. It enables the rural population of our country to consider retail purchases which encourages them to increase their spending capacity therefore, which leads to pump more cash flow into the rural economy (Jayadatta, 2017).

Higher spending capacity will generally result in their changing habits, daily lifestyle, and taste which specifically encourage higher consumption. Reserve bank Of India has recently taken several measures to boost ATMs and improve their reach especially in rural areas. Nowadays, almost person of rural area owns a debit card and this card are generally connected to their bank account and they are able to go cashless with this card. They are easy to handle and can be used by them in any kinds of transactions as such the transaction amount gets directly debited from their account instantly. Many financial institutions have launched their mobile banking applications which are available on Google playstore and Apple playstore like YONO from State Bank of India, HDFC mobile banking from HDFC Bank, Axis mobile from Axis Bank, PNB ONE from Punjab national bank and many more. The above mentioned mobile apps bring the bank on our smart phone. India has seen a rapid increase in the number of mobile phone users during the past few years, supported by a wider coverage of Mobile phone networks in rural areas thus, while motivating people of this area to adopt such methods of electronic banking. Now, most of the banks in India facilitate such method of banking as a primary benefit to their customers. People of rural areas feel very comfortable while using these platforms because it allows instant access to their bank account with just a few clicks on their cellular devices. Another most motivating factor towards its adoption is that, they are not required to pay any kind of charges or fees because mobile banking services are free of cost. There are no hassles of writing checks or depositing them by standing in long queues in their respective branches. It will definitely save enormous amount of costs by reducing the usage of paper and also saving an enormous number of trees. But, still many people of rural areas rely on physical type of bill payments.

Financial institutions are doing their best towards the up gradation of such systems which will encourage and motivate more and more customers to make their bill-payments hassle free which will ensure that such facility allows them with quick
and real time bill payments on most utilities (Aithal, 2015). Banking is not just about depositing and withdrawing money anymore; many banks in rural areas are helping them to manage their source of income by making them invest their money shrewdly that will ensure them with better returns. Mobile banking also helps them to facilitate with such financial services. Many financial institutions have their own product range of insurance and mutual funds and customers are able to access these products through e-banking and investing in them instantly (Parameswar, et.al, 2017). Past researches have also validated that social influence is one of motivating factor which has an impact on rural people that aim towards mobile banking, e-banking as well as mobile learning. The users would accept and adopt e-banking through societal influences like friends, family and opinion of superiors who value the usage of technology. Keeping a track of their transaction record was so difficult for them and complicated before the introduction of electronic banking. Nonetheless, electronic banking has made all such services very easy and customers of rural banks will not have to stand in long queue to get their passbook updated and check their bank account details.

Transactions made through electronic banking methods have transaction history and other details like the date and time of payment, receiver’s name, the amount paid and remarks in an organised manner (Moreno-Sanchez, et.al, 2016). The increase in usage of smart phone users have therefore, facilitated financial institutions all across the country to reach out amongst such unbanked citizens. All of their financial information is accessible to e-banking users with a single and secure login. The electronic banking sector in rural areas of India is growing to reach at a competitive level. Reserve bank of India has already initiated many initiatives to make all kinds of transactions, digital in nature as well as absolutely paper free. It has launched the vision 2018 document, which primarily aim towards growing the usage of online banking within all the divisions of our society. Such actions undertaken by RBI will help to increase the motivation on usage of digital channels as well as also boost the customer base for e-banking. Today, there is a no doubt that banking landscape in India has been transformed. The government of India has taken many initiatives towards the adoption of electronic banking methods which is leaving no stone unturned to make our nation a global leader in the arena of digital payment systems (Agarwal & Lenka, 2017). Still, according to some of the results awareness among rural bank customers about electronic banking facilities and its procedures is very less.

Several financial institutions are yet, not able to disseminate proper kind of information about its utilization, numerous benefits in our life. Lack of information about these latest technologies and their benefits are regarded as one of the important barriers on its adoption. Bankers of rural areas must conduct workshops and training programmes for their rural consumers to motivate them towards its adoption. Youth of rural areas are using e-banking services very frequently than the aged and uneducated people amongst rural people so banks must ensure to create awareness among such customers.
Financial institutions must install more and more ATM’s in the village areas. Finally, we have also come to understand that some banks also face huge difficulties and lots of issue while offering the several electronic banking services to its customers in village areas but, Government authorised banks are creating awareness programs through skilled and specialised man power to create and encourage them about electronic banking adoption (Lalon, 2015). The findings of the study will definitely provide a direction to all banks and government to ensure financial inclusion in all areas of urban and rural India.

Objective: To know the motivation for electronic banking adoption in rural areas of India.

Methodology: The researcher had considered people from rural area of India and to know their motivation towards adoption of electronic banking system. The survey was conducted with the help of a questionnaire. The sample size of the study was 200 rural banking consumers of two banks – State Bank of India and Punjab National Bank (100 Respondents Each). The researcher had collected the primary data through random sampling method and was analysed by statistical tool called mean.

Findings:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Statements</th>
<th>Mean Value</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Through electronic banking customers would enjoy many benefits such as mini statement, cheque related functions, balance enquiry, etc.</td>
<td>4.21</td>
</tr>
<tr>
<td>2.</td>
<td>Through electronic banking paying and receiving amount can be done from anywhere and at anytime</td>
<td>4.13</td>
</tr>
<tr>
<td>3.</td>
<td>Electronic banking removes geographical barriers</td>
<td>4.00</td>
</tr>
<tr>
<td>4.</td>
<td>E banking saves lot of time as it does not need to visit the financial institution and can be operated by sitting at home</td>
<td>3.17</td>
</tr>
<tr>
<td>5.</td>
<td>E banking allows instant access to banking transactions is one of its popular feature</td>
<td>3.15</td>
</tr>
<tr>
<td>6.</td>
<td>Adoption of E banking has helped customers as now they do not have to stand in long queues for passbook and cheque book, and other banking related work</td>
<td>3.23</td>
</tr>
</tbody>
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Table above is showing Motivation for adoption of electronic banking in rural areas in India. The respondent says that through electronic banking customers would enjoy many benefits such as mini statement, cheque related functions, balance enquiry, etc. with mean value 4.21, Through electronic banking paying and receiving amount can be done from anywhere and at any time with mean value 4.13 and Electronic banking removes geographical barriers with mean 4.00.
Adoption of E banking has helped customers as now they do not have to stand in long queues for passbook and cheque book, and other banking related work with mean value 3.23, E banking saves lot of time as it does not need to visit the financial institution and can be operated by sitting at home with mean value 3.17 and E banking allows instant access to banking transactions is one of its popular feature with mean value 3.15. Figure 1 presents the mean values of the rural customers motivations for using E-Banking.

![Motivations for Rural Consumers for Using E-Banking](image)

**Figure 1** Mean Values of the rural customers motivations for using E-Banking.

**CONCLUSION**

We will conclude through this context that the banking industry of India has undergone number of changes due to the economic liberalisation and globalisation. Information and communication technology has made their own world in the world of human beings. In the above stanza with respect to market scenario though we consider it as very relevant because it is helpful for rural people on adoption of technology based banking system. Majority of banks all over the country have implemented the electronic banking services to their wider range of customers. Therefore, although many are getting motivated to adopt such services yet, there are some sections of rural areas where it is the need to educate them on internet banking. This was because most of the people in rural areas of India rejected or refused e-banking facilities because they were not aware of its services nor did, they had minimal education on electronic banking. Bankers must invest in understanding the needs of rural people and they must try as much as possible to motivate them towards e-banking. Government of India and bankers of financial institutions should focus on educating the agricultural customers of village areas for internet banking as well.
as also built or open many more banks in our country (Gupte, et.al, 2012).

Banks should ensure safety and security of all transactions performed via smart devices or computer devices through internet so that, it may increase its reach amongst the consumers as well as provide banking services efficiently and effectively. This study was conducted to know the Motivation for adoption of electronic banking in rural areas in India, and it is found in the study that respondent says that through electronic banking customers would enjoy many benefits such as mini statement, cheque related functions, balance enquiry, etc., Through electronic banking paying and receiving amount can be done from anywhere and at any time, Electronic banking removes geographical barriers, all these factors motivate them to adopted e banking system.

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