

BANKING SECTOR: A STUDY ON RURAL CUSTOMERS

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ABSTRACT

Banks play significant role behind the development of rural economy. Rural masses face difficulties to avail banking services. The number of bank branches in rural areas is inadequate. Rural customers suffer due to poor infrastructure of banks. Rural customers avoid online banking due to security threat. Urban customers avail online banking more than rural customers. Urban customers are more aware than rural customers regarding banking facilities. Banks suffer to provide facilities properly for bad internet connectivity. Banks emphasize for increase banking habits among rural masses. Banks provide credit facilities to farmers, small entrepreneurs and artisans. Rural masses avoid banking services due to high bank charges. Bank staff can not communicate with masses in rural areas. The objective of this paper is to analyse the role of banks towards the development of rural areas.

KEYWORDS: Bank, Rural, Urban, Customer.

Introduction

Banks play important role behind the economic development of rural areas. Rural masses depend on local money lenders as they want to avoid the complexity of banking system. Banks should take necessary steps to provide credit to farmers, entrepreneurs and artisans on easy terms. The awareness of rural people regarding banking facilities is less than urban people. Urban people have the facilities to avail banking services easily in comparison to rural people. Customers experience adversity for inadequate number of branches of banks in remote areas. Banks face difficulties to provide banking facilities to rural masses due to poor internet services in rural areas. Urban customers are more inclined to online banking in comparison to rural customers. Rural customers avoid online banking due to inadequate knowledge about online banking. Both rural customers and urban customers suffer due to security threat in availing online banking. The infrastructure of bank in rural areas is very poor. Bank staff can not deliver services properly for lack of training. The objective of the study is to analyse the role of bank in the development of rural areas.

Literature Review

Banks face obstacles due to poor internet service (Jindal, 2016). Banks emphasize to enhance customer satisfaction level by adopting advanced technology (Suleiman et al., 2012). Banking sector plays significant role towards economic system (Dhanraj and Saikumar, 2016). Regional rural banks deliver banking services to rural people (Sharma et al., 2019). The restructuring policy of banking sector implemented by Government of India has positive effect on rural banking systems (Khankojee and Sathye, 2008). Rural economy plays vital role in Indian economy (Kher, 2013). Regional rural banks play important role behind the development of rural economy (Karunakaran, 2020). Banks focus on rural banking platform and other technology based banking services (Puttaswamy, 2018). The features of Indian banking sector in changing very fast (Anita et al., 2018). The involvement of rural people is required for digital transaction in rural banking sector (Das et al., 2017). Increase in number of bank

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branches in rural areas may reduce rural poverty (Burgess and Pande, 2005). Rural banks have immense contribution in the betterment of rural society (Singh, 2020). The objective of the regional rural banks is to enhance banking habits among rural people (Tagariya and Panchal, 2016). Rural banks have significant role in the development of financial activities in villages (Deb, 2020). Rural masses are not able to avail banking facilities (Nandini et al., 2021). Regional rural banks provide credit to small farmers, small entrepreneurs and artisans (Barot and Japee, 2021). Rural masses are not interested to avail banking services due to bank charges (Kuddus et al., 2020). Rural banking system in India requires up-gradation (Kumar, 2018). The contribution of regional rural banks is very significant towards the development of rural areas (Tigari and Gaganadeepa, 2019). Rural banking is adopting modern technology which helps the customers to avail banking facilities easily (Parmar et al., 2013). Rural masses have mobile phones but they are not interested in mobile banking (Mohapatra et al., 2020). Rural people suffer to avail finance from banks (Pandi, 2019).

Methodology and Data Analysis

The objective of banks is to provide banking services accurately to the customers with the view for enhancing customer loyalty. Rural masses ignore banks for high bank charges. They face difficulties to avail banking facilities as the infrastructure is very poor. Bank employees can not communicate effectively with rural people for ignorance about local language. Village masses avoid mobile banking due to security threat. Urban people avail mobile banking more than rural people. Primary data collected from 200 respondents in West Bengal.

Rural People avoid Banking Services Due to High Bank Charges

- 62% of the interviewees admit; 38% of the interviewees reject.

Rural Masses Ignore Online Banking for Inadequate Knowledge

- 78% of the respondents admit; 22% of the interviewees reject.

Rural People Ignore Online Banking for Security Threat

- 83% of the respondents admit and 17% of the respondents disagree.

Urban Customers Avail Banking Services More than Rural Customers

- 94% of the respondents agree and 06% of the respondents disagree.

The Infrastructure of Banks in Rural Areas is Very Poor

- 84% of the respondents agree and 16% of the respondents disagree.

Village Bank Branches are Inadequate in Number

- 89% of the respondents agree and 11% of the respondents disagree.

The Bank Employees can not Perform Effectively in Villages

- 53% of the respondents agree and 47% of the respondents disagree.

Rural Masses Avoid Banking Services Due to Complexity in Banking System

- 69% of the interviewees admit; 31% of the interviewees reject.

Rural People Deal with Hardship for Poor Internet Services

- 76% of the respondents agree and 24% of the respondents disagree.

Banks Play Vital Role in the Development of Rural Economy

- 78% of the respondents agree and 22% of the respondents disagree.

Banks Emphasize to Increase Banking Habits Among Rural Masses

- 67% of the respondents agree and 33% of the respondents disagree.

The Awareness of Rural People Regarding Banking Facilities is Less in Comparison to Urban People

- 92% of the interviewees admit; 08% of the interviewees reject.

Banks Deliver Facilities Accurately to Customers to Increase Customer Satisfaction Level

- 59% of the respondents agree and 41% of the respondents disagree.

Conclusion

Banks should provide financial assistance to farmers, entrepreneurs and artisans on easy terms. The role of bank is significant in the growth of villages. Banks should increase bank branches in villages so that rural customers can avail banking facilities easily. The employees of banks must communicate properly to rural customers. Banks should provide proper training to employee to improve their level of efficiency. Customers of cities use online banking more than the customers of villages. Required measures should be taken by banks to enhance awareness in village masses regarding facilities of banks. Customers suffer due to poor infrastructure of banks in villages. Banks face difficulties to deliver banking services to rural customers for bad internet service.

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