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Role of technology in rural banking

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Abstract

Development has been taking place in Indian Rural Banks to increase technology in banking. By using technology in banking helps to control corruption and it also saves customer's time and money. New technology used in rural banking helps customers to change their attitude towards banking system. This paper will provide insight to bank about the technology adopted by Indian Banks to support customers and continued service in Rural Banking.

This study will helps how changing mindset of banking business will help rural people in banking sector. How technology used in banking helps rural population for their survival in agriculture, Household Industry, Self Employment, Trade and Commerce, Marketing, etc. The use of technology has brought a revolution in the work style of the banks. It helps to increase the trust and confidence of the people about rural banking system.

Opening rural branches in banking helps people very much. It is very easy to them to have close contact with banking system. Banking technical information is very essential for rural people especially illiterate and unorganized worker. New technology helps rural people create quick information about government schemes, Banking schemes, loan facilities, repayment of loans, all information will get easily by using technology.

Today technology being the main driving force for rural banking customer to sit back at home and operate their accounts without walking in to the banks for anything and everything. As the advancement of technology has take place with the immense use of internet, mobile an Online bill payments, banking sector in rural India has new development.

Rural banking in India has been follow technology. But it faces some problems. A majority of banks situated in remote areas where regulation of supply of electricity is a major problem. Network problem also slow down the work. It creates long line in the bank. Because of problem of network youths cannot use mobile banking internet regularly. Quick precautionary measures should be taken for improving technology in rural banking.

There should be create awareness regarding the how to use mobile banking, internet banking, How to use ATM, etc. to the rural people. Programme should be conducted on this ground. This paper provides brief information about this.

Keywords: Rural banking, Indian banks, banking technology, financial inclusion, mobile banking, internet banking, financial literacy, technology adoption

Introduction

Rural banks also known as Gramin banks operating in rural India. It helps to serve rural people and help to save their money what they earn in their work. Modern technology plays a vital role in rural banking like-

1. Technology helps to establish new small financial banks in rural areas.
2. It providing banking facilities to rural and semi-urban areas.
3. Using of modern technology help in new version of facilities like debit and credit cards, locker facilities, etc.
4. Technology helps quick reaching out government scheme to rural people.

Objectives of the study

1. To understand how technology faster rural banking system.
2. To know how rural people follow technology in banking.
3. To understand how government scheme reach out rural people quickly with the help of technology.
4. To know what are the drawback of introducing technology in banking in rural areas.
5. To understand future suggestion in using technology in banking.

Methodology

Interview and questionnaire methods adopted. Pilot survey could take in rural areas. Discuss with some rural bank managers and rural people. Secondary sources of data also reviewed.

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Results of the study

Rural banks are very important institutions for rural development. Number of banks work in rural areas. Banks helps overall development of the rural community. Rural banks in Karnataka like Karnataka Gramin Bank, Karnataka Vikas Grameena Bank are technically advanced. With the use of technology transaction of the facilities, loans are very fast. The banks provide regular service like loans, saving accounts, transaction account etc. e.g.: Vikas kalyana (loan on pledge of agricultural produces), Vikas Nirantara (DL on Pigmy), Vikas Kiran (Solar Home Lighting and Water Heating Systems loans), Vikas Suvarna (Jewel Loan and Overdraft), Vikas Swarojgar Credit Card (Swarojgar Credit card), Vikas Lagu Udyami Credit Card (Laghu Udyami Credit Card), all these facilities provided by the bank through the use of technology. Technology helps all facilities easily and quickly available to the customers.

The role of technology in rural banks is

1. **Debit cards:** A Debit card is a plastic card with a magnetic strip. It can be used by the customers for payments.
2. **Mobile banking:** Customers perform their transactions over the mobile. This technology facilitates to call the bank and give order to a bank computer for carrying out of operation under our account. It is the facilities given by the rural banks.
3. **Internet banking:** Conducting financial transaction through a website. In this customer have an access to their account through a server. It provides various services like shop online, online trading, online bill payment, etc.
4. **Automated teller machine:** An Automated Teller Machine is a computerized device that provides access for financial transaction in a public place. The customer can have access to his bank account to make cash withdrawals and check balances. Apart from these functions ATM facilities to transfer money from one account to another and can request for a cheque book. Instead of customers lining up or going to the help desk, banks have provided simple self-inquiry system on all branches. This facility has also enabled anytime banking, because customers can use ATM machines to deposit money on their accounts. Technology in banking has helped people in rural areas to improve on their culture of saving money.
5. **E-banking:** This facilitates bank customers to gain easy services. To make the system user friendly to all customers, banks have used a Graphical User Interface (GUI), with this software; customers can access their bank details on their own computers, print bank statements and enquire about their financial transactions.
6. **Electronic data:** It helps to exchange data between the banks and customers.
7. **Plastic money:** Technology likes Credit cards or smart cards "Visa Electron" has made the banking industry more reliable. With the help of this customer can borrow a specific amount of money from the bank to purchase of anything and the banks bill them later. With the help of this technology customer can pay for anything using that card and that money is deducted from their bank accounts automatically, they can also use the same card to deposit or withdraw money from their accounts using ATM machines.

8. **Signature revival facilities:** Technology has played a vital role in reducing fraud in banks which protects its customers. If the customers wants large sums of money they should put thumb impression which already taken. It helps to control frauds in banking business. It also prevents errors in banking and money should get right customers. Forgery can be prevented from this technology.

9. **Centralized information:** This technology helps quick services. This is very useful because customers can get any information about his bank transaction not only bank which he had account but also check all information through another branch of the same bank. This will help customers to get information about his account through any branch of the bank. Monetary transactions like deposit money in any branch of the bank will be possible.

Information technology plays an important role in rural banks. It helps for bank to provide new facilities to the customers. It helps to solve the customer's problems quickly. Technology in banking helps faster the business; it helps customers for quick responses. Technology has opened up new markets, new service, new products and efficient delivery channels for the banking industry. Internet banking, Mobile banking, online electronic banking is the few examples for technical usages in banking system. Technology helps to solve new challenges in rural banking. Customers have high expectations in the banking industry. Customers are demanding good service in banking today. They demand anytime and anywhere banking facilities. Technology has been providing solutions to banks to take care of their requirements.

Rural banks are modernized today. It provides good services with using computer and electronic devices. Flexible service in banking benefits to the customers. The e-banking has made the customers stop to keeping huge account registers. The e-bank also called easy bank offer number of services to the customers like Credit Cards/Debit Cards, EDI (Electronic Data Interchange), ATM, Internet Banking, E-Cheque, Internet Banking, EFT (Electronic Fund Transfer), Telephone Banking, Mobile Banking, DEMAT Accounts etc.

Technology brought faster changes in the banking systems. In traditional banking system customers always go to the bank for their banking business. All documents were saved in ledger book. Long line for withdrawal and crediting the money, long process for loan application, take more time for banking services, it directly affect banking business in rural areas. Modern technology in banking solves all these problems easily.

The rural banking sector using technology helps customers do their monetary transactions fast and save their money and precious time. New technologies have changing the work style of the banks from paper and branch-based banks to digitalized and networked banking services. Technology has changed the accounting and management system of all rural banks. With the help of technology banks provide good services to its customers. Even technology is expensive it provide better results.

Challenges in use of technology in rural banking

Rural banking establish in long past in rural areas. Even technology boosts the rural banking system, challenges continuous to persist. Even today most of the villagers not

opened their account in banks. This will affect banking business. Most of them were depend on money lender because they can easily get loan from them even do not need any paper bond. Villagers who have accounts in banks they were show shy character to applying loan because they will afraid if not possible of repayment. Those who took loan they did not repay lates of money because most of them are waiting for government can repay it in future. Most of the officers who come from other state who do not interest to learn local languages, communicate customers with English and Hindi language that was not understood by the village customers. Another challenge is that some officer who don't know that how to use modern technology and computers. This affects rural banking. Fraud by the bank officers also some government schemes could not reach villagers properly. This is also big challenges of rural banks.

Conclusion & Recommendation

The benefits underlying the use of technology are based on customer perception of the use of information technology. The consumption of information technology in buying of banking products will lead to bright future of rural India from business perspective. Indian Government has to increase the adoption rate of technology in rural banking system so that it helps growth of rural banking as well as growth of house hold industry and self-employment. The new technological development can be proposed so that futures of Indian rural banking are maintained. Technological training is essential for bank officers. Mass media can be used for create awareness to the public about how to save money in rural banks, what are the availabilities, what are the loan facilities available, how to repay it. Rural Banks officers should do the workshop for rural people about transaction, opening the account, about educational loans, agricultural loans, loan facilities to self-employment, loan for women to women empowerment. The study can further be taken up for exploring the factors of technology which inhibits the rural consumers in adopting technology.

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