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## Mobile Banking and Rural life in India

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### **Abstract:**

*Mobile Banking plays fundamental roles within the ongoing scenario, This study provides a rural perspective to the research on rural customer for the adoption of Mobile banking. Present days most of the normal people started using smart phones and cell phones have end up the primary need of every one that helps the customers to make various varieties of activities. The Activities which are carried out with the assist of Mobile Banking are on line switch of money, Ticket reservation, and transfer of price range, and so forth, Customer awareness towards mobile banking usage in rural areas.*

*A sample of 100 customers was surveyed from the rural areas of Maharashtra state. A Simple Random Sampling method is used for selections of area from Maharashtra state the study therefore concludes that Security-Privacy, Trust and Familiarity have significant impact on Mobile banking. Other factors such as Prestige, Trust, Safety & Security, and Familiarity has major influence on rural customer for the adopting of Mobile banking services.*

**Keywords:** Mobile Banking, Rural, Information technology, E-banking

### **Introduction:**

Banking in India originated in the 18th century. Among the first Bank were the bank of Hindustan , which was established in 1770 and liquidated in 1829–32; and the General bank of India , The largest and the oldest bank which is still in existence is the State Bank of India (SBI) The Indian banking sector is broadly classified into schedule and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalized banks; SBI and its associates; Regional rural banks (RRBs); foreign banks; and other Indian private sector banks

Information technology has had a great impact on the Indian banking system. The use of computers led to the introduction of online banking as well as Mobile banking in India. The use of computers and mobile, smart phone in the banking sector increased many fold after the

economic reform of 1991 as the country's banking sector has been exposed to the world's market.

Mobile banking is a provision offered by financial and banking institutions that help users avail their services with the help of devices like mobile phones and other devices. Mobile banking is also referred as E-Banking, SMS banking, digital wallet banking. Mobile banking is the term used for performing balance checks, account transactions, credit applications, payments and more through a cell phone or smartphone. Unlike the related Internet banking it uses software, usually called an App provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis.

### **Research problem:**

India is known as a country of villages. If there is to be overall development of villages then the economy of the village must be improved. Mobile banking can play an important role in the economic development of villages. It is necessary to study how mobile banking affects the overall development of the village.

### **Objectives:**

- 1) To study the concept of mobile banking
- 2) To study the need for mobile banking in rural development
- 3) To study the benefits of mobile banking
- 4) To study the problems that arises in mobile banking services

### **Limitations:**

The present study is not free from limitations. Some of the important limitations of this study are pointed out as follows

- 1) Since most of the people in the village were uneducated, the research was hampered
- 2) The concept of mobile banking is still not known to many.
- 3) Many people are deprived of mobile banking services due to lack of mobile range.
- 4) Lack of time

### **Benefits of mobile banking:**

Mobile financial services may offer convenience or access in different ways to different subpopulations. One group that could especially benefit from mobile services is rural residents. Because rural residents may have to travel longer distances to visit financial institutions compared to urban consumers, mobile banking services may be particularly However, there are also countervailing factors that could make usage less likely. To learn more, the 2018 survey included an oversample of residents in rural areas. Thirty- three percent of residents in non-metropolitan (non-metro) areas reported using mobile banking services in the prior 12 months, compared with 39 percent of respondents in metropolitan (metro) areas. Similarly, a smaller percentage (17 percent)

of non-metro respondents reported using mobile payments in the prior 12 months relative to respondents in metro areas (23 percent).

Rural residents appear to use mobile financial services at least somewhat less than those in non-rural areas, why would this be? Results from this survey point to some combination of differing technology, access to broadband services, services offered by financial institutions, and consumer awareness of those services.

Non-metro residents are slightly less likely than metro residents—84 versus 88 percent—to own a mobile phone, but considerably less likely to own a smartphone—54 versus 63 percent. They are also less likely to report near-constant access. When asked to characterize their Internet access on a mobile phone through wifi or a wireless network, 57 percent of non-metro respondents described it as “nearly always available,” compared to 64 percent of respondents in metro areas. Following are the some Benefits of mobile banking.

- 1) Customers can use mobile banking to view their account balances, transfer funds instantly and pay bills.
- 2) There are different types of mobile banking, e.g. Via SMS, USSD and mobile apps.
- 3) Some banks like SBI have included services like loan approval and insurance policy linking in their mobile banking apps.
- 4) The most important thing for customers is to know their bank account, as well as View balance enquiry, Transaction history, e-statement of account, Loan statements, Card statements, e-Passbooks. This service offered through mobile banking.
- 5) Mobile banking saves time in rural areas.
- 6) Many bank branches have not yet reached rural areas. Such people have to come to the city for their financial transactions. The mobile banking system saves the customer time and labor by providing various services to the home customer.
- 7) Mobile banking helps to avoid congestion in the bank.
- 8) The rural economy is gaining momentum as economic transactions gain momentum.

#### **Disadvantages of mobile banking in rural life:**

The banking system is one of the most basic human needs. The government of the country should take care that no one is deprived of these facilities. Because just as food, clothing and shelter are basic human needs, so is economic prosperity. That is why the government is trying to extend the mobile banking system to rural areas.

#### **Disadvantages**

- 1) The basics of electricity and roads have not yet reached some rural areas so people in rural areas do not respond to mobile banking.

- 2) Many people in rural areas are illiterate and have no knowledge of mobile usage
- 3) Rural people have more faith in direct transactions than mobile banking
- 4) Internet facilities have not yet reached rural areas
- 5) Rural people are ignorant about technology

### **Types of Mobile Banking Services:**

Mobile banking services can be categorized into the following:

#### **1. Account information access:**

Account information access allows clients to view their account balances and statements by requesting a mini account statement, review transactional and account history, keep track of their term deposits, review and view loan or card statements, access investment statements (equity or mutual funds), and for some institutions, management of insurance policies.

#### **2. Transaction:**

Transactional services enable clients to transfer funds to accounts at the same institution or other institutions, perform self-account transfers, pay third parties (such as bill payments), and make purchases in collaboration with other applications or prepaid service providers.

#### **3. Investments:**

Investment management services enable clients to manage their portfolios or get a real-time view of their investment portfolios (term-deposits, etc.)

#### **4. Support services:**

Support services enable clients to check on the status of their requests for loan or credit facilities, follow up on their card requests, and locate ATMs.

### **Data interpretation:**

Questionnaire and interview techniques were used for research on this topic. Samples are collected accordingly. The data came from a survey of about 100 people

- Rural people know the modern system of mobile banking? Some questions were asked during the research to find out. 63 out of 100 people said yes. Survivors said they did not know the mobile banking system.
- You use mobile banking services for people who know about mobile banking? Such a question was asked. Eighty percent of those polled said yes.
- The question was which services are used through mobile banking. For this, options like SMS service, balance check, money transfer, electricity and water bill payment were suggested. Almost all the people who do mobile banking said that they are using all these facilities.
- Is internet service available in rural areas? Is this service available at full capacity? Such a question was asked. With few exceptions, almost everyone reported Internet service.

- Are you satisfied with banking services? 73% of people answered yes to this question.
- 86% of people think that mobile banking saves time, money and labor
- Was the youngest candidate interested in mobile banking? Because seniors still prefer direct transactions.
- The survey also included a large number of women. Women in rural areas do not know much about mobile banking.
- Mobile use among women in rural areas is very low.
- In rural areas financial transactions are done by men, so women have no place in financial transaction

### Conclusions and suggestions:

The research seeks to study the contribution of mobile banking system to rural development. The importance of information technology is increasing day by day. The growing use of the Internet has also led to significant improvements in the banking sector. Mobile banking system is one of them, at present mobile banking is widely used in rural areas as well. Therefore, this research was done with different objectives. The findings of this research are as follows

- This research proves that people in rural areas are familiar with the mobile banking system. But mobile banking systems are still scarce in rural areas.
- The response to the mobile banking system has been meager due to fears in people's minds about technology.
- The number of people using mobile banking has been increasing over the last two years.
- This research proves that most young children use mobile banking system.
- Banks need to educate people in rural areas to increase the use of mobile banking.
- There is still a feeling in many minds that money is insecure in mobile banking.
- We have to build trust in people's minds about mobile banking.
- The simpler the language used in mobile banking, the more it will be used.
- Mobile banking will be a boon for people in rural areas. Because it will save them money and time.
- Internet speed is being hampered in mobile banking. People have to bear the brunt of it.
- Many fear being deceived while doing mobile banking.
- This study achieves the research objectives. Considering all the above points, mobile banking system will be important for rural areas

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