

**SGK GOVERNMENT DEGREE COLLEGE,  
VINUKONDA, PALNADU, DISTRICT.**

**COMMUNITY SERVICE PROJECT REPORT**

**"A STUDY ON AWARENESS OF BANKING SERVICES  
AND HABITS IN RURAL POPULATION"**

**PROJECT REPORT**



**Submitted to**

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**Submitted by**

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**DEPARTMENT OF COMMERCE  
SGK GOVERNMENT DEGREE COLLEGE, VINUKONDA**

## **DECLARATION**

I, DAGURVALI hereby declare that the project work entitled "A  
**STUDY ON AWARENESS OF BANKING SERVICES  
AND HABITS**". is a record of independent and bona fide project work  
carried out by me under the supervision and guidance of KASULA  
KOTESWARA RAO Lecturer in Commerce, Department of  
Commerce, SGK GOVERNMENT DEGREE COLLEGE, VINUKONDA.  
The information and data given in the report is authentic to the best of my  
knowledge. The report has not been previously submitted for the award of  
any Degree, Diploma, Associateship or other similar title of any other  
university or institute.

Place: VINUKONDA

  
DUDEKULA NAGURVALI

Date:

Y202099012

## QUESTIONNAIRE

Department of Commerce  
SGK Government Degree College, Vinukonda, Palnadu Dist.  
Survey Questionnaire

Title of the project: Banking Services and Habits in Vinukonda Rural  
Project execution area: Vinukonda Rural

**Name of the Respondent:**

**Locality:**

**Door No:**

**Name of the Mentor:**

**Name of the student:**

**Programme:**

1. Gender of Respondent?

- ☐ Male
- ☐ Female
- ☐ Others

2. Age of Respondent?

- ☐ Bellow 18
- ☐ 18-30
- ☐ 30-45
- ☐ 45-60
- ☐ Above 60

3. Occupation of Respondent?

- ☐ Employee
- ☐ Self employed
- ☐ Business
- ☐ Others

4. How much your annual income ?

- ☐ Bellow 2 Lakhs
- ☐ 2L -5L
- ☐ 5L-10L
- ☐ Above 10L

5. Do you have bank account ?

- ☐ Yes (specify Bank Name:.....)
- ☐ No

6. Which Purpose You have opened Bank Account?

- ☐ Savings Purpose
- ☐ Salary Purpose
- ☐ Loan Purpose
- ☐ Welfare Schemes Purpose

7. Reason For Maintaining Bank account in this Bank?

- ☐ Near to My House
- ☐ User Friendly Bank
- ☐ Giving Good interest Rates

8. Type of Bank Account?

- ☐ Saving
- ☐ Current
- ☐ Fixed

9. Do you Have a Debit Card?

- ☐ Yes

- ☐ No
- 10. You have Linked Your Aadhaar with Your Bank account?
  - ☐ Yes
  - ☐ No
- 11. Do you Have Awareness About ATM Operations?
  - ☐ Yes
  - ☐ No
- 12. Do You have Cheque Book Facility in Your Bank?
  - ☐ Yes
  - ☐ No
- 13. Do You have Use Digital Transactions For Your Account ?
  - ☐ Yes ( If yes Specify ...Net Banking/Mobile Banking)
  - ☐ No
- 14. What is your preferred payment app for transferring money among people ?
  - ☐ Google pay
  - ☐ Phone pe
  - ☐ Amazon pay
  - ☐ Whats app pay
  - ☐ Others
- 15. Why do you prefer paying through these payment apps ?
  - ☐ Convenience
  - ☐ Cash back
  - ☐ Multiple payment methods
  - ☐ Better user experience
- 16. Do you trust the security of digital transaction services ?
  - ☐ Yes
  - ☐ No
- 17. Digital payment system is better than cash ?
  - ☐ Yes
  - ☐ No
- 18. Do you think your bank offers a Good interest rate?
  - ☐ Agree
  - ☐ Strongly agree
  - ☐ Disagree
  - ☐ Strongly disagree
- 19. Do they charge unnecessarily for not maintain minimum balance in your account?
  - ☐ Yes
  - ☐ No
- 20. Does your bank have listed its share in stock exchange?
  - ☐ Yes
  - ☐ No
  - ☐ We Don't Know
- 21. What do you feel about overall service quality of your bank?
  - ☐ Excellent
  - ☐ Very good
  - ☐ Good
  - ☐ Average
  - ☐ Poor

## ACKNOWLEDGEMENT

I would like to take the opportunity to express my sincere gratitude to all people who have helped me with sound advice and able guidance.

I would like to express my sincere obligation to Dr. K.SRINIVASA RAO, PRINCIPAL, SGK GOVERNMENT DEGREE COLLEGE, VINUKONDA for providing various facilities.

I am thankful to M JAGADEESH, HOD, Department of Commerce for providing proper help and encouragement in the preparation of this report.

I am thankful to KASULA KOTESWARA RAO, my Mentor, he given his support, and valuable information and guidance, which helped me in completing this task through various stages.



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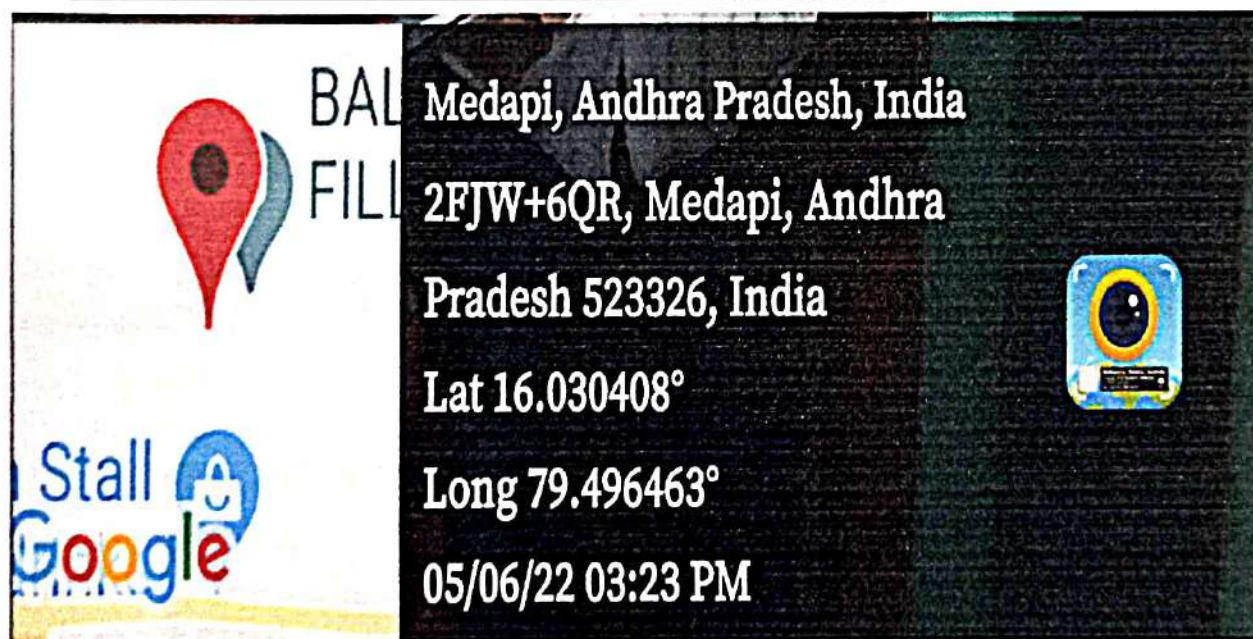
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## SURVEY LOCATIONS



Medapi village, Tripuranthakam, mandal





## Survey photos



# **CHAPTER 1**

## **INTRODUCTION**

## INTRODUCTION

In this era of global competition the Banking sector has emerged as a vital service industry. More about the Segmentation, structuring of activities and scope of Banks has changed its landscapes in due of changes in the world economy at large. The Financial & investment activities are added with Insurance & Foreign transactions. The technological revolution has added the usage of information & communication techniques that are sophisticated used & replaced the manual banking transactions. E-Banking is not a new topic of the town today, but has raised the business of banking sector by 4.6

% only due to technological advancements. This paper is an attempt to study the Awareness of e-Banking facilities among the college students.

Electronic banking is the concept of new millennium. It is the process of performing banking transaction with the use of electronic technology.

Internet Banking means providing banking services to customer at his home, office travelling with the use of electronic technology. It means provide banking services to customer at anywhere and anytime, there is no limitation of place and no limitation of time. It is a conveyance services to customers. The rapid changes in business operations in contemporary times in the form of technological improvement require banks to serve their customers electronically. Traditionally, banks have been in the fore front of harnessing technology to improve their products and services. The banking industry and its environment in the 21<sup>st</sup> century is highly complex and competitive and there for the need for information and communication technology to take centre stage in the operations of the bank. Electronic banking is critical in the transformation drive of the banks in area such as products and services and how they are deliver to customers.

Thus it is seen as a valuable and powerful tool in the development growth, promotion of innovations and enhancing competitiveness of banks, information technology has been found to lead to improvement in business efficiency and service quality and hence attract customers as well as retain them.



## OBJECTIVE OF THE STUDY

1. To study the awareness regarding Banking Services among Rural Population.
2. To understand how internet banking influences the Rural Peoples
3. To know whether Rural Peoples are using E-Banking services provided by the banks.

## SIGNIFICANCE OF THE STUDY

Internet Banking is very popular term in this global world. Now generally all banks provide Internet Banking services in every city. There is no any geographical limitation for Internet Banking services. But the utility of the Internet Banking is dependent on the awareness of Internet Banking services, and information about the Internet Banking services. Generally students have theoretical knowledge of Internet Banking and different services in Internet Banking. But all students do not use this knowledge in practical way. So it is necessary to find out whether students really use Internet Banking or not. This study is significant since it makes an attempt to study the awareness of college students about E-banking.

## STATEMENT OF THE PROBLEM

This study focuses on the awareness, adoption, etc of Internet banking services among students and aims to gain a deeper understanding of the factors influencing the adoption of Internet banking services by students, particularly among the college students.

## RESEARCH DESIGN

A research is valid when a conclusion is accurate or true and research design is the conceptual blueprint with in research is conducted. A scholar for his research is conducted. A scholar for his research, prepare an action plan it constitute the outline of collection, measurement and analysis of data.

### Nature of study

The nature of study states as descriptive.



### Nature of data

The study is based on both secondary and primary data.

### Source of data

The primary data were collected by distributing questionnaire and secondary data was collected from internet and magazines.

### Sample design

A sample design is the framework, or roadmap .that server as the basis for the selection of a survey sample and affects many other important aspects of a survey as well .One must define a sampling frame that respects the population of interest from which a sample is to be drawn.

### Nature of population

Peoples of the Medapi,Village,Tripuranthakam Mandal , were considered as population of study.

### Sample unit

Sample unit of the study is the Peoples of the Medapi,Village,Tripuranthakam Mandal

### Methods of sampling

In this method, method of sample is used is convenience sample method.

### Size of sample

Here 50 Households are used as sample for the study.

### Tools for analysis

- ☐ Percentage analysis
- ☐ Table and Diagrams.

### Chapterisation

Chapter 1- Introduction

Chapter 2-Theoretical Framework

Chapter3- Review of literature

Chapter 4- Data analysis and interpretation

Chapter 5-Finding, suggestion and conclusion

## **CHAPTER 2**

# **THEORETICAL FRAME WORK**

## THEORETICAL FRAMEWORK

The information technology development has revolutionized the way of doing business by creating a virtual market place across the globe through the internet. Internet is not only used for sharing information but is increasingly used as a distribution channel, advertising channel and as a flexible user-friendly mode for payments. The properties of internet make it an ideal medium for delivering financial services specifically banking products and services and hence using the internet technology to deliver the banking services reduce the costs and eliminates uncertainties both for the bank and customer.

The advent of technology has brought out new electronic channels to deliver banking services such as Automated Teller Machines (ATMs), internet banking and mobile banking. Servicing through the technology based channel is cost effective than the traditional branch banking for banking industry. Hence, Indian banking industry is heavily investing on technology based channels and these channels are expected to be utilized by the customers for their day to day activities like fund transfer, bill payment, ticket booking, shopping and mobile recharge.

Online banking is a convenient, cost efficient and time saving channel for the customers to transact with bank at any time anywhere. Since online banking transactions are processed electronically it offers quick and efficient service for the customers. Nevertheless online banking services is yet in its nascent stage and Indian banking customers are reluctant to adopt online banking services.

Adoption is an important step for acceptance of any technology, but long term viability of the technology depends on continuous use rather than first time use. Innovation diffusion theory proposed by Roger (1995) states that adopters reevaluate their earlier acceptance decision during their final confirmation stage and decide whether to continue or discontinue that innovation at their post adoption stage.

Information technology has changed the face of banking industry in India. The adoption of information technology started as a mere automation process for the routine works of banks during 1980. It was integrated with business process

Re engineering resulting in banking services as branchless, anytime and anywhere and facilitated new product development which enabled near real time service delivery.

In 1990, the liberalization, globalization and privatisation measures brought a completely new environment to the Indian banking industry. This was the time the Indian banking industry started using the technology to provide banking services to meet the global competition. In the Indian banking industry information technology changes had started with Narasimhan committee's suggestion in 1992 for computerization, followed by Saraf committee's recommendations for electronic fund transfer, electronic clearing services and automatic data capture system in 1994. Currently Indian banking sector reconfigured their business process and offers services through various electronic banking channels like ATM, online banking, mobile banking, smart cards, point of sale, electronic fund transfer etc. Information technology has thus helped banks to reach the door steps of the customers by overcoming the geographical limitations, volume constraints and easing the resources unlike traditional brick and mortar system.

#### **Advantages of Internet banking to Customers**

4. Internet Banking provides different benefits to customers. It provide 24 hours service for seven days in a week for 365 days in a year so there is no any problems for holiday and working day, customer can use banking services at any time it means whether it is day or night.
5. Internet Banking provides banking facility to customers at anywhere i.e. at shopping Mall, Railway station. Petrol Pump, Shop, Market Place and Airport. So customer can take benefits of banking services at any place with the use of ATM, Debit Cards and Credit Cards and Mobile Banking.
6. Internet banking services save the time and money of customer because of performing banking transactions there is no need to visit any bank; he can perform his financial transaction with the use of personal computer, laptop, mobile banking, and phone banking



7. Internet Banking reduces the risk of customer to carry cash on travelling due to Internet Banking services he can withdraw cash anywhere and so there is no need to keep cash with him, he can use Credit Card and EFT other Internet Banking facility in travelling.
8. Customers can make utility service bill payment with the use of Internet Banking services which save his time to pay bills.
9. Customers can take accurate decision regarding financial matters because required information is available on every bank website.

### **Banking Services Provides**

#### **Banks ATM:**

ATM is a very popular service in this world. The Automated Teller Machine is an effective delivery channel, which plays a vital role in consumer satisfaction and cost control of transaction of banks. ATM are emerging as the most useful tool to ensure "Any time Banking" or Any Time Money.

#### **NEFT/RTGS:**

NEFT means national electronic fund transfer system and RTGS means Real Time Gross Settlement System which enables an effective service, economical and reliable system of transfer of funds from bank to bank as well as from remitter's account in a particular bank to beneficiary's account in another bank across the country. It is useful to customers to transfer funds from one bank branch to another branch and also another bank.

#### **Internet Banking:**

Internet banking is a retail banking which enables customers to operate his account from anywhere and anytime. Internet Banking provides Fund Transfer, Credit PPF Account, Request Issue D.D., Request For loan, utility bill payments, Online bill payments, Online ticket booking, Online share trading, credit card payment, LIC premium payments, Online donation etc.

#### **Mobile Banking:**

Mobile banking services are provided by banks on request of customers. This service is provided with secure ID and password to customer's mobile banking.

Offer Fund transfer, immediate payments service, cheque book request, bill payments, mobile and DTH recharge, M Commerce transactions etc.

#### **SMS Banking:**

This service is provided with the help of mobile phone of the customers. It offers balance enquiry, last three transactions statements, cheque status, Alert for password generations OTP (one time password) etc.

#### **Cards Facility:**

Banks provide different debit cards and credit cards facility. With the use of these cards customer can purchase, can make ecommerce transaction, and also can pay bills etc.

#### **Adoption of Online Banking in Indian Banks**

In India, new generation private sector banks namely ICICI Bank and HDFC Bank were the pioneers in introducing internet banking services. ICICI bank introduced online banking with limited number of services in 1996 followed by Citi bank and IndusInd Bank. HDFC bank started offering online banking services in the year 1999. It was during 1996-1998 that the banks adopted internet for their transactions, however the adoption of internet and usage in banking industry gained importance only in 1999. Initially nationalized banks hesitated and viewed online banking as insecure channel and then SBI launched internet banking in 2001 and experienced good response from customers. Eventually Canara Bank, Allahabad Bank, Punjab National Bank, Bank of Baroda, Syndicate Bank and others introduced it.

In current scenario every bank in India have internet banking facility but not all the banks are providing integrated features of internet banking. The level of providing online banking services differs from bank to bank. RBI report (2001) shows that, level of online banking services has been categorized as i) The basic level service, where the bank's website disseminates information about the products and services of a particular bank. ii) Simple transactional websites, which allows customers to submit their instructions, applications for different services, queries on their services, but do not permit any fund based transactions on their accounts and iii) Fully transactional websites, which



allows customers to operate on their accounts for transfer of funds, payment of different bills, subscribing other products of the banks and to do purchase and sale transactions. The fully transaction websites are integrated online banking websites which offers all services such as account enquiry, fund transfer, online trading, deposit renewal, stop payment, request for cheque book and demand draft, payment of insurance premium, payment of mobile phone bills, electricity bills, water bills credit card bills, railway ticket reservation, movie ticket reservation, e-mobile recharge and e-donation services (Markarkandy and Daptardar 2011). Indian banks that offer online services still have a long way to go compared to other developed countries (Khan et al 2009). Almost all the banks operating in India are having their websites, but only a few banks provide fully transactional online banking services. RBI initiative to improve technology for the banking sector during 2010-11 has forced all the commercial banks to offer integrated online banking services (RBI Report of Trend and Progress of banking in India 2010-2011). Recently, all the Indian banks are encouraging their customers to use online banking services. Besides cost and revenue impact, banks realized that customer satisfaction and retention is highly important to make competitive advantage.

### Acceptance of Online Banking Services

Acceptance of any technology can be measured in three stages like intention, adoption and continuous usage. Customers are making acceptance decisions to use a service, which were different from the continuance decisions since continuous use is a post-adoption behavior. It was observed that continuance has been referred through the intention to continue the service after customers have acquired the services. Continuance intention or repurchase intention refers to an individual's judgment of repurchasing a specified product or services from the same business, by taking their circumstances or situations into account. Adoption of any new innovation is often very difficult. Many innovations require lengthy period often of many years from the time they become available to the time they are widely adopted (Rogers 1995). The World Wide Web is

relatively new product and therefore its adoption is still at the starting stage of the diffusion curve (Jayawardhena et al 2003). Hence virtual bank or bank through World Wide Web or branchless bank is also a very new concept to any country (Sadeghi and Hanzae 2010). In traditional banking there is face to face interaction between the customers and banker whereas in the case of online banking customers access their transactions through an electronic media. This kind of system is very new for Indians. Though this new system offers potential benefits to the customers, it has to convince the customer's emotional or psychological belief and also the banking need. Being a developing country online banking penetration in India differs from the context of developed countries.



## CHAPTER 3

# DATA ANALYSIS AND INTERPRETATION

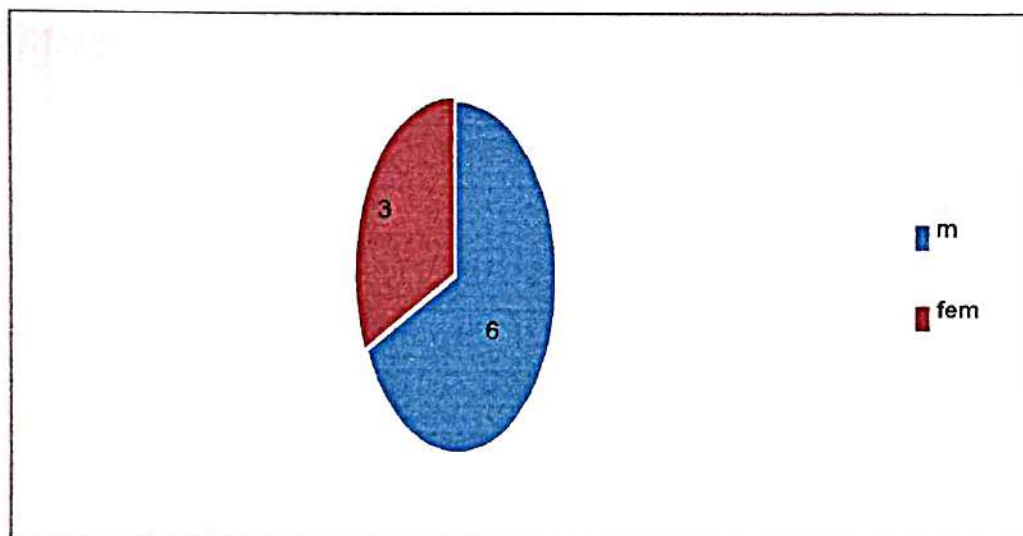
**Table 4.1 showing gender classification of respondents on the basis of**

Gender	No. of Respondents	Percentage
Male	34	68%
female	16	32%
Total	50	100

(Source: Survey data)

The above table reveals that among 50 respondents 32% of the respondents are female and remaining 68% are male.

**Figure 4.1 showing classification of respondents on the basis of gender**



(Source: Survey data)

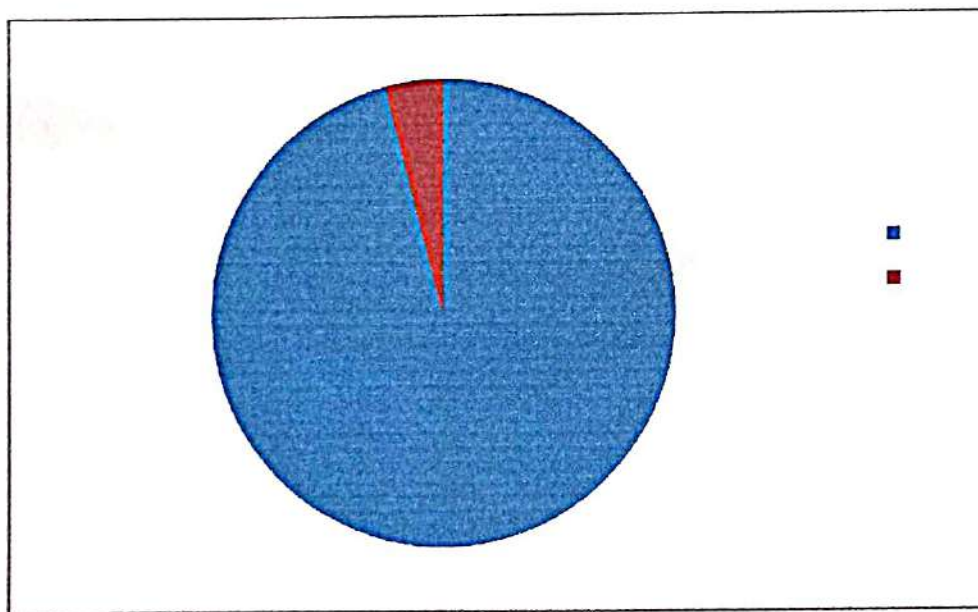
**Table 4.2 showing classification of respondents on the basis of Age**

Particulars	No .of Respondents	Percentage
15-25	12	4
25-45	48	96
Total	50	100

(Source: survey data)

The above table reveals respondents on the basis of age by respondent's .From the above table it is clear that majority of the respondents that is 96% have the age limit of 25-45 and remaining 4% have the age limit of 15-25.

**Figure 4.2 showing classification of respondents on the basis of Age**



(Source: survey data)

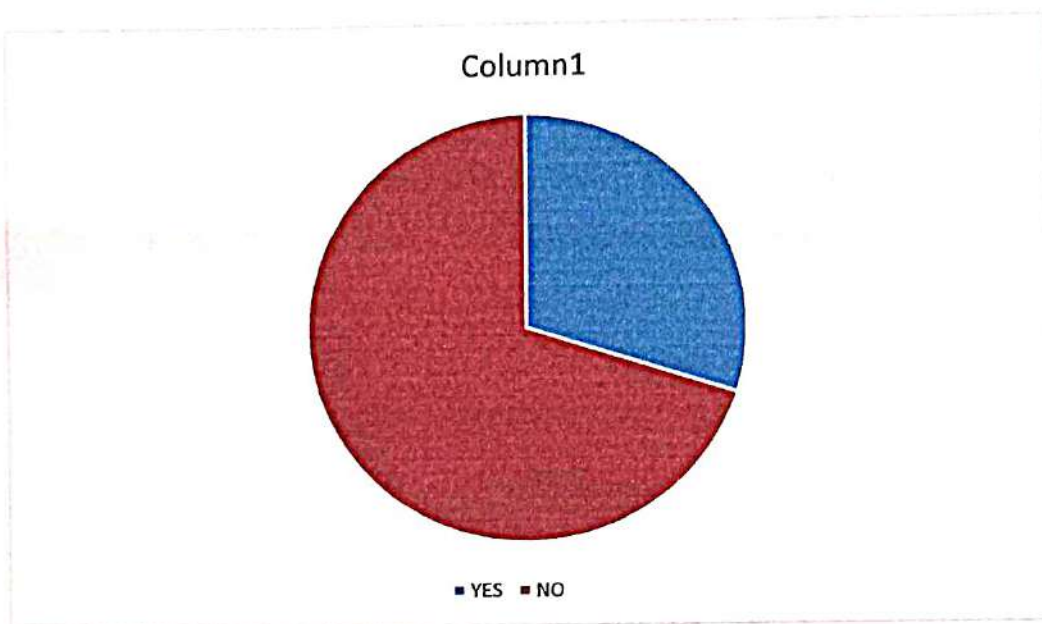


**Table 4.3 showing classification of data on the basis of Occupation of Respondent**

Particulars	No. of Respondents	Percentage
Employed	12	30
Self Employed	14	70
Agriculture	24	100
Total	50	

(Source : survey data)

The above table reveals classification of respondents on the basis of Occupation of among Respondents. Among 50 samples 30% of the respondents are Aw And ,70% are not aware of net banking.



**Figure4.5 showing classification of data on the basis of Occupation of Respondent**

(Source : survey data)

**Table 4.4 showing the classification of data on the basis of  
Annual Income of Respondent**

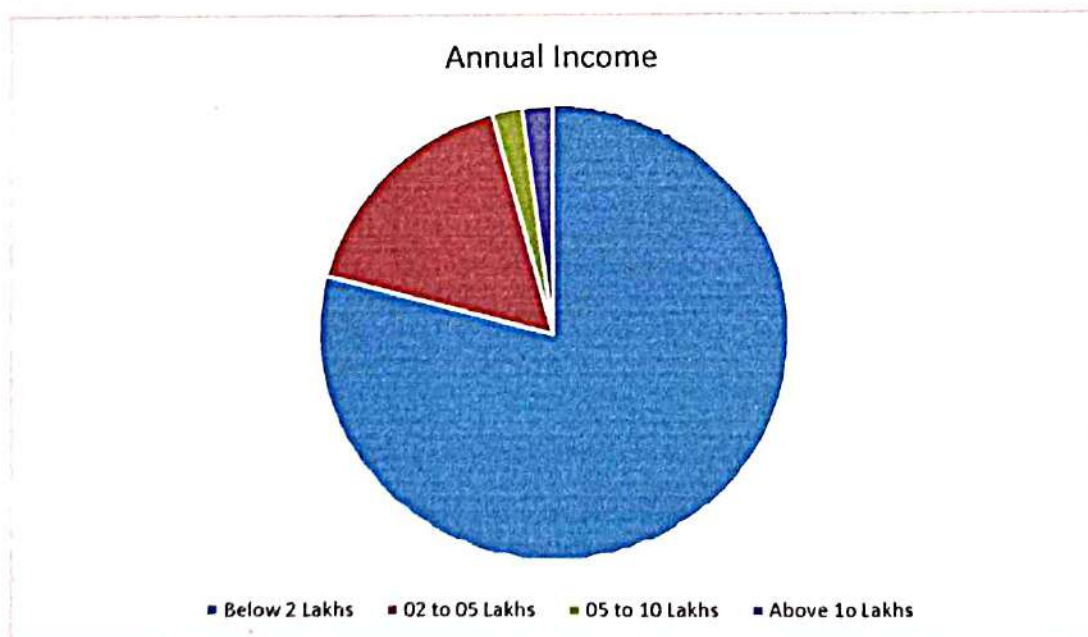
Particulars	No .of Respondents	Percentage
Below 2 Lakhs	38	76%
2 to 5 Lakhs	8	16%
5 to 10 Lakhs	2	04%
Above 10 Lakhs	2	04%
Total	50	100%

(Source : survey data)

The above table reveals classification of respondents on the basis of their Annual Income. Among 50 samples 76% of the respondents have Below 2 Lakhs income, 16% have 02 to 5 Lakhs Income, 02% have 05 to 10 Lakhs Income and rest of 2% have 10 lakhs and above Income.

**Figure 4.4 showing the classification of data on the basis of  
how often do you use E-banking in last 6 months**

(Source : survey data)



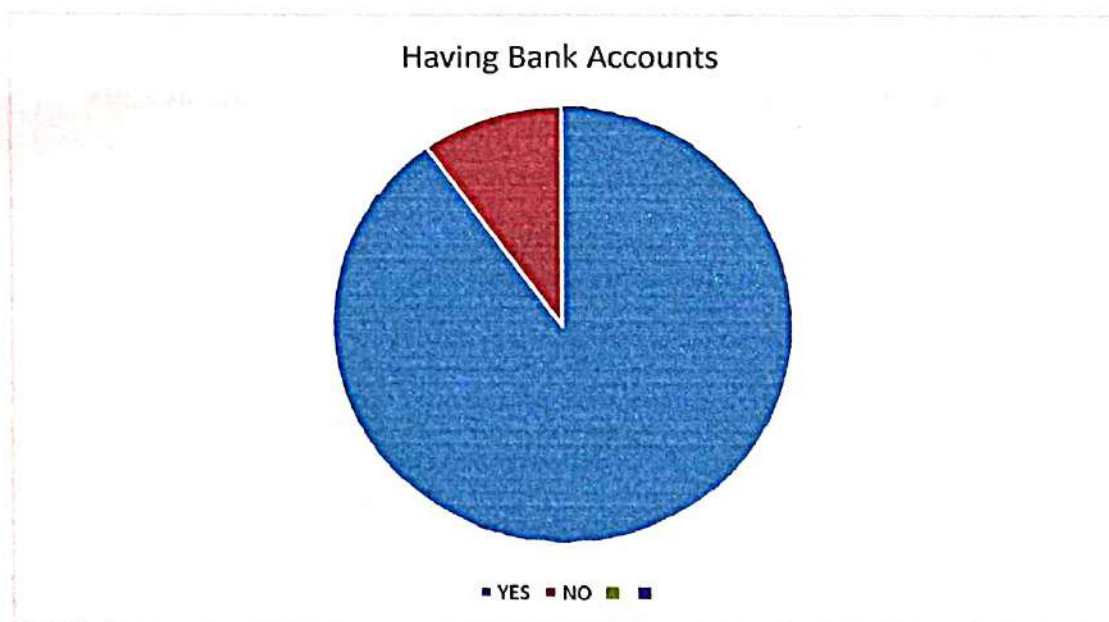
**Table 4.5 showing classification of data on the basis having Bank Accounts**

Particulars	No. of Respondents	Percentage
YES	45	90
NO	5	10
TOTAL	50	100

(Source: survey data)

The above table reveals classification of data of Respondents having Bank Account. Among 50 samples 90% of respondents have Bank Accounts in Different Banks, 10% of respondents don't have bank Accounts.

**Figure 4.5 showing classification of data on the basis of having Bank Accounts**



(Source : survey data)



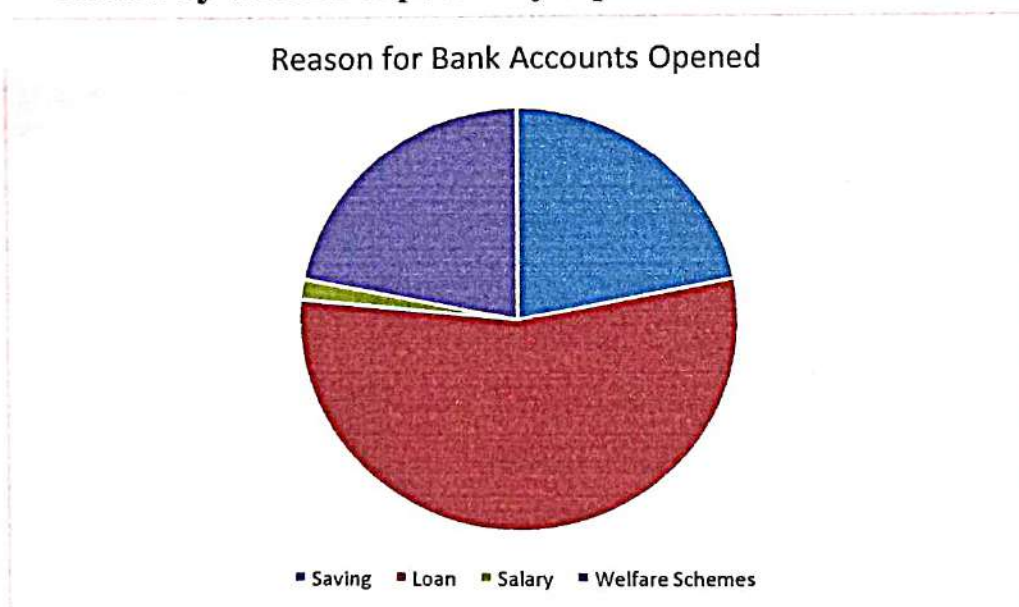
**Table 4.6 showing classification of data on the basis of reason by which Purpose they Opened Bank Accounts**

Particulars	No. of Respondents	Percentage
Saving Purpose	10	20%
Loan Purpose	25	50%
Salary Purpose	05	10%
Welfare Schemes Purpose	10	20%
Total	50	100%

(Source : survey data)

The above table reveals classification of data of respondents on the basis reason by which which Purpose they Opened Bank Accounts. Among 50 samples 50% of the respondents are Loan Purpose, 25% have Loan & Welfare schemes Purpose Purpose ,and 10% have Salary Purpose

**Figure 4.6 showing classification of data on the basis of reason by which Purpose they Opened Bank Accounts**



(Source : survey data)

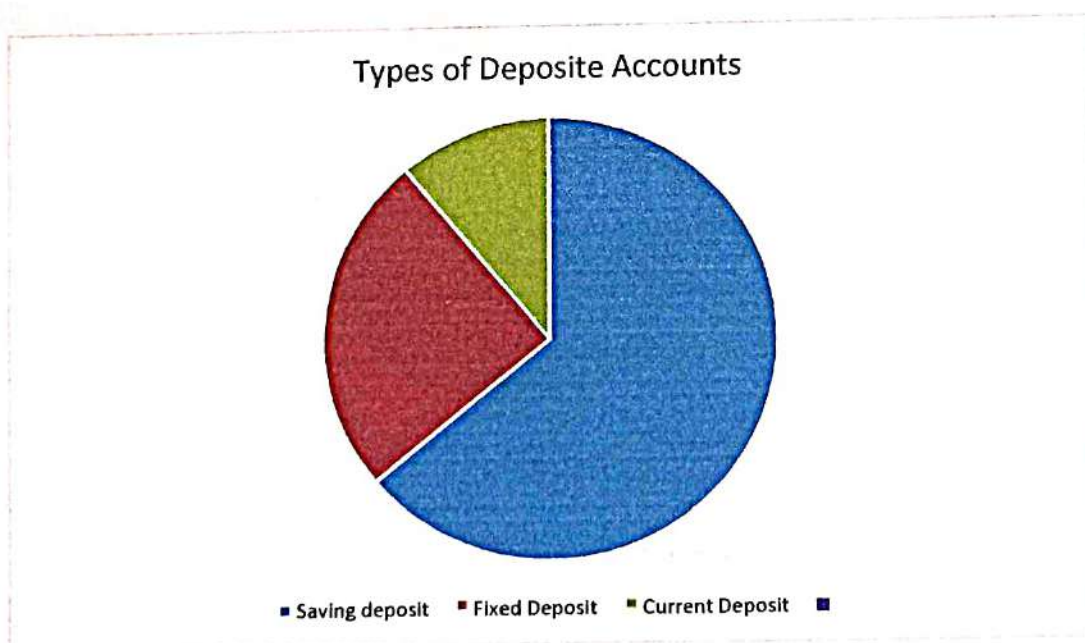
**Table 4.7 showing classification of data on the basis of  
Types of Bank Deposit Accounts**

Particulars	No. of Respondents	Percentage
Saving Deposit	41	82%
Current Deposit	03	6%
Fixed Deposit	06	12%
Total	50	100%

(Source : survey data)

The above table reveals classification of data of respondents on the basis of Which type of Deposit Accounts they Opened. Among 50 samples 82% of the respondents have answered Saving Deposit Accounts, 12% have Fixed Deposit Accounts, and 6%

**Figure 4.7 showing classification of data on the basis of  
Types of Bank Deposit Accounts**



have Current Deposit Accounts.

(Source : survey data)

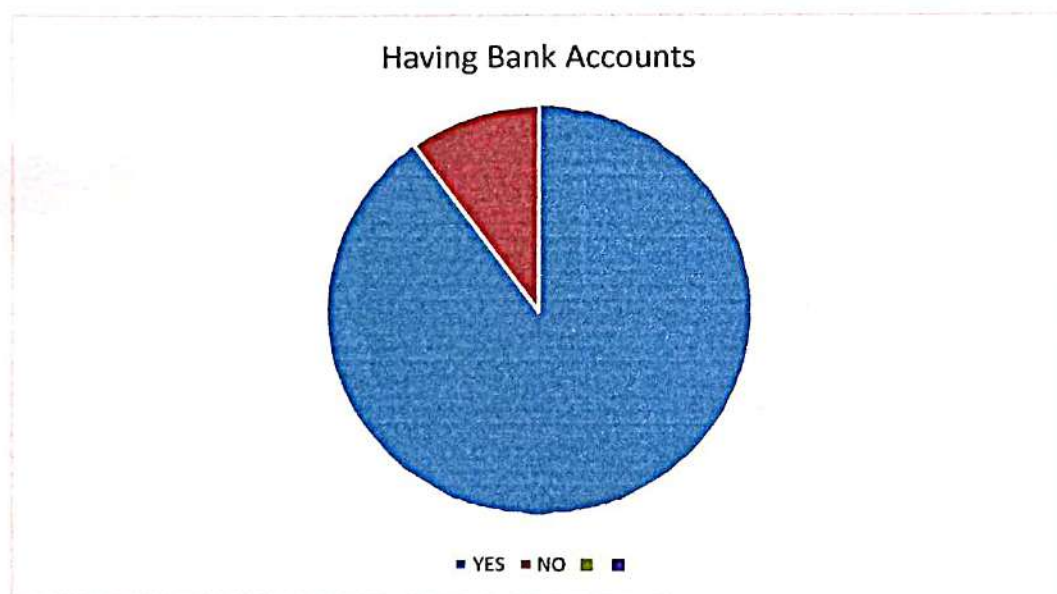
**Table 4.8 showing Classification of data on the basis of question Have you Debit Card**

Particulars	No. of Respondents	Percentage
Yes	45	90%
No	5	10%
Total	50	100%

(Source : survey data)

The above table reveals classification of data of respondents on the basis of question have you Debit Card. Among 50 samples 90% of the respondents have answered yes, 10% have chosen No.

**Figure 4.8 showing Classification of data on the basis of question Have you Debit Card**



(Source : survey data)



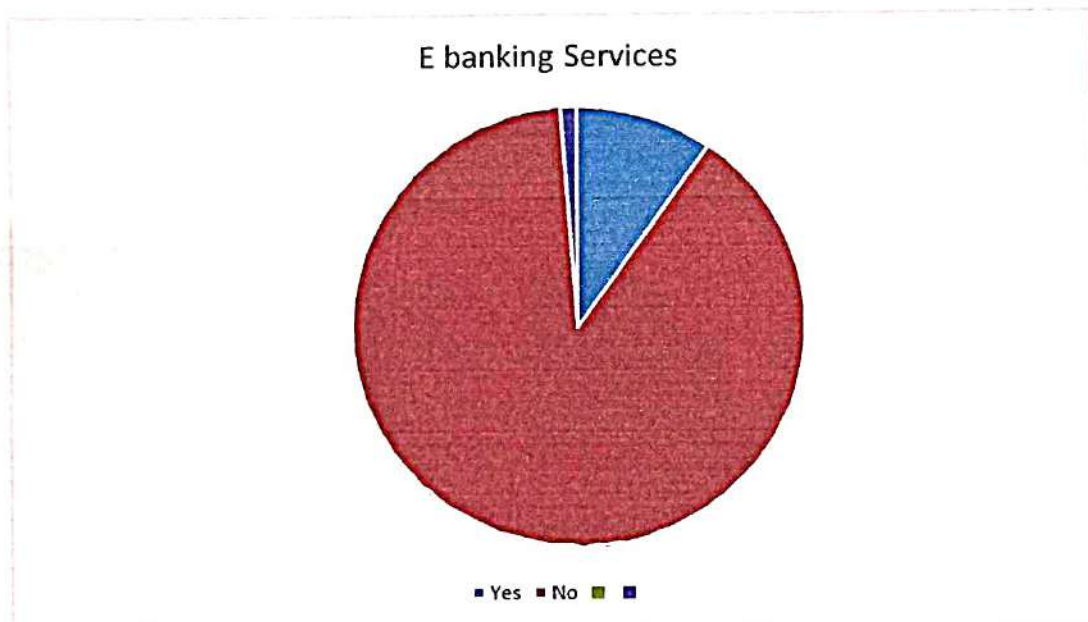
**Table 4.9 showing Classification of data on the basis of question do you Use E-banking Services .**

Particulars	No.of Respondents	Percentage
Yes	10	10%
No	40	90%
Total	50	100%

(Source : survey data)

The above table reveals classification of data of respondents on the basis of question do you use E-banking Services. Among 50 samples 90% of the respondents have answered NO, 10% have chosen yes.

**Figure 4.9 showing Classification of data on the basis of question do you Use E-banking Services .**



(Source : survey data)

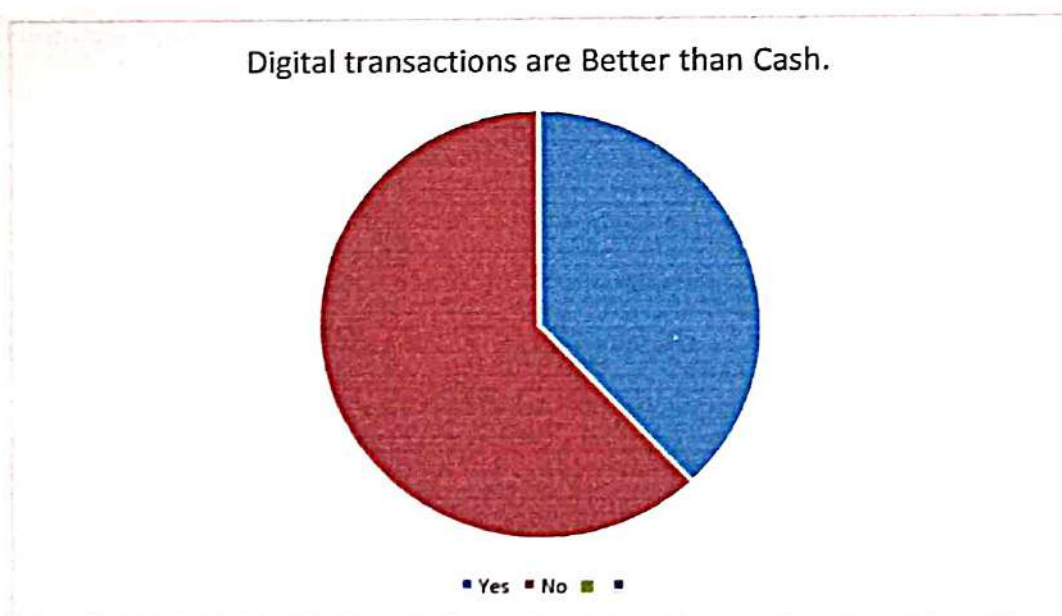
**Table 4.10 showing Classification of data on the basis of questioners Do you Prefer Digital Services is beter than cash.**

Particulars	No. of respondents	Percentage
Yes	19	38%
NO	31	62%
Total	50	100%

(Source : survey data)

The above table reveals classification of data of respondents on the basis of question reason for Using Digital Transactions is better than Cash Transactions. Among 50 samples 68% of the respondents have NO,38% Have Answered Yes.

**.Figure 4.10 showing Classification of data on the basis of questioners Do you Prefer Digital Services is beter than cash.**



(Source : survey data)

## CHAPTER 5

### SUGGESTIONS & CONCLUSION



## **SUGGESTIONS**

1. The Banks can introduce campaigns in the college campus in order to make students more familiar and aware about the E-banking services offered by them.
2. The Banks can introduce more Customer friendly services like no frill accounts, etc.
3. It is advisable to banks not to charge for SMS services, debit cardcharges, etc from Rural community, since most of them belongs to non- income group ,irregular income group.

## **CONCLUSION**

This study can be concluded that most of the students are aware about various E-banking services offered by their bank. E-banking is quite popular among students since it is convenient to use and time saving too. ATM is popular services among students. There is need to create awareness about Internet Banking security.

