

“A Perspective study on willingness to pay E-Banking and Commerce Services in rural community of Ananthapuramu District AP.”

Dilip Bathena

Research Scholar, Dept. of Sociology & Social Work

Acharya Nagarjuna University, Guntur, A.P

Dr. M. Trimurthi Rao

Assoc. Professor, Dept. of Sociology & Social Work

Acharya Nagarjuna University, Guntur, A.P

Abstract

“The Rural Community is very different from the Urban Communities they have very different opinion on willingness to pay for the ICT related charges for E-Banking and commerce, among various Caste Categories There are various ICT initiatives taken by Government of India as well the state government of AP

The opinion on willingness to pay for the ICT facility for E-Banking and Commerce of User affects the frequency of usage or also may affect user not to use ICT facility at all. Many Rural people do not use Digital Banking and payments due to their not willingness to pay various ICT incurred charges, Affordability of expensive ICT infrastructure like Broad Band Internet, Mobile Data, Smart mobiles, Laptops, computers laptops etc. this may be because of lack of low income and their social backwardness and affordability and also lack of exposure to this Banking Applications. Due to this majority of rural population may not able reap the maximum benefits of E- Banking and Commerce initiatives in Rural Communities in various other knowledge and information related to

Digital Transfers of various social benefits, pensions and other based Direct Benefit Transactions.

This Study focuses on improving ICT and giving suggestions for improving adaption effectiveness and awareness of ICT programmes to enable the rural communities to benefit maximum from the Government ICT Initiatives and schemes. This Study analyzes the Willingness to pay across various castes rural community in the selected study area with Total sample size of 320, 8 villages 40 in each village, Itkalapalle and Rachanapalle of Anantapur Mandal, Peddapappur, Juttur of Pedapappur Mandal, Kunuthuru and Chigicherla from Dharmavaram Mandal, Puttaparthi (rural) and Pedapalle from Puttaparthi Mandal in Ananthapuramu District of Andhra Pradesh.

This Study focuses on improving well-being of rural community by finding how ICT can play vital role in helping rural communities overcoming burden of charges of ICT Facilities and improving effective ICT usages. This study also focuses on suggestions for improving ICT efficiency by providing ICT facilities and infrastructure at affordable rate to enable the rural communities to benefit maximum from the Government Digital Banking ICT Initiatives by reducing or minimizing ICT infrastructure charges.”

Key words:E-Banking and commerce, ICT, Rural Communities, Banking charges, Internet charges.

Introduction

The ICT Facilities provided by Government are generally for free but how over there some ICT related costs involved for ICT infrastructure and Bank charges etc. This study focuses on Willingness to pay across Caste for E- Banking and Commerce activities which consists of payments, transfers, online bank account opening etc.

Operations It was also used for information collection and maintenance of records at the Banks. It found a better use at the ATMS, Mobile banks. ICT seems to play very crucial role of bridging the clients-rural bank customers with the commercial Banking, credit societies and other monitory institutions and departments. As this system got a sufficient well developed safe and secure portal for monitory operations which can be depended

upon for quick and easy sources of funds for days to day purpose, people have relied on E-banking facilities in a big way. Especially in remote areas the mobile banking also caught up and became popular at remote areas and villages.

So this Study is essential to see if the willingness to pay is effecting the ICT usage and its benefits among the rural communities among various castes.

Review of literature

According to literature survey various research articles, According to Review of literature says that Digital divide and digital poverty are linked. It is found that that Digital Poor are generally low income people who cannot afford by ICT Devices or cannot afford costly ICT subscriptions like Broad Band, Wi-Fi etc. the literature survey say these low income people who have less income mainly concentrate in making their daily needs with their money than buying ICT gadgets due to Income Constraint. These people are mostly illiterate cannot afford higher education, thus remain backward and do not get included in ICT envelope.

It is also found that study very less studies have been made in India and particularly on Willingness to pay for the ICT service and affordability of various ICT infrastructure. So this study will help in filling the gap in these area of study willingness to pay for ICT services and affordability.

Study Area

This Study analyzes the willingness to pay for E-Banking and Commerce ICT and other realted charged among rural community in the selected study area with Total sample size of 320, 8 villages 40 in each village, Itkalapalle and Rachanapalle of Anantapur Mandal, Peddapappur, Juttur of Pedapappur Mandal, Kunuthuru and Chigicherla from Dharmavaram Mandal, Puttaparthi (rural) and Pedapalle from Puttaparthi Mandal in Ananthapuramu District of Andhra Pradesh.

Statement of problem

The rural people in general who is generally a rural resident generally face below hardship of payments of ICT charges related to E- Banking and Ecommerce

ICT infrastructure related charges.

1. Broad Band Monthly charges 2. Broad Band Router and other installation setup charges 3. Mobile Data Charges 4. Expensive Smart phone prices 5. Laptops or computer. 6. Computer table and other accessories

Bank related Internet and other convenience charges

1) SMS Charges 2) Internet Banking charges 3) Transaction charges 4) Credit Card POS charges upto 2% 5) NEFT and IMPS Charges 6) Various Convenience charges Electricity, Internet Train and Bus booking convenience charges etc. 7) Minimum account Balance charges.

Due to various ICT and Bank charges people are not willing to pay so there is need to analyze how many people are willing to pay and not willing to pay and make ICT Banking affordable.

Objectives :

Specific objectives

To understand the response of respondents of ICT initiative awareness and usage in selected study area, rural areas and to assess the Willingness to pay and Not willing to pay .

The Major aspects that requires focus for achieving affordable ICT applications for rural communities.

1. Developing affordable ICT infrastructure
2. Developing affordable Banking charges
3. removing digital class divide among the people.

3. Giving suggestions to create user friendly interactive feedback session Banking charges sessions between government agencies , banks and users for clarifications and removing any miscommunications about banking charges.

Research Methodology

The study involved in three research methods as follows below.

- 1) Primary Data collection through Schedule
- 2) Participatory rural analysis (PRA)
- 3) Focus Group Discussions (FGD)

Primary Data Collection .This Methods Involves collecting primary data through interviewing respondents with help schedule.

Participatory Rural Appraisal (PRA) recently renamed Participatory Learning for Action (PLA), is a methodological approach that is used to enable farmers to analyze their own situation and to develop a common perspective on natural resource management and agriculture at village level.

A focus group discussion (FGD) is a good way to gather together people from similar backgrounds or experiences to discuss a specific topic of interest.

Socio economic Variables

Caste Categories

- 1) Other Castes (OC)
- 2) Backward Caste (BC)
- 3) Scheduled Caste (SC)
- 4) Scheduled Tribe (ST)

Analysis Techniques used

The following methods are used in researching in selected study area.

Cross tabulation of percentages

Cross tabulations:

Cross tabulation is a method of analyzing relationship between multiple variables in tabular form. Also known as cross tabs in short form .The willing to pay and not willing to pay variables responses have been analyzed using cross tabulation of percentages among various caste categories .

Discussions, Results and Findings

Bank	No of Free Transactions (Per month, Fin + Non-Fin Transactions)		Charges beyond Free Limit (in Rs, Per Transaction)	
	At Own Bank ATMs	At Other Bank ATMs	Financial Transactions	Non-Financial
ICICI Bank	First 5	First 3	Rs 20	Rs 8.50
HDFC Bank	First 5	First 3	Rs 20	Rs 8.50
Axis Bank	First 5	First 3	Rs 20	Rs 9.55
Citi Bank	Unlimited	Unlimited	Not applicable	Not applicable
State Bank of India	First 5	First 3	Rs 20 , Rs 5 for State Bank Group	Rs 8, Rs 5 for SBG
Bank of Baroda	Unlimited	First 5	Rs 20	Rs 10
Canara Bank	Unlimited	First 5	Rs 15	Rs 5
Punjab National Bank	Unlimited	First 3	Rs 20	Rs 20
IDBI	Unlimited	First 5	Rs 20	Rs 8
Kotak	Unlimited	First 5	Rs 20	Rs 8.50
Exclusive of Service Tax		Inclusive of Service tax		Fixed

www.onlinefinancialplanner.in

Source :<http://www.onlinefinancialplanner.in>

TRANSACTION BASED CHARGES & ATM RELATED TRANSACTION					
Charges Based On Number Of Transactions	Monthly Limit On Number Of Debit Transactions		Monthly Limit: Number Of Free ATM Transactions (Both Financial And Non-Financial Transactions)		
	Branch ***	Internet/ Mobile Banking	Other Banks' ATMs @	Our ATMs (SBG)	
Monthly Average Balance in Savings Bank+			In 6 Metro Centres \$	Other Centres	6 Metros # Other Centres #
<Rs. 1000	2	20	3	5	5 5
>Rs. 1000 upto Rs. 25,000	2	40	3	5	5 5
>Rs. 25,000 upto Rs. 50,000	10	Unlimited	3	5	Unlimited
>Rs. 50,000 upto Rs. 1,00,000	15	Unlimited	3	5	
> 1,00,000	Unlimited	Unlimited	Unlimited	Unlimited	
Charges for financial trxn beyond the set limit (Rs. per trxn)	Rs. 50/- + ST	Rs. 5/- + ST	Rs. 20/- + ST	Rs. 20/- + ST	Rs. 10/- + ST
Charges for non-financial trxn beyond the set limit (Rs. per trxn)*	-	-	Rs. 8/- + ST	Rs. 8/- + ST	Rs. 5/- + ST

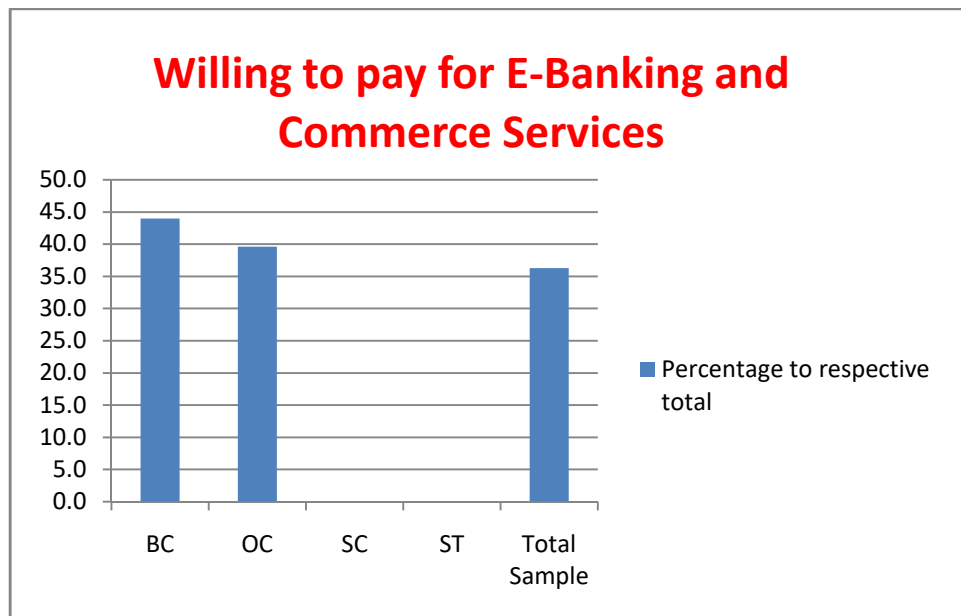
source : sbi.co.in

Table No : 1 Opinion of the beneficiaries regarding willingness to pay for the facilities across caste and income for E- Banking and commerce

Income Category	TOTAL				
	BC	OC	SC	ST	Total
Willing to Pay	74	42	0	0	116
<i>Row Percentage</i>	<i>63.8</i>	<i>36.2</i>	<i>0.0</i>	<i>0.0</i>	<i>100.0</i>
<i>Column Percentage</i>	<i>44.0</i>	<i>39.6</i>	<i>0.0</i>	<i>0.0</i>	<i>36.3</i>
Not Willing To Pay)	94	64	22	24	204
<i>Row Percentage</i>	<i>46.1</i>	<i>31.4</i>	<i>10.8</i>	<i>11.8</i>	<i>100.0</i>
<i>Column Percentage</i>	<i>56.0</i>	<i>60.4</i>	<i>100.0</i>	<i>100.0</i>	<i>63.8</i>
TOTAL	168	106	22	24	320
<i>Row Percentage</i>	<i>52.5</i>	<i>33.1</i>	<i>6.9</i>	<i>7.5</i>	<i>100.0</i>
<i>Column Percentage</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

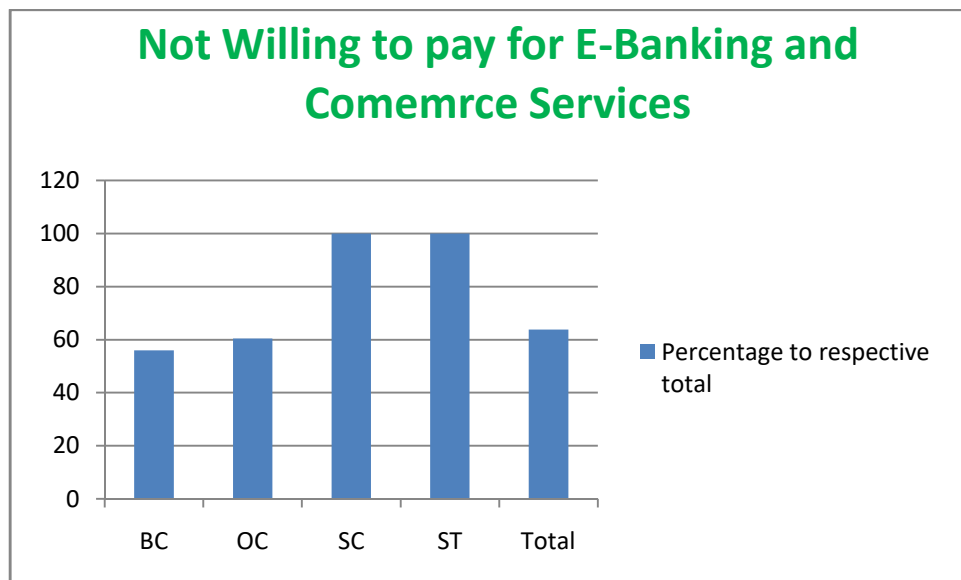
Source Primary Data

Chart no :1



Source Primary Data

Chart no : 2



Source Primary Data.

Discussions and findings

The Above shows the percentage distribution of responses to facility operation and Willingness to pay across Caste for E- Banking and Commerce activities which consists of providing online facilities for operating the accounts of the people with banks for withdrawals and deposits both at the banks and ATMS. From the study area its evident that there were not many ATMS or bank branches in the selected villages for study making it all the necessary for E-Banking to be very strong. E- Banking and E-commerce facility is also used for registering, filling forms for opening accounts , filling forms for requesting Loans , checking bank balances and other normal banking

E-Banking is normally used in the selected villages for direct online transactions for paying for expenses ,and purchases it is usually operated by the house hold or sometimes from centers like e-seva, Common service centers and experts in villages, Some time they telephonically request their family members including their children who are in town to do transactions for them. This may be due to problem of band width of internet availability in their villages or of proper and efficient device like smart phones in the villages. Thus, people are finding it useful and want to play a positive role to improve the efficiency of the Banking system. There is a need to give demonstrations, train the villagers in more effective and efficient use of the E-banking systems at the villages.

It can be seen that the Analyzing the usage across the Caste categories it is interesting to note that 63.8. % of BC and 36.2% of OC were willing to pay the others wanted it to be free service as of now. This shows that higher of social class were once ready to contribute in terms of payments for availing the facility.

Willing to pay

It can be observed that 44.0 % of total BC were is willing to pay , while only 39.6% of OC were willing to pay for the ICT charges incurred for E-Banking and Commerce Sector.It is interesting note that SC and ST are not all interested in paying for the ICT facility in this sector.

Not Willing to pay

It is evident that 56.0 % of BC and 60.04 % of OC are not willing to pay , and it is interesting to note that 100% of SC and ST are not at all willing to pay for the services.

PRA and FGD Findings:

Many people have told that they are not ICT services in banking sector due to fear of charges. Many have told that their bank accounts are running in negative balance due to charges that's why they are not using even ATM.

Suggestions and Conclusion.

- Affordable of free ATM services should be provided in rural remote areas
- Affordable subsidized smart phones loans should be provided for rural communities.
- Affordable subsidized Broad Band and Mobile Data charges should be provided
- Subsidized loans for ICT infrastructure purchase should be given to SC, and ST from low income groups.

References:

Adegbidi, A.B., Mensah, R., Vidogbena, F. & Agossou, D. (2012). Determinants of ICT Use by Rice Farmers in Benin: From the Perception of ICT Characteristics to the Adoption of the Technology. *Journal of Research in International Business and Management*, 2, 11, 273-284

Aker, J.C. (2011). Dial “ A ” for Agriculture: A Review of Information and Communication Technologies for Agricultural Extension in Developing Countries. *Agricultural Economics*, 42, 6, 631-647.

Al-Ghaith, W., Sanzogni, L. & Sandhu, K. (2010). Factors Influencing the Adoption and Usage of Online Services in Saudi Arabia. *The Electronic Journal of Information Systems in Developing Countries*, 40, 1, 1-32.)

Puttaswamy Gowda. M (2018), Impact of E-Banking on Rural India-A Bird's Eyeview, Asian Journal of Management. 2018; 9(3):1191-1194. doi: 10.5958/2321-5763.2018.00192.0

Surendran, P. (2012). Technology Acceptance Model: A Survey of Literature. *International Journal of Business and Social Research*, 2, 4, 175-178.
Urbach, N. & Ahlemann, F. (2010). Structural Equation Modeling in Information Systems

Ventkatesh, V., Morris, M.G., Davis, G.B. & Davis, F.D. (2003). User Acceptance of Information Technology: Toward a Unified View. *MIS Quarterly*, 27, 3, 425-478.

Y.V. Reddy, Future of Rural Banking, <https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/10991.pdf>.

Patel, B., Amin, U. (2012), "Plastic Money: Roadmap Towards Cash Less Society", Paripex Indian journal of Research, Vol. 1, No. 11.2.

Bishnoi, Sunita. (June 2013). An Empirical Study of Customer Perception Regarding Automated Teller Machine in Delhi and NCR. *Integral Review-A Journal of Management*, Vol. 6, No. 1, PP 47-60.3.

Manivannan, P. (2013), "Plastic Money a way for cash Less Payment System", *Global Research Analysis*, Vol. II, No. I.