

Karnataka Bank Ltd.

Your Family Bank. Across India

Ground Floor, Shree Vinayaka
Areangadi Post, Hosakuli
Honnavara Taluk, Honnavara
Uttara Kannada - 581430

Phone : 08387-262128
E-Mail : Hosakuli@kblbank.com
Website: www.karnatakabank.com
CIN : 185110KA1924PDC001328

Date: 23.03.2018

CERTIFICATE

This is to certify that "MR. KARTIKEYA" studying MBA Finance & Marketing, III Semester in "Acharya Institute of Technology" has completed a project on "Banking Service Provided To Rural Customers" from 15.01.2018 to 23.03.2018 at Karnataka Bank Hosakuli Branch. He has gathered required information for the project from us.

For KARNATAKA BANK LTD.


MANAGER, HOSAKULI
Branch Manager.





ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belgaum, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 19/05/2018

CERTIFICATE

This is to certify that **Mr. Kartikeya** bearing USN 1AY16MBA31 is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on "A Study on Banking Services Provided to Rural Customers" at Karnataka Bank Ltd., Honnavar is prepared by him under the guidance of **Dr. Ramanaiah G** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Signature of Internal Guide

Signature of HOD

Head of the Department
Department of MBA

Acharya Institute of Technology
Siddavanahalli, Bangalore-560 107

Signature of Principal

ACHARYA INSTITUTE OF TECHNOLOGY
Siddavanahalli, Bangalore-560 107

DECLARATION

I, Kartikeya, hereby declare that the Internship report entitled "A study on Banking Services provided to rural customers" with reference to "Karnataka Bank Ltd., Hosakuli, at-Honnavar" prepared by me under the guidance of Dr, Ramanaih G., faculty of M.B.A Department, Acharya Institute of Technology and external assistance by Mr. Nitesh Naik, Branch manager at Hosakuli branch, Karnataka bank.

I also declare that this Internship work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of Ten weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: Bangalore
Date: 29-05-2018


Kartikeya
(1AY16MBA31)

ACKNOWLEDGEMENT

I deem it a privilege to thank our Principal, Dr.Sharanabasava Pilli, Dr. Mahesh, Dean Academics and our HOD Dr. Nijaguna for having given me the opportunity to do the project, which has been a very valuable learning experience.

I am truly grateful to my external guide Mr. Nitesh naik, Branch manager at Karnataka bank, Hosakuli branch. and my internal research Guide, Dr.Ramanaiah, for their research guidance, encouragement, and opportunities provided.

I wish to thank all the respondents from the firms who spent their valuable time in discussing with me and giving valuable data by filling up the questionnaire.

My sincere and heartfelt thanks to all my teachers at the Department of MBA, Acharya Institute of Technology for their valuable support and guidance.

Last, but not least, I want to express my deep appreciation to my parents for their unstinted support.

Place:

Date:

Kartikeya

(1AY16MBA31)

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Executive summary

An executive summary shows important point or highlights of the full report. This report contains a study on banking services provided to rural customers. It is having adequate information about the banking sector and its services towards customers and services rendered to rural customers.

This report contains industry profile of the banking industry and company profile of the Karnataka bank ltd., it includes service profile, SWOT Analysis, future growth of the bank. It also includes area of operation and strategies and organisation chart.

It also having Theoretical background and Literature review of the study, it consist research methodology, scope and need of the study, statement of problem, objective of the study and research tool used in the data collection.

This report mainly analysis the data, which are collected from the customers and analysis and interpretation of the data. It included findings of the analysis and give suggestions to improve the services.

The report reveals the opinions of the customers and their expectation towards the banking services and banking awareness among the customers.

Chapter-1

Industry Profile

1.1 Introduction:

In India, money lending is a many old professional which has history of more than 200 years ago. That is in the end of 18th century. Tippu sultan was had clear idea that organising banking as the part of country mechanism.

The English phrase bank is taken from an Italian phrase that 'Banaco', the Latina phrase 'Baacus' and taken from French phrase 'Banque' which sounds a joint stock company fund beginning a huge counts of the community or public.

Bank in a different kind of form was existed on an ancient time; the writing of Manu, Koutilya and the teachings of Christ witnesses the existence of the banking system.

The modern banking is come into existence only after the industrial revolution. That type of organization was an encouraged person who has small income to turn into shareholder of large industrial, institutes and some business companies.

1.2 Industry Profile:

Banking:

The Banking industries in India has given definition in the companies act, 1949 as "Which transacts the industry of Banking, that means accepting for a purpose of invest or lending of deposits of cash from the public repayment on demand or cash withdrawable by cheque and drafts".

Banks are a financial institute that accept deposit from the public and creates credit and rendering loans.

Evolution of Banking:

In India, banking service started in 18th century. The first bank were 'Bank of Hindustan', that was established in the year 1770 and 'General Bank of India' that was the second bank, that was established in the year of 1786.

The biggest bank and the oldest bank that still exist is the 'State Bank of India', that originated as the 'Bank of Calcutta' in the year 1806, in the year 1809, that was renamed as the 'Bank of Bengal'. It became 'State bank of India' in 1955.

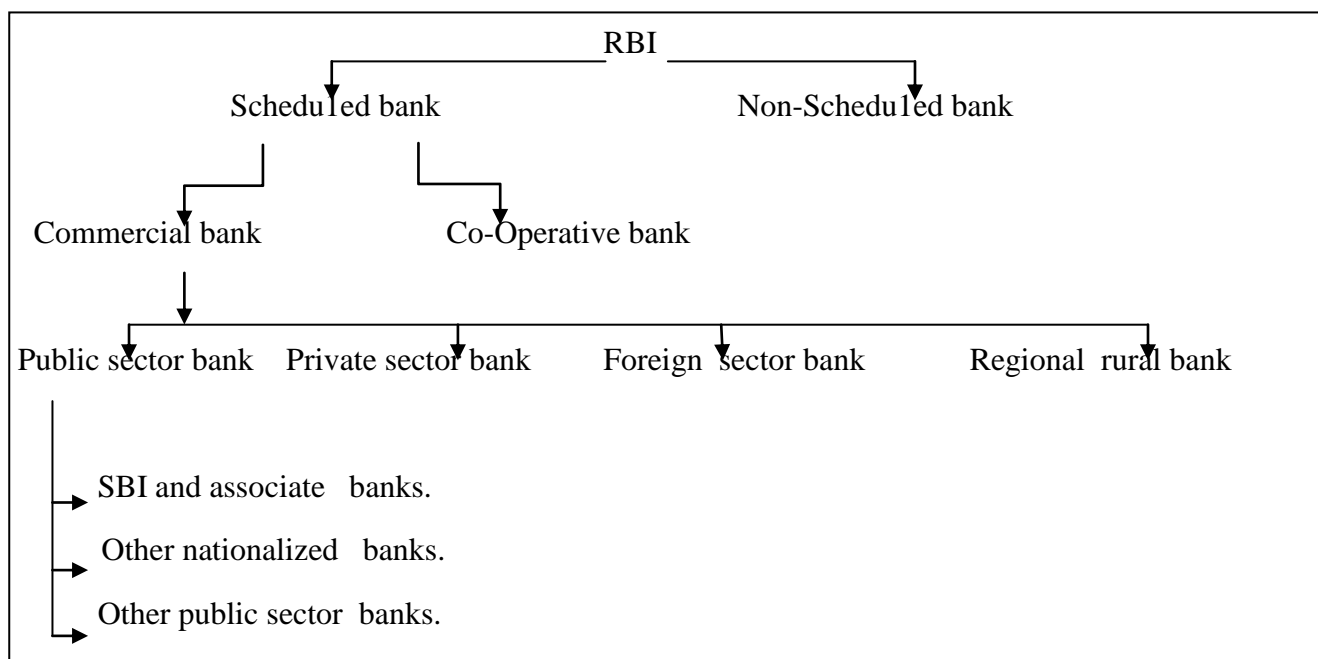
The 'Reserve Bank of India' was established in the year 1935, below the reserve banking act, 1934. In the year 1969 the Government of India nationalised major 14 Indian private banks. One of the biggest banks was 'Bank of India. In the year 1980, added 6 extra private banks were nationalised.

That nationalised banks are the popular of the lenders in the Indian economy. They have large size and widespread network so they dominate the banking sector.

Classification of Indian banks:

The Indian banking segment is generally classified into scheduled and non-scheduled banks. The scheduled banks are those include under the II schedule of the Reserve Bank of India act 1934.

Normally banking in India is quite matured in requisites of the supply, product series and get to even through rural India, and to the poor still remains as a challenge. The Govt. of India has developed initiative to the deal with this through the State Bank of India increasing its branch networks and through the National Bank for the Agriculture and Rural Development (NABARD) with services given like micro finance etc.



Commercial banks

As indicated by the RBI- "commerce Banks allowed to both designed and non-booked production banks that are guarded under Banking Regulation Act, 1949." Commercial banks effort on a revenue focused premise. They essentially took element in acknowledgment of shop and draw out credit to the overall population and organization and legislature.

Scheduled Banks

By means of definition, some banks that are recorded in second sheduled of the Reserve Bank of India Act, 1934 is view as a reserve bank. The neglected incorporate the 'State Bank of India' and its sub banks (like State Bank of Travancore), every nationalized banks (Bank of India, Bank of Baroda and so on), Region Rural banks (RRBs), remote banks (HSBC Holding banks, Citibank) and some co-operative banks. That similarly incorporate private sector banks, both delegated old, like Karur Vysya Bank and new, like HDFC Bank Ltd.

To meet the criteria as the booked banks, the paid up capital and gathered assets of a bank must not be under Rs.5 Lakhs. Designed banks are eligible for credits from the Reserve Bank of India at the bank rates, that are presented participation to clearing houses.

Non-Scheduled banks

Non-scheduled banks are those banks are not recorded in the II scheduled of the RBI documents, 1934. Maintaining accounts with a hold the capital of less than rupees 5 Lakhs, be eligible as the non-scheduled banks. Unlike to scheduled banks, these banks are not eligible to get from the RBI for representative keeping funds purposes, with the exceptions of, in emergency or "abnorma conditions." Jammu and Kashmir Bank is a exampleof a non-scheduled commerce bank.

Co-Operative Banks

Co-operative banks are work in the both urban and non urban areas. All banks enlist under a Co-operative Societies Act, 1912 are measured as co-operative bank. Those are banks which keep running by a chosen management board of trustees with schedule of individuals' rights and an agreement of "commonly created and endorsed local laws and amendments."

At the urban focus, they primarily fund big business persons, enterprises private ventures, self-determining workers and take into account house purchase and useful credits. Moreover, co-operative bank in the rural territories primarily require rural based movements, those incorporate cultivating, sophisticated animals, dairies and incubation centres. They moreover make bigger out credits to small scale unit, cottage ventures, and self-governing work movements like artisanship.

Who are obsessed by profit, co-operative banks are get a explosion at a "no profit, no disaster" premise. Those are guarded by the Reserve Bank of India under the Banking Regulation Act, 1949 and Banking Laws that Applicable to Co-operative Societies Act 1965.

Regional Rural Banks

These Regional Rural Bank is fundamentally; provide the service to country side and rural divisions with primary money saving and enough budgetary management. They were started in 1975. Located in Moradabad, Pratama Bank, started on 2 October 1975. It was got support from Syndicate Bank. The RRB was claimed by the local government (50%) and state government (15%) and hold of bank (35%). Only some industry banks have supported RRBs. definite illustration incorporate the Maharashtra Gramina Bank, it was supported by the Bank of Maharashtra and the Himachal Gramina Bank, it took support from Punjab National Bank .

Phases of Indian banking:

- i. Early phase from 1786 to 1969 of Indian banks.
- ii. Nationalisation of Indian banks and up to 1991 earlier to Indian banking sector.
- iii. New phase of the Indian banking structure with the beginning of financial and banking sectors reform after 1991.

Major steps taken by the govt. of India:

- 1949- Passing of banking regulations act.
- 1955- Nationalisation of State bank of India.
- 1959- Nationalisation of SBI subsidiaries.
- 1961- Assurance cover extended to deposit.
- 1969- Nationalisation of 14 main banks.
- 1971- Establishment of credit Security Corporation.

1975- Establishment of regional rural bank.

1980- Nationalisation of 7 banks which have deposits over 200 Crores.

Liberalisation

P. Narasimha Rao government made emphasis on a liberalization policy; that is licensing a little amount of private banks. In pre liberalization era, banks in India could be raised in a closed economy but the private sector gave competition in the open economy, survey that mainly conducted revealed that, They create some banks like Global trust bank, Oriental bank of commerce, Axis bank, ICICI bank, HDFC bank.

This move about banking increases the rapid growth in the Indian economy. This has contributed to the key classes of banking sector, that is, Government banks, private banks, and foreign banks. Use of ATM card, Internet banking, and Mobile banking are the new creative branches of the banking.

Now days India has 87 scheduled banks that have deposit of Rs.71trillion as on the may31st 2013. 26 are the public sector banks and private banks are 22. Public sector banks that control over the70 % of the India's banking sector. There are totally 41 foreign banks.

1.3 Company profile:

'Karnataka Bank Ltd.' is the top 'A' class scheduled commercial Bank in the India. This was built-in on the February18th 1924. The central registered head office is in Mangalore. The bank commences its commerce on May 23rd 1924 with an early capital of Rupees 11580 contribute by 113 shareholders; Here Sri B.R.Vyasaraaya Achar was the Ist president of the Bank. In the banks memorandum of association, the objective clause state objective that Bank distant from delivery on the general functions of the banking business, would be "Set distant and suitable from the annual net profit near the general, mental, moral and physical development of others helpful use of the members of the Dravidian and Brahmin society, such sum might be deem healthy".

The starting 3 branches of this bank are Mangal're Dongerkery, Udupi Car Street and Madras George. The bank deposit was Rs.0.68 Lakhs at the end of the year of operation. The bank was renowned its 25th anniversary in the year 1949. In that time it

was gained surplus of Rs.0.75 Lakhs. In that, Rs.55.59 Lakhs were deposits and advances of Rs. 39.39 Lakhs.

On 23rd November 1958, Sri K.S.N.Adiga became the chairman of the bank. The first real appreciation for the Mangalore based Bank came on the year of 1959. The bank was being prominent from 'c' class to 'B' class. This bank took over three rural banks in the year of 1960. After that in the year 1969, this bank opened 75 branches. Its deposits cross 100 million and net profit was Rs.3.05 Lakhs.

The bank opened its first branch in the country's financial capital in the year 1971. In the same year the bank was also obtained class 'A' by the reserve bank of India. On its 25th year of its action, the bank's overall deposits were Rs.33.14 Crores and advances were Rs.22.09 Crores. And the branches were 146 and 126 employees.

Karnataka Bank Ltd launched its new symbol that the star symbol as its visual identity symbol in 1977. That symbol made by late Dr. Shivaram Karanth, it conveys stability, discipline, harmony and confidence. Here staff training college of the bank was started in Mangalore. That was started on September 27th 1977. In 1997 the foreign exchange dealing of the banks was started. That was another department recognized in Bangalore afterwards it was shift to the Mumbai (1979).

This bank achieves the goal of Rs. 1 Billion in deposits with the combined 104.24 Crores as on December 31st 1979. The first service branch was opened in 1994-95, at Mumbai. The first industrial financial branch was also opened at Bangalore on March 20th 1995. The first Agricultural development branch was opened on 1st April 1995. The bank entered to stock markets on October 1995. Public issue was rupees 8lcr. This was oversubscribed.

Karnataka banks network now extended its branches to 800. Extend across 22 states and two union territories. That has managed by committed management teams that have over 8185 employees and 146000 shareholders that are more than 8.2 million customers.

Karnataka bank has able to earn net profit of Rs.452.26 Crores for the year ended 31st March 2017. In the financial year 2017-18, Bank has envisage a trade turnover

Rs.1, 10,000 Crores. The expansion rate of the profit is 17.35 percent. And bank having it's own 1372 ATMs.

1.4 Vision:

Vision 2020 – Vision statement of the bank is:

“To be a progressive, prosperous and well governed bank”.

Mission:

.The Karnataka bank's mission declaration of any organization normally represents its long term aims and strategies. Every organisation have its own missions,

Karnataka banks mission as follows:

“To be a technology savvy, customerVcentric progressive bank with a nationwide presence, focused by the highest standards of corporate authority and guided by sound ethical values”.

Quality policy:

The quality policy of Karnataka Bank Ltd. is provided that quick and superior services and their by achieve customers satisfactions.

Nature of business:

Taking deposits and lendin money is the main nature of bank. It issues overdraft and credit card, debit card, safeguard of asset.

Hosakuli Branch

Karnataka Bank's one of the branch was started in Hosakuli which is located in Uttara Kannada district on 15th October 1977. In Uttara Kannada there is 17 branches of Karnataka Bank. Now Sri Nitesh Naik is the Branch Manager and he is leading the branch towards the more growth. Now its total turnover is Rs. 51 Crores. Total deposit received is Rs.43 Crores and advance is Rs.8 Crores. This Branch has 84000+ customers. There are 70% of the customers having the Net Banking or Mobile Banking.

1.5 Area of Operation:

This branch rendering services to the rural area, it covers local villages like, Are angadi, Hosakuli, Salkod, Nilkod, Baskeri etc.

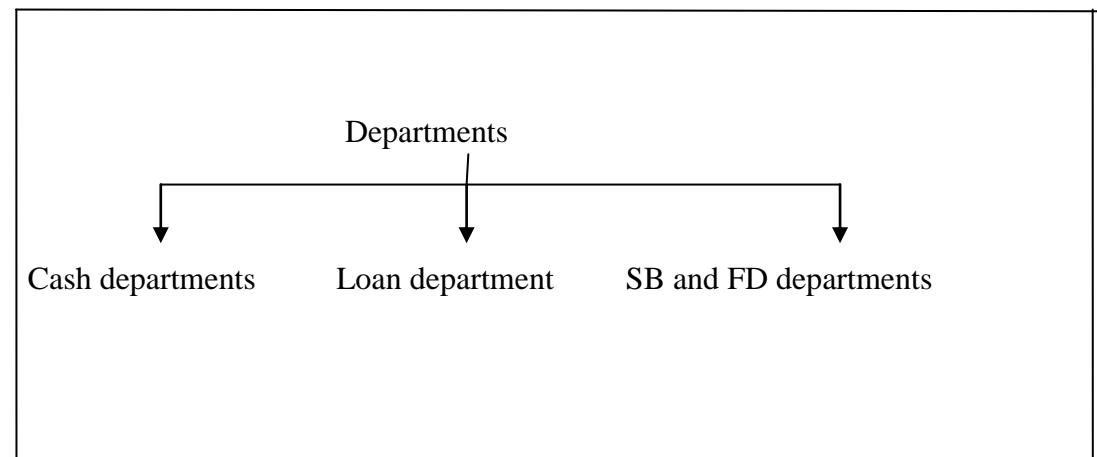
1.6 Infrastructure:

This branch has rented building with good interior structure. And have all facilities, have good space and parking place.

1.7 Departments:

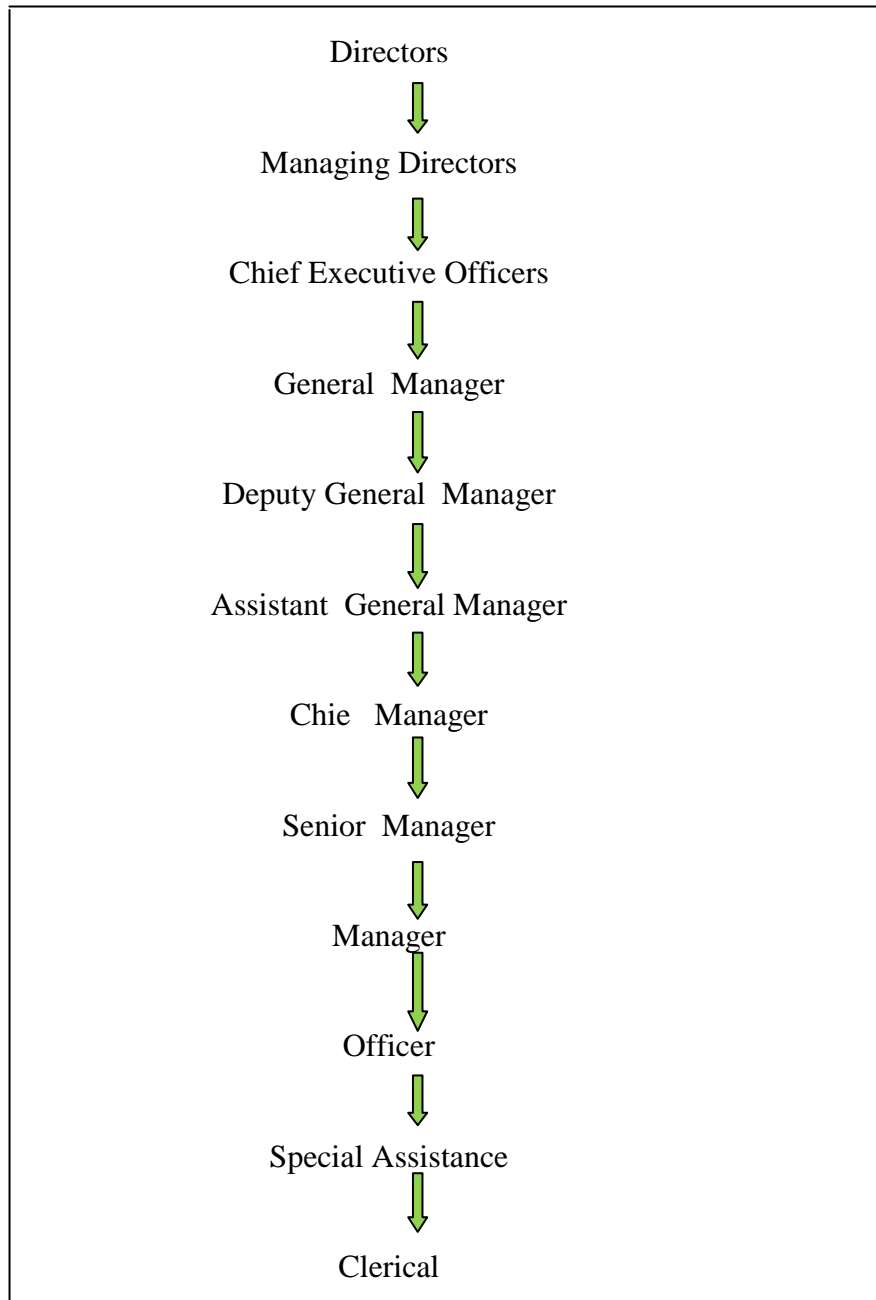
In all branches, there are many departments according to their staff and are of operation. In Hosakuli branch, there are main three departments. That does its work on the basis of its rules and regulation.

Chart showing departments of bank



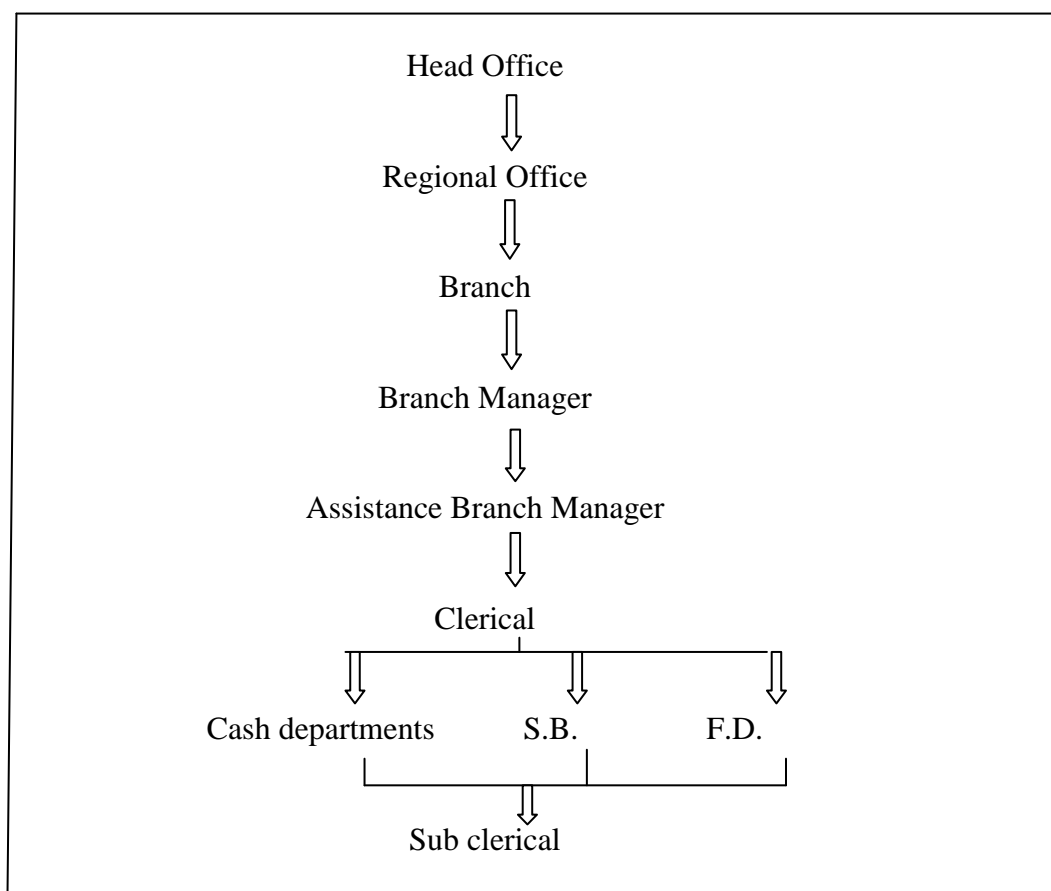
Organisation/Ownership pattern:

Following is the organization pattern of the Karnataka Bank Ltd.



Authority Pattern:

Authority Pattern of the Karnataka Bank Ltd. is as follows.



Staffs in the Branch:

In this Karnataka bank Hosakuli branch, there are totally 7 employees.

1 Manager

1 Assistance Bank Manager

3 Clerical- Cash, Loan, Fixed Deposits

1 Sub staff

1 Sweeper

Strategies:

Karnataka bank is user friendly; they maintain good relationship with their customers.

They have some other strategies like:

- Giving Boat loan
- Farm house loan

1.8 Competitors:

Now a day, banks are raising fast and giving good competition.

Some of the Banks are as follows:

- Vijaya Bank
- KVG bank
- SBI Bank
- Urban Bank
- Syndicate Bank
- co-operative society, Are angadi
- KDCC Bank

1.9 Future growth:

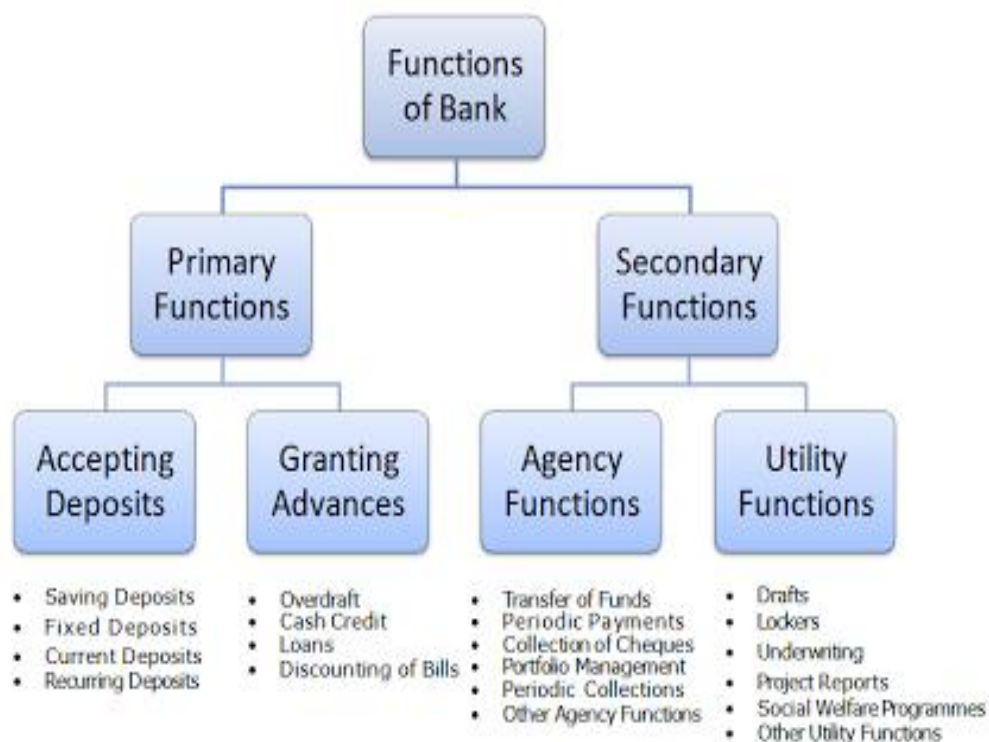
Karnataka Bank Ltd is targeting a business turnover of Rs.1.10 lakh crore for 2017-18.

The bank intends to open 35 new branches.

The bank proposes to take the tally of ATMs to 1450 from the present level of 1380 ATMs.

E-lobbies and mini E-lobbies are planned to increase to 150 from 110.

Functions of Karnataka bank:



A. Primary function

Here, main functions of the banks are also recognized as bank functions. Those are the key functions of the bank.

That primary functions are as follows.

1. Accepting Deposits

Karnataka Bank collect deposits from the public. Those deposits may be diverse types, such as :

- i. Saving Deposits.
- ii. Fixed Deposits.
- iii. Current Deposit.
- iv. Recurring Deposits.

2. Granting loans and advances

The Karnataka bank gives loans and advances to some entrepreneur and other associate of the community. The rates electric are higher than which pays on the deposit. The dissimilarity in the interest rate is its income.

The all types of the Loans and advances given by the banks are as follows:

- a. Overdraft.
- b. Cash Credit.
- c. Loans.
- d. Discount on bills of exchange.

B. Secondary function

The bank recital a set of secondary functions and it is called as non-banking functions.

Those significant secondary are as follows.

1. Agency Functions

The bank does acts as an agent to its customers and for its customers. The bank perform the quantity of agency functions, these are as follows:

- a. Transfer of Funds.
- b. Collection of cheques.

- c. Periodic payments.
- d. Portfolio management.
- e. Periodic collection.
- f. Other agency functions.

2. General Utility Functions

The bank do some other functions, those are called as general utility functions, such as

- Issue of Drafts, letter of Credits, etc.
- Locker Facility
- Approving or helping pay for the of Shares
- Dealing in Foreign Exchange
- Project Reports.
- Social Welfare Programmes
- Other Utility Functions

1.10 Service Profile:

Loans:

- **Varthak Loan**
This type of the loan is arranged for the finance of operational capital. These kinds of loans are cooperative for distributor, stock dealers, commissions' agents, and the traders.
- **Loans for Salaried Persons:**
Remunerated people may be takes loans for purchase of the goods which is consumer durables and the one-time basics for private residence use.
- **Niveshan Loan:**
These kinds of loans are giving to the people who purchases of a new house. Loan amount is restricted to the rupees 15 lakhs.
- **K-Power:**
This type of loans are very useful, loan is given through the ATMs. Here maximum loan amounts are rupees 15,000.

- **Vidyanidhi Education Loan Scheme:**

In this Karnataka Bank education loan are given for students. This can be taken for finance studies both within India and outer of India. Funds for hostel board and air travel fees are also given.

- **Car Finance Scheme:**

Karnataka Bank also give car loans, these are granted for all types and all price range of vehicles. Here maximum of 80% of the car price can be given as loan.

- **Easy Ride:**

This loan is giving for pay for of two-wheelers. These are granted to professionals, persons, and corporation.

- **Udyog Mithra:**

These loans are supportive for professional who wish to enlarge their specialized capacities. The loan funds can be utilized to buy goods and equipment.

Home Loans:

It begins/tries social welfare programmes, such as adult reading and writing ability programmes, public welfare (series of actions to reach goals), etc

Karnataka Bank gives fluctuated advance plans to people take into account the individual necessity of purchasing or redesigning a house. They give home credits to purchase another house, purchase a plot to fabricate another house, revamp the old house, advance against property and so on. The sort of home advance plan is called KBL Apna Ghar and its highlights are as per the following:

The advance time frame is 15 years and reimbursement occasion residency of year and a half is likewise considered:

- It is for Indian occupants as it were
- It is for salaried personals over 21 years old
- It is payable in level with regularly scheduled payments
- Financing cost is 9.50% for credit sum up to Rs 30 lakh

Karnataka Bank NRI Banking

Non-Resident Indians (NRIs) are likewise offered keeping money benefits by the bank in accounts extraordinarily intended for NRIs including:

Non-Resident Ordinary Account: This record is opened as investment funds, current, term and repeating stores and is kept up in Indian Rupee.

Non-Resident External Rupee Account: It can be opened as investment funds, term, present and repeating stores and the reserve is completely reportable.

FCNR Account: It is held in term stores and can be kept up in remote money to be specific GBP, USD, CAD, AUD, JPY and EURO.

RFC Account: It can be held as investment funds and current records and is opened by NRIs who are for all time settled in India.

Karnataka Bank Internet Banking

Numerous keeping money administrations are currently accessible on the web and clients of the bank can take the advantage of web managing an account gave by Karnataka Bank. Administrations like the accompanying should be possible online without having the problem to visit the bank's offices.

- Request of record adjust and check status
- Store exchange with self-record and record with different banks
- Demand on request drafts and check books
- Demand of proclamation of records
- Instalment of service bills
- SMS managing an account
- SMS caution

Types of Karnataka Bank Credit Cards

The cards offered by Karnataka Bank can be utilized as both charge card and platinum cards. The accompanying cards are offered by the bank to its clients:

- Visa Classic Debit Card.
- Visa Gold Debit Card .
- Visa Smart Debit Card.
- Ru-Pay PMJDY Debit Card.
- R- Pay Classic Debit Card .
- Ru-Pay Kisan Debit Card.

Aside from these, the bank has additionally two unique card office that fulfils the movement and way of life prerequisites of the purchasers. They are:

KBL Gift Card: This card can be utilized as a present for friends and family and can be utilized for a few feasting, shopping, and party or for making on the web buys.

KBL Travel Card: This unique card influences the setting out to procedure of the card-holders inconvenience free. It offers basic Forex get to making abroad travel simple and bothers free.

Financial record

A condensed explanation containing every one of the points of interest of the exchanges influenced with the issued Visa is sent to the card-holders on a month to month premise. Card-holders can view such explanations to comprehend what measure of cash they owe to the bank and to make the relating instalment.

Bank Account

Assortment of bank accounts which take into account ladies, youngsters and each individual is offered both in the typical assortment and the excellent assortment. The records include:

- KBL Vanitha
- KBL Kishore
- KBL Tarun
- KBL Salary Privilege
- SB Gen
- SB Money Sapphire
- SB Money Ruby
- SB Money Platinum
- Protection Linked Savings Bank Account

- SB Sugama
- SB-Small
- SB-NMB

All the KBL bank accounts give returns at loan fee of 4% p.a. which is computed on the day by day adjust and payable half yearly.

Settled Deposit Interest Rates

A few Fixed Deposit plans are additionally offered by the organization for venture purposes. These stores are sheltered from showcase unpredictability and give stable comes back to accountholders. The rates of premium differ according to the period for which stores are held with the bank. Stores which are held for up to 180 days gain at a financing cost of 7.15% p.a. senior natives win a 0.50% higher rate of enthusiasm on a wide range of stores made by them

1.11 SWOT Analysis

SWOT study is condensing for superiority, deficiency, chance and danger; it is a planned arrange scheme to measure those four mechanism and group. It is a moreover utilize for association, article, position, business and person. A SWOT theory test causes the organization to split down the inner and outer workings which are optimistic and awful to achieve the destination.

- Strengths: Intrinsic worth of th industry or duty that provide it flexibility over others.
- Weaknesses: Attribute of the trade that put the industry or venture off protecto with esteem to others.
- Opportunities: Mechanism in the form that the industry or responsibility could exploit further bolster its high-quality chance.
- Threats: Mechanism in the situation that might grounds difficulty for the selling or assignment.

Strength:

1. More than 470 branches across over 20 states and 2 Union Territories
2. Accentuation on consumer loyalty
3. Has more than 5844 workers and 4.84 million clients, incorporating ranchers and craftsman's in towns and residential areas all through the nation
4. Fast Remit, an administrative centre to gain swap over simple for the Non-Resident Indians livelihood in Canada USA and the UK

Weakness:

1. Less reach crosswise over nation as far as ATM's, branches when contrasted with greater banks
2. Brand perceivability is less because of absence of promoting

Opportunities:

1. Worldwide keeping money in regions with great pockets of Indian population
2. Rural keeping money and more administrations for the country regions

Treats:

1. Financial log jam
2. Profoundly aggressive condition
3. Stringent Banking Norms

Chapter-2

Conceptual background and Literature review

2.1 Conceptual background:

Banking services to rural area:

After the selection of the New Economic Policy in the year of 1991, the Indian economy is winding up more and more develop with the succession of time because of support changes attempted in various parts and regions. The GDP progress rate has been substantially higher than the neo-Hindu rate development and it has arrived at the midpoint of more than eight for each currency among the previous three years. While there has been speeding up in the mechanical division, particularly assembling and administrations segment, and the nation is moving on from a low-pay administration to a centre salary administration, there has been deceleration in rural development, which reflects as an expansive based stoppage in the effectiveness development. A portion of the poorest and most crowded States has fallen behind. The commercialisation of farming, as likewise innovation escalation has brought about making of extensive surplus work in the agribusiness part. Therefore, according to the consequences of the Economic Census 2005, business development in the non-cultivate division is much lower and normal work itself has declined amid the 1990s as comported to the 1980s.

While development is important; it is additionally basic that development turns out to be more comprehensive in light of the fact that if certain districts, parts or gatherings of individuals are without monetary open doors for long stretches, the spread and manageability of development itself is debilitated. Subsequently, development, to be comprehensive, must consider the advancement of each segment of society. From now on, it is basic to guarantee that highe development is likewise more comprehensive. In the Draft Approach Paper to the Eleventh Five Year Plan, The saving money segment, as the most essential budgetary go-between to activate the reserve funds prompting expanded speculations, encouraging development would, consequently, assume the most critical part in achieving the set monetary destinations through extension of the scope of managing an account benefits by coming to the huge unbanked and under banked public of the nation.

2.2 Literature review:

R. Seranmadevi, M. G. Saravananaraj (2012), in their study on "Innovation on Indian Banking Sector", mentioned that the Indian banks are putting intensely in the advances, for example, mechanized teller machine (ATMs), net keeping money, portable saving money, tale - managing an account, charge cards, charge cards, savvy cards, call focuses, CRM, information warehousing and so on.

Andrew Musiime, Malinga Ramadhan (2011), in their study on "Web saving money, shopper reception and consumer loyalty", inspected the elements that impact purchaser appropriation of Internet managing an account benefit and in addition analyze the connection between Internet keeping money benefit, client appropriation and consumer loyalty. The examination built up that there was an essentially positive connection between Internet keeping money and client fulfilment.

Shirshendu Ganguli, Sanjit Kumar Roy (2011), from their investigation on "Bland innovation based administration quality measurements in managing an account", distinguished four nonexclusive administration quality measurements in the innovation based keeping money administrations – client benefit, innovation security and data quality, innovation comfort, and innovation utilization effortlessness and unwavering quality. It was discovered that client administration and innovation use effortlessness and dependability have positive and critical effect on client fulfilment and client unwaveringness.

Alabar, T. Timothy (2012), in their examination on "Electronic Managing an account Services and Customer Satisfaction in the Nigerian Managing an account Industry", recognized that the Electronic keeping money administrations (EBS) are a current creation that has come to remain in the Nigerian saving money industry. One miracle whether these administrations as later as they were made ideal fulfilment to overflowing clients. It is against this setting that the paper is set to look at the connection between these administrations and consumer loyalty in the business.

Nouman Anwar Dar (2011), in his investigation on "Mindfulness of Electronic Banking in Pakistan", revealed that the Electronic Banking is a basic division of managing an account industry. This paper focuses on development and familiarity with electronic

managing an account in Pakistan. Electronic managing an account is the present need as it gives simple approach to screen a record.

Dr. Mahalaxmi Krishnan, Darshana Kadwadkar (2009), in their investigation on "Rising Challenges of Technology Based Banking Services in the New Millennium", found that Indian banks today are as innovation sagacious as their partners in created nations and the motivation for this explore is to examine the degree of use of different keeping money items and administrations by clients. While ATM has wind up well known for money withdrawals, different administrations like versatile managing an account and web keeping money are sub-ideally utilized. Banks should forcefully advance e-managing an account administrations in order to lessen footfalls in branches.

Khalil Mohammed Khalil (2011), in his investigation "On the web Administration Quality and Customer Satisfaction", analyzed the effect of E-SERVQUAL demonstrate on consumer loyalty. Four administration quality measurements specifically physical assets, unwavering quality, responsiveness, affirmation, and sympathy have been set up in light of the SERVQUAL show. These factors have been tried to investigate the relationship between online administration quality and the client fulfilment. The investigation demonstrates that these measurements are great to gauge the connection between online administration and consumer loyalty.

K.T. Geetha and V.Malarvizhi (2010), in their examination on "Acknowledgment of E-Banking among clients", observed the factors influencing the acknowledgment of e-managing an version administration between the customers and also shows level of worry in regard to safety and protection issues in Indian situate. The finding delineates numerous elements like security and security and good level extended the appreciation of e-banking administration between Indian customers and it demonstrate to taking place the sour opening that banks give them essential path and agreement security of their records, customers will receive e-managing an account.

Alhaji Abubakar Aliyu , Sayf M.D Younus, Rosmaini Container HJ Tasmin (2012),in their study on "An Exploratory Concentrate on Adoption of Electronic Banking- Underlying Buyer Behaviour and Critical Success Factors", found the connection between Electronic managing an account reception and the deciding components for basic accomplishment of Electronic Banking.

Dr. Nasim Z. Hosein (2011), in his study on "Web managing an account: Understanding buyer appropriation rates among group banks", noticed that the accomplishment of web managing an account is resolved not just by banks or government bolster, yet in addition by clients' acknowledgment of it. The industry benefit of the web control an account is to create extra income, improve client's benefits, broaden promoting, and increment cost sparing.

Bahia, K and J Nantel (2000) - The research recommended an alternative dimension for measuring the service quality of the internet banking. This study urbanized a scale called as Banking Service Quality Scale that controlled factor like usefulness and guarantee, contact, value, tangibles, service portfolio, dependability. This replica was set up to be extra consistent than SERVQUAL.

Jamal, A., Naser, K., 2002-The investigation inspected key drivers of consumer loyalty utilizing 167 clients and it was discovered that center and social exhibitions had affect on consumer loyalty and there was negative connection between client ability and consume loyalty.

Sureshchandar et al(2002).- The study inspected connection between benefit quality and consumer loyalty in Indian keeping money part which are observed to be autonomous yet firmly related. The two develops differ fundamentally in center administrations, human component, and systematization of administration conveyance, physical asset and social duty.

Gani A, Mushtaq Bhatt(2003)- Research on benefit quality in business banks discovered that CITI bank and Standard sanctioned bank are great in substance and in dependability likewise they are great. In responsiveness parameter Indian banks are mediocre compared to outside banks.

Navdeep Aggarwal and Mohit Gupta (2003) - This research essentially discovers the essential measurements and sub measurements of administration quality. Casual organized meetings are directed with branch supervisors' and academicians to detail a keeping money benefit quality model. The examination discovered that administration

time and individual communications are imperative alongside climate for benefit quality.

Zhou, L(2004)- The research broke down effect of administration quality in banks on consumer loyalty in china's retail managing an account and it was discovered that dependability and affirmation were the essential drivers of consumer loyalty. It was additionally discovered that there were critical varieties in desires and discernments in clients.

Arora S (2005)- This researc broke down components impacting consumer loyalty out in the open segment, private division and remote banks in northern India. 300 clients were given polls which uncovered that noteworthy contrasts exist in consumer loyalty level of clients in each gathering of banks with respect to routine task and situational and intelligent components. Remote banks were observed to be the pioneers in motorization and robotization.

Debashis and Mishra(2005)- The research and estimated consumer loyalty in branch administrations gave by nationalized banks in northern India . 1200 clients were given surveys and it was discovered that computerization, precision in exchanges, state of mind of staff and accessibility of staff affected consumer loyalty. Slightest essential factor was advancement of the items and different plans.

Chapter-3

Research Design

3.1 Scope of the study:

The estimation of administration quality is a pre-essential for enhancing consumer loyalty. This investigation envelops benefit nature of all open and private segment banks in Honnavar city. This investigation covers respondents who are the clients of the general population and private division banks these clients have a place with different callings, region, sexual orientation and pay. It is normal that the yield of this investigation will enable the banks to enhance their administrations and it too will likewise be valuable to the arrangement producers in confining future strategies of the bank.

3.2 Need for Study:

1. Regardless of whether rustic individuals know about money related incorporation?
2. In the event that yes, are they profiting the money related administrations gave by the banks?
3. What is the impression of provincial individuals with respect to saving money administrations also, their fulfilment level?
4. What are the factor influencing the entrance/utilization of budgetary administrations in provincial region?

3.3 Objective of Study:

- To know the sources of information used by the customers to know about the banking services and the level of awareness.
- To examine the purpose of visit to bank by the customers
- To know the satisfaction level of customers towards the banking services
- To understand the extent of usage of banking services by the customers
- To access the problem faced by the customers in availing banking services.

- To evaluate factors motivating customers to visit bank.
- To suggest measure for the improvement of banking services.

3.4 Statement of the problem:

- What are the services provided by the banks?
- How far the services cater to the needs of the customers?
- To what extent the services are utilized by the customers?

3.5 Research Design:

The methodology used in the study is qualitative and descriptive in nature where the researcher has to collect primary data and facts (or) information already and study the characteristic of a particular group respectively.

Research Tools:

The examination devices comprised of an organized poll (Appendix-"A"). The poll was made in light of a portion of the elements expressed Kempson (2006) and other expressed literary works. An assortment of reaction designs was utilized as a part of the poll. Organizations like various decision groups, positioned organize, free decision arrangement, and Likert's Scale.

Part I of the poll intended to inspire the statistic data identified with villagers.

Part II of the survey intended to know the observation and fulfilment level with respect to nature of administrations gave by the bank.

Pilot Study:

To guarantee that survey was managed well and comes about are right, a pilot consider was done by controlling to 50 administration resources, artistic villagers and bank official that gave us bearing to change the inquiries and clarifications of specialized words.

3.6 Hypothesis of the study:

1. The demographic area of customers significantly influences their level of awareness about the banking services.
2. Customer's relationship with banker significantly influences their level of perception towards service quality of banker.

3.7 Source of data

Primary data:

- The primary data is collected by personal visit to the managers of Rural commercial banks and Rural people and bank customers
- Details of these discussions and questionnaire are part of data collected.

Secondary data:

- The data for the study comprises of primary data collected from various sources like journals, News paper, Karnataka Bank ltd, PLD bank, etc
- The study also integrates reports from various committees, study groups, appointed by RBI, workshops and seminars conducted by other banking institutions

Selection of sample size:

For the survey, samples are selected rural people and customer from various place of Honnavar city.

Sample size is 100.

3.8 Limitation of the study:

- The example is restricted to Honnavar city.
- The information of just 3years has been utilized.
- The reacted exceptionally not particularly quick to unveils individual data .
- The client base of high and item like high esteem private property has not been mulled over.
- The budgetary execution of the banks is relying upon clients however, the client don't sufficient understanding for the execution of banks.

Chapter-4

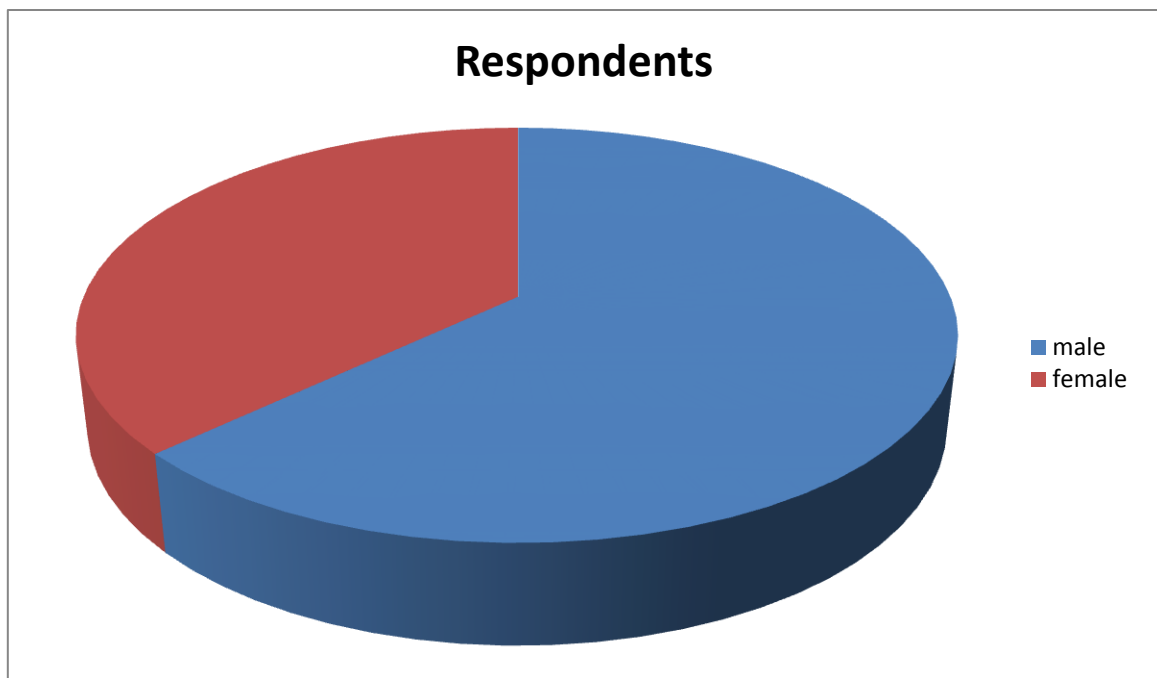
Analysis and Interpretation

Total no. of respondents: 100

1. Table showing gender proportion of the respondents.

Male	63
Female	37
Total	100

Chart 1. Chart showing Gender proportion of the respondents.



Analysis:

In this survey, there are 63 male respondents and 37 female respondents who attended the survey.

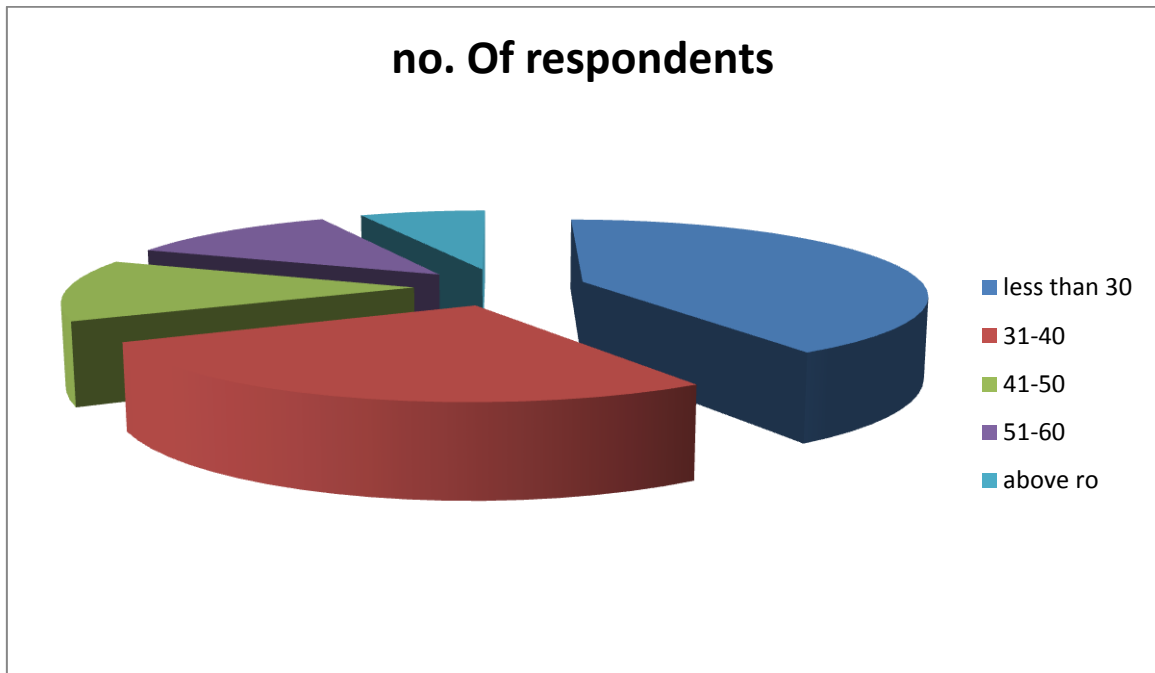
Inference:

In the rural area, women are hesitating to answer to the banking related questions. Actually they are less involved in the financial activity.

2. Table showing age of the respondents.

age	No. of respondents
Less than 30 Y	41
31-40 years	27
41-50 years	13
51-60 years	12
Above 60 years	7
total	100

Chart 2. Chart showing the ages of the respondents.



Analysis:

Here 41 respondents are less than 30 years, 27 are above 31 and below 40 years. Overall 32 respondents are above 40.

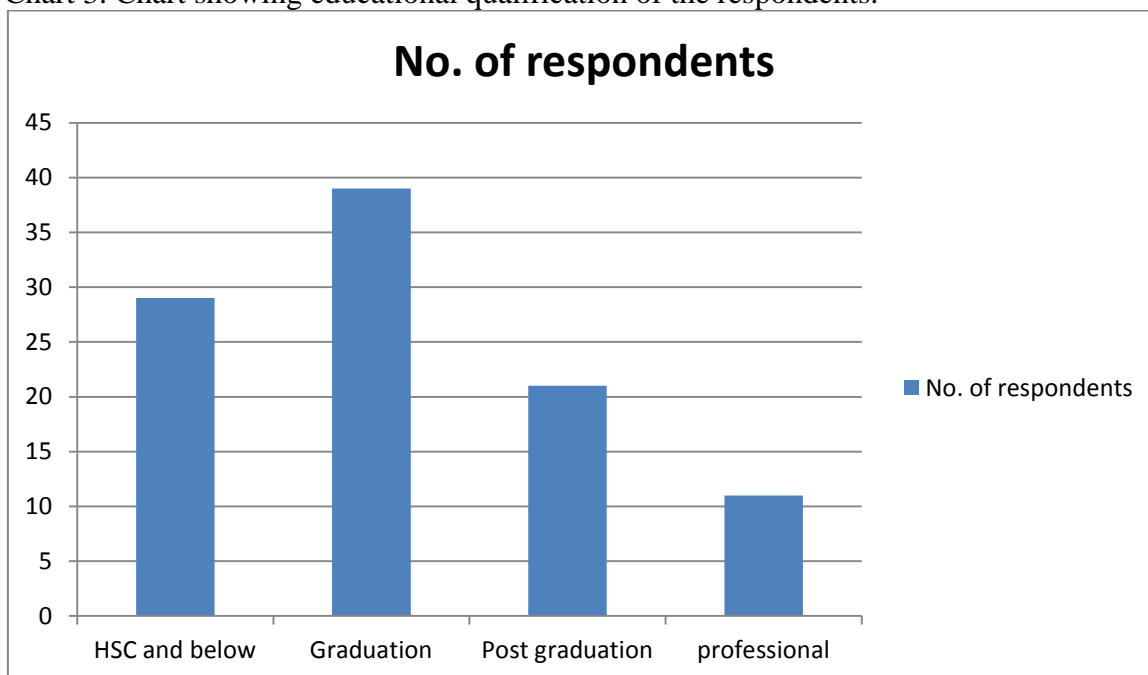
Inference:

Below 30 years people were much participating the survey. They are aware of the banking services.

3. Table showing education qualification of the respondents.

Education	No. of respondents
HSC and below	29
Graduation	39
Post graduation	21
Profession	11

Chart 3. Chart showing educational qualification of the respondents.



Analysis:

There are 29 respondents are below graduation, 39 people are graduated. In the total respondents there are 21 people are post graduated and 11 people are done professional qualification.

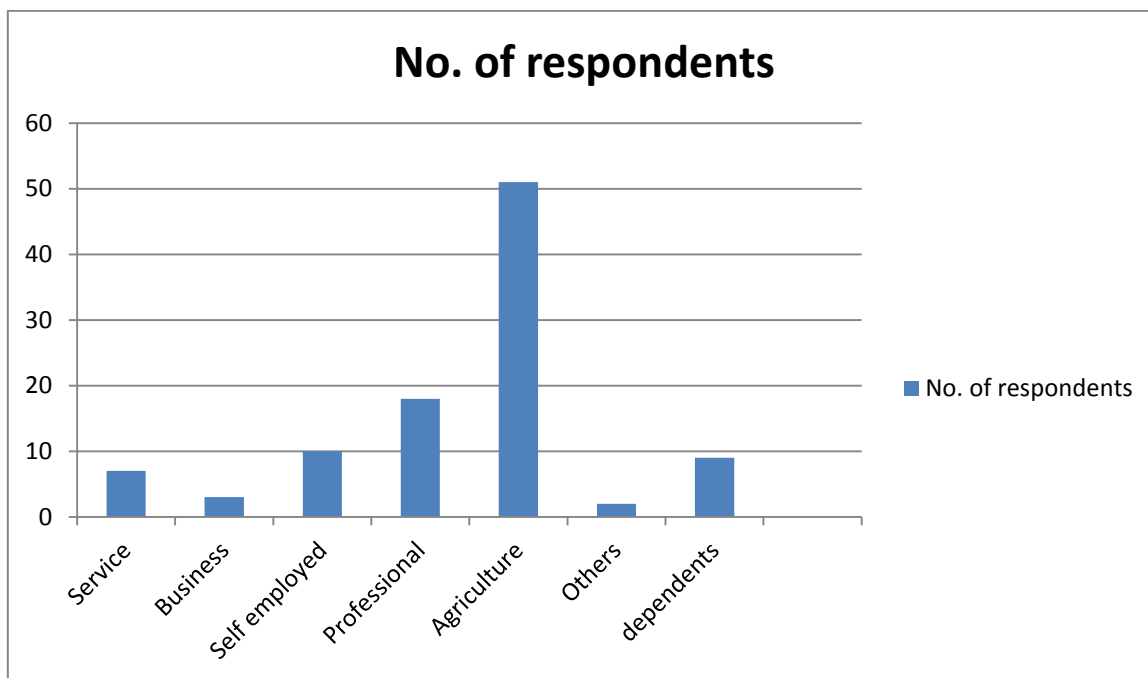
Inference:

Most of the respondents are highly educated and they are aware of the banking services.

4. Table showing Occupations of the respondents.

Occupation	No. of respondents
Service	7
Business	3
Self employed	10
Professional	18
Agriculture	51
Others	2
Dependents	9

Chart4. Chart showing occupation of the respondents.



Analysis:

In the total respondents most of the people are doing agriculture that is, 51 respondents. And 18 professionals, 3 businessmen, 10 self employed, there are 9 dependents.

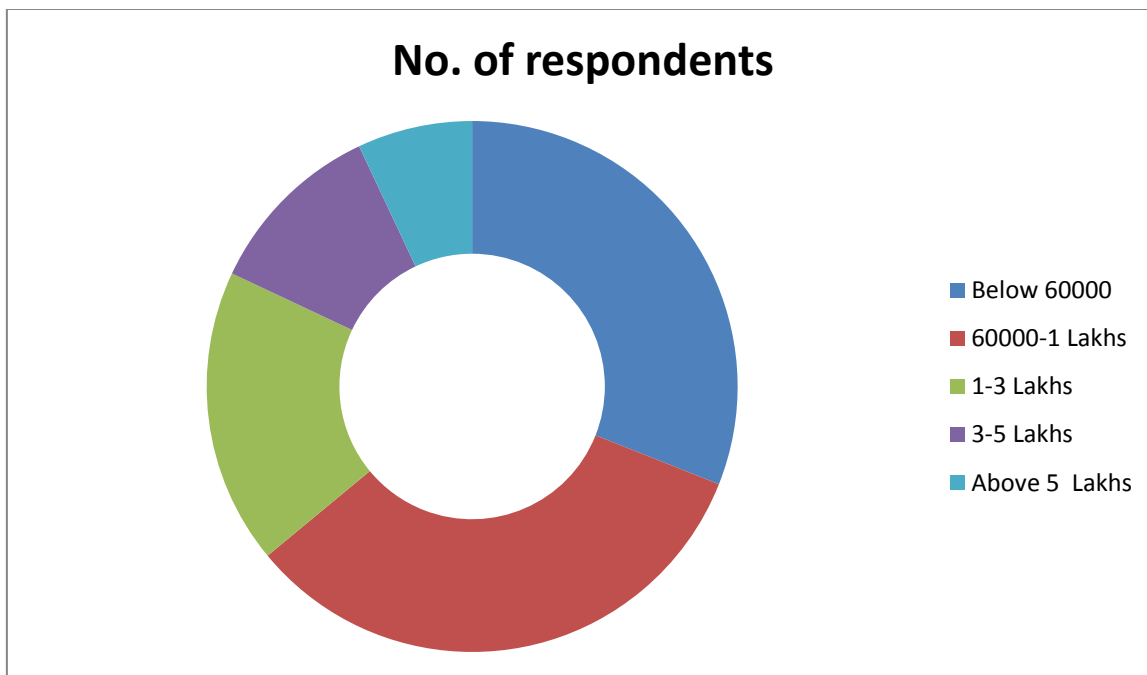
Inference:

More people involved in the agriculture, some of people are professionals. There are some self employed and businessman are responded.

5. Table showing annual income of the respondents.

Income	No. of respondents
Below 60000	31
60000-1 Lakhs	33
1-3 Lakhs	18
3-5 Lakhs	11
Above 5 Lakhs	7

Chart 5. Chart showing annual income of the respondents.



Analysis:

In the respondents more from less income level, there are 31 respondents who are earning less than Rs.6000 in a year. There are 33 respondents income is 60000-1 Lakhs. There are only 7 respondents are earning above 5 lakhs.

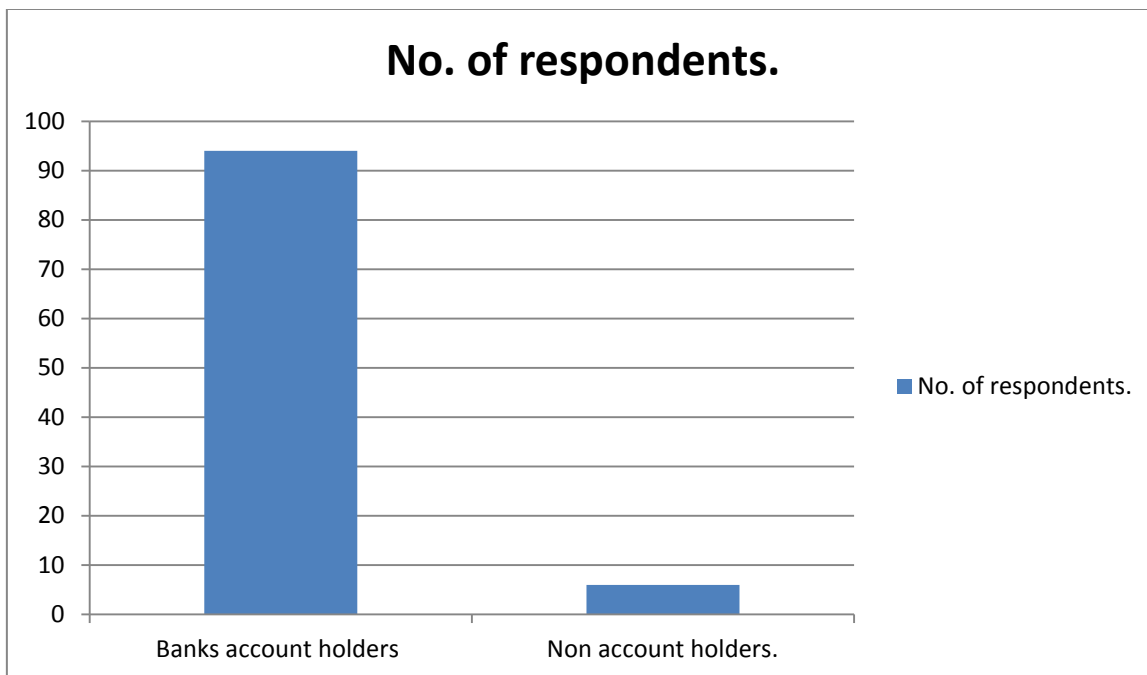
Inference:

More than 50% of the respondents are belongings to low income level.

6. Table showing Bank account holders among the respondents.

Particulars	No. of respondents.
Banks account holders	94
Non account holders.	6

Chart 6. Chart showing account holders among the respondents.



Analysis:

In the total respondents, there 94 respondents are having the account and only 6 people are not having the account.

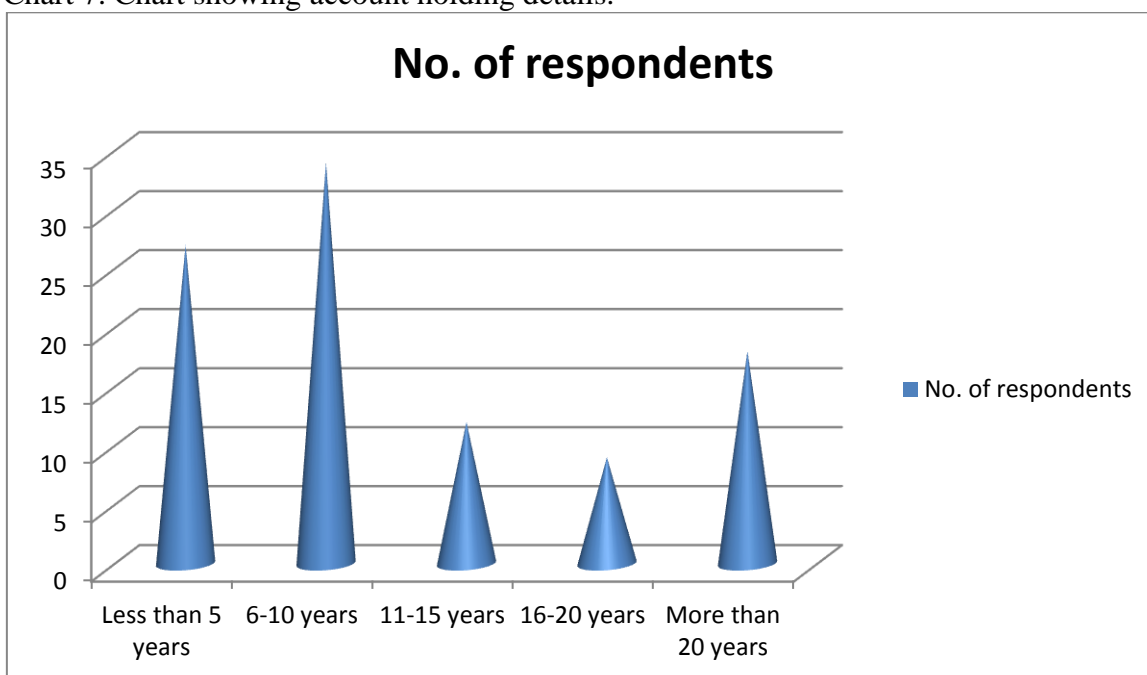
Inference:

There are 2-males and 4 female respondents are not having the account, they are actually dependent persons.

7. Table showing how long respondents are holding account.

Years	No. of respondents
Less than 5 years	27
6-10 years	34
11-15 years	12
16-20 years	9
More than 20 years	18

Chart 7. Chart showing account holding details.



Analysis:

There are 27 respondents are holding bank account from less than 5 years. 34 respondents are holding bank accounts from 5-10 years. There are 18 respondents are holding bank account from last 20 years.

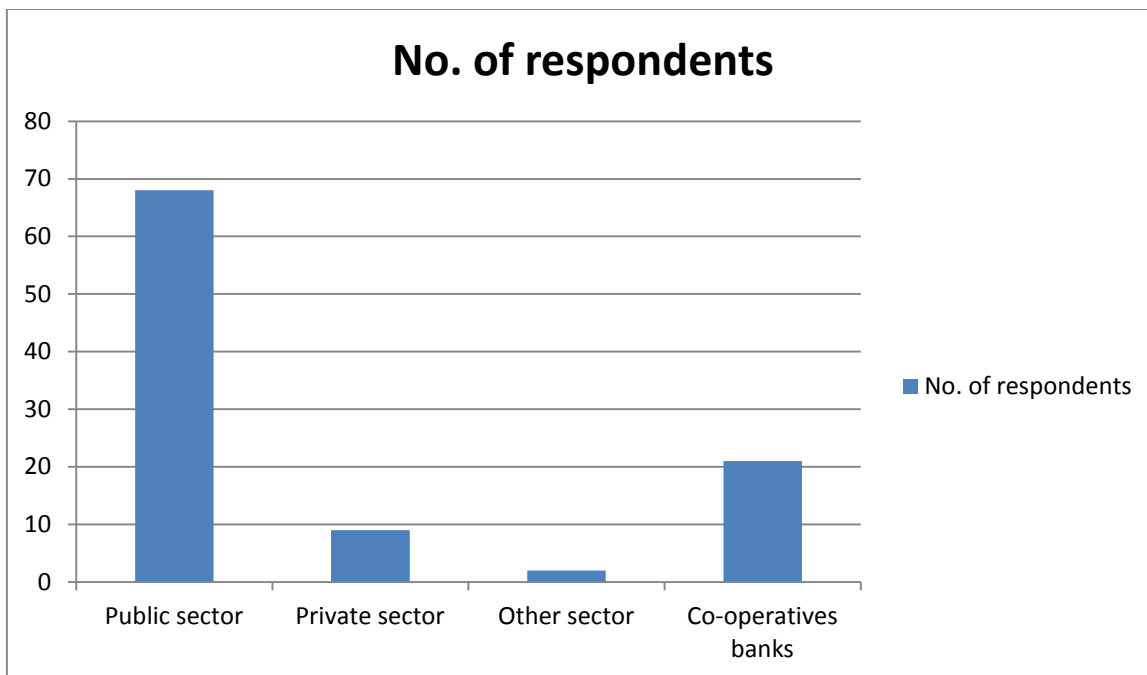
Inference:

Most of the people having awareness of the banking, some people recently opened their bank account by encouragement.

8. Table showing in which bank respondents have account.

Types of bank	No. of respondents
Public sector	68
Private sector	9
Other sector	2
Co-operatives banks	21

chart 8. Chart showing types of bank which respondents are holding account.



Analysis:

In the total respondents there are 68 respondents are having account in public banks. And 9 respondents are in private sector bank, 2 respondents in other banks. 21 respondents are having the accounts in co-operative banks.

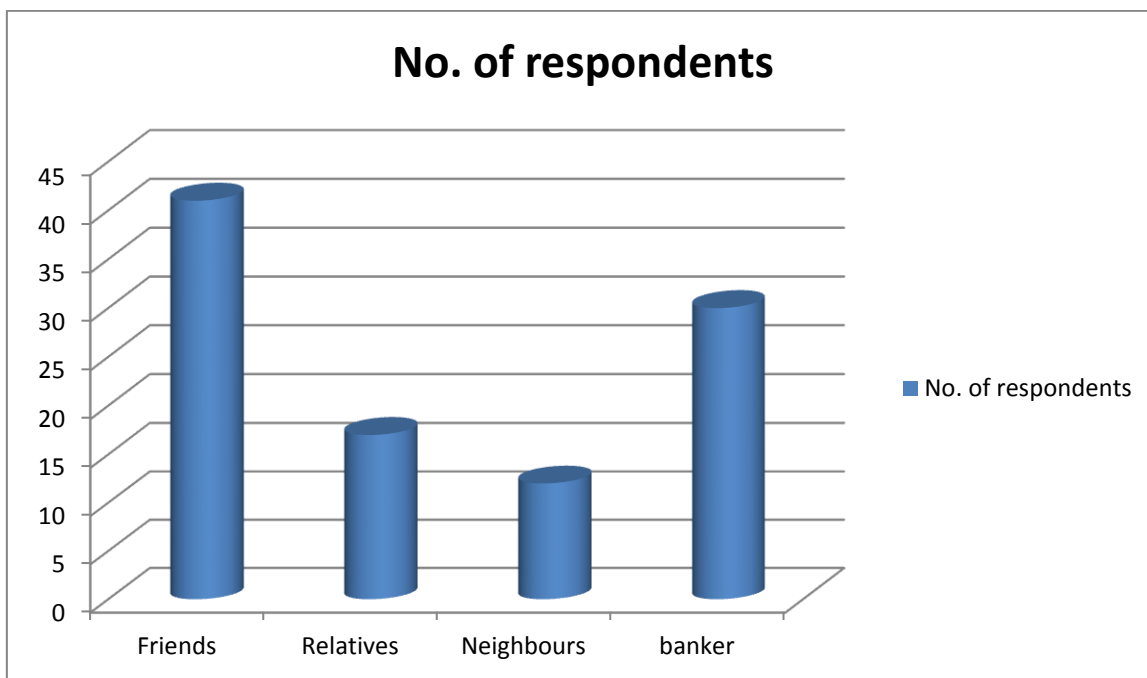
Inference:

Most of the people are aware of the banking services so they have many accounts in public banks. Some of the people are having the accounts in co-operative banks. Some people are having bank account in private sector bank for their own purpose.

9. Table showing to whom do respondents approach to know about banking service.

Suggested by	No. of respondents
Friends	41
Relatives	17
Neighbours	12
banker	30

Chart 9. Chart showing to whom do approach to know about banking services.



Analysis:

Here 41 people are approached to friends and 30 were approached to banker, so they are aware of the bank and getting banking services.

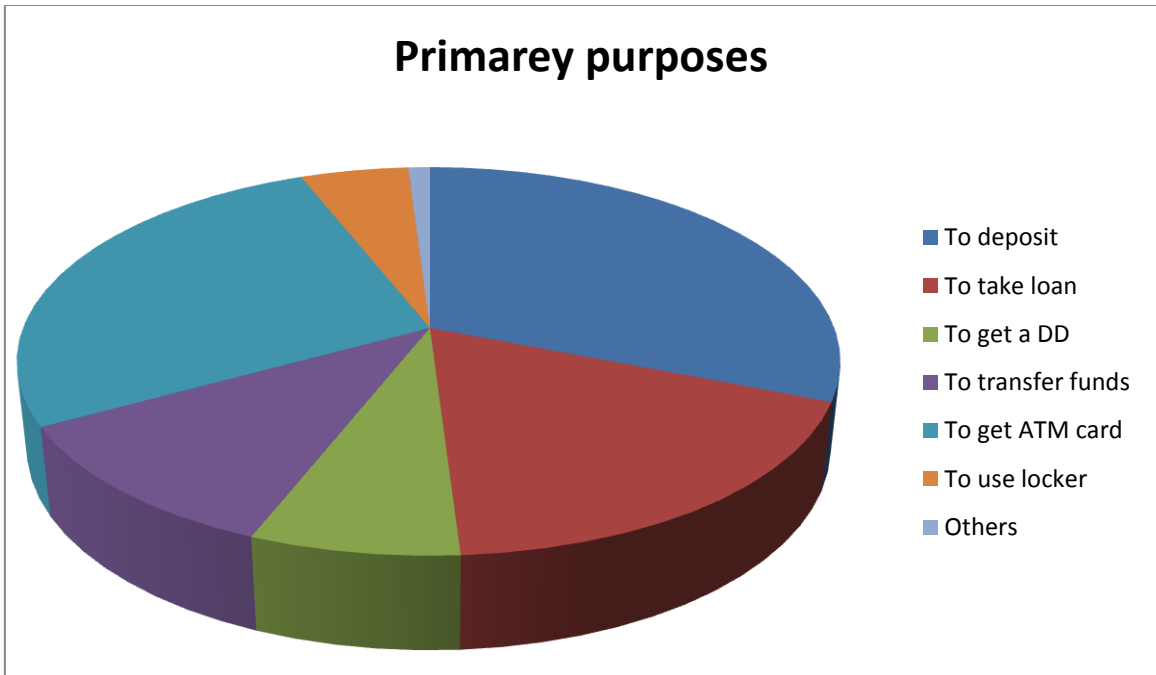
Inference:

Most of the people know the banking services from friends to avoid extra time to visit bank some people are go to bank and bankers are also doing good job that making awareness among the rural people.

10. Table showing primary purpose for visit a bank.

Purpose	No. of respondents.
To deposit	31
To take loan	18
To get a DD	7
Transfer funds	11
To get ATM card	27
To use locker	5
Others	1

Chart 10. Chart showing primary purpose to visit bank.



Analysis:

In the total respondents 31 people said that primary objective of visiting bank is to do deposits, 27 people go to bank for taking ATM card and 18 people go to bank to take loans.

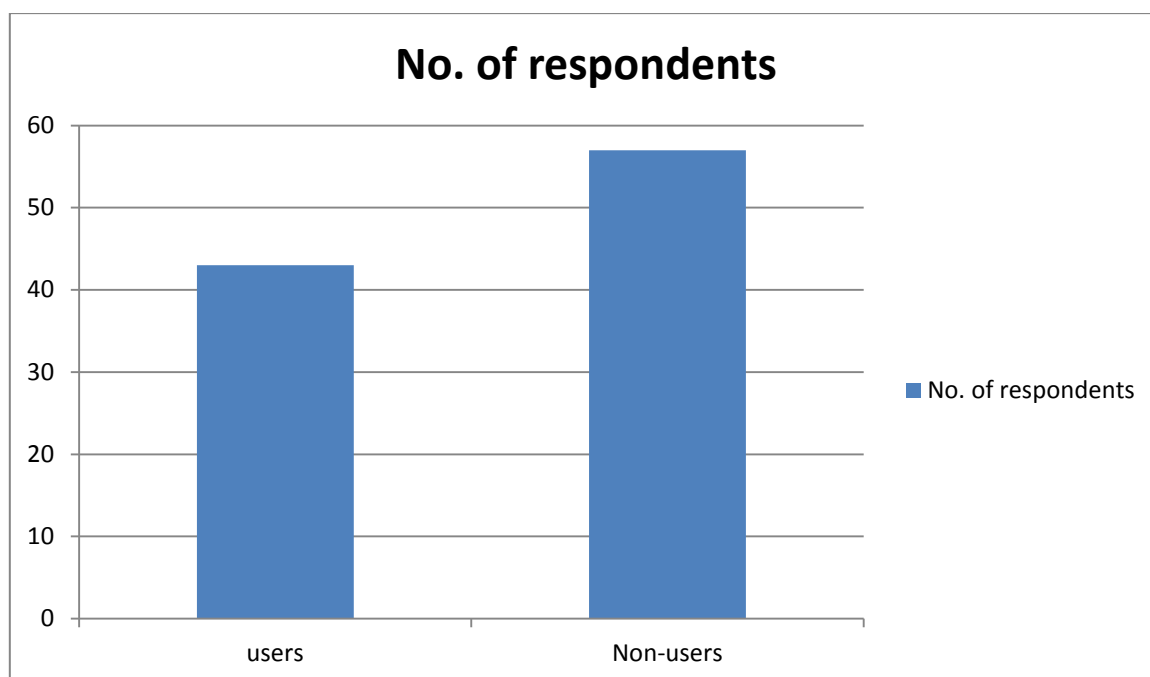
Inference:

Most of the people getting high advantage from depository services of the bank and loans, some people like students visit bank for take ATM card only.

11. Table showing users of internet banking/mobile banking

Particulars	No. of respondents
Users	43
Non-users	57

Chart 11. Chart showing users of internet banking and mobile banking.



Analysis:

In the total respondents 43 people are using mobile banking or Internet banking; one of them or both.

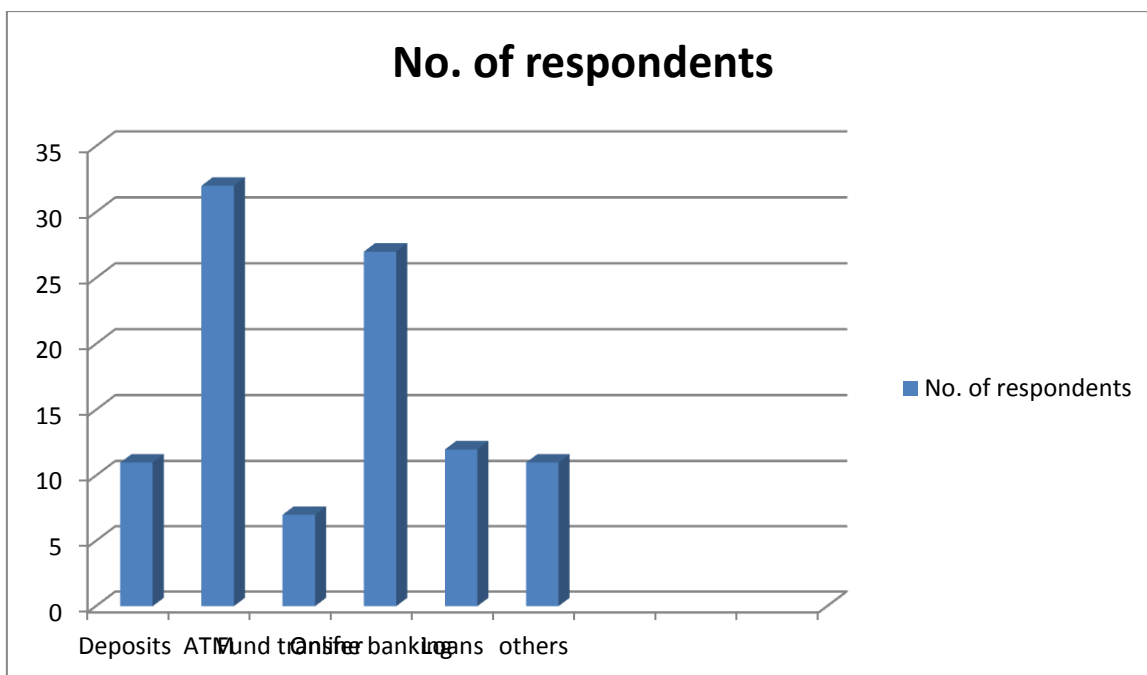
Inference:

There are below 50% of the respondents are using internet banking or mobile banking. Most of them are actively using that.

12. Table showing most admirable service of banking according to customers.

Services	No. of respondents
Deposits	11
ATM	32
Fund transfer	7
Online banking	27
Loans	12
Others	11

Chart 12. Chart showing responses of most admirable services of the bank.



Analysis:

In the total respondents 32 people said that ATM services are the most admirable service, 27 people choose that online services are most admirable service of the bank. Deposit option chosen from 11 people. 10 people said other services.

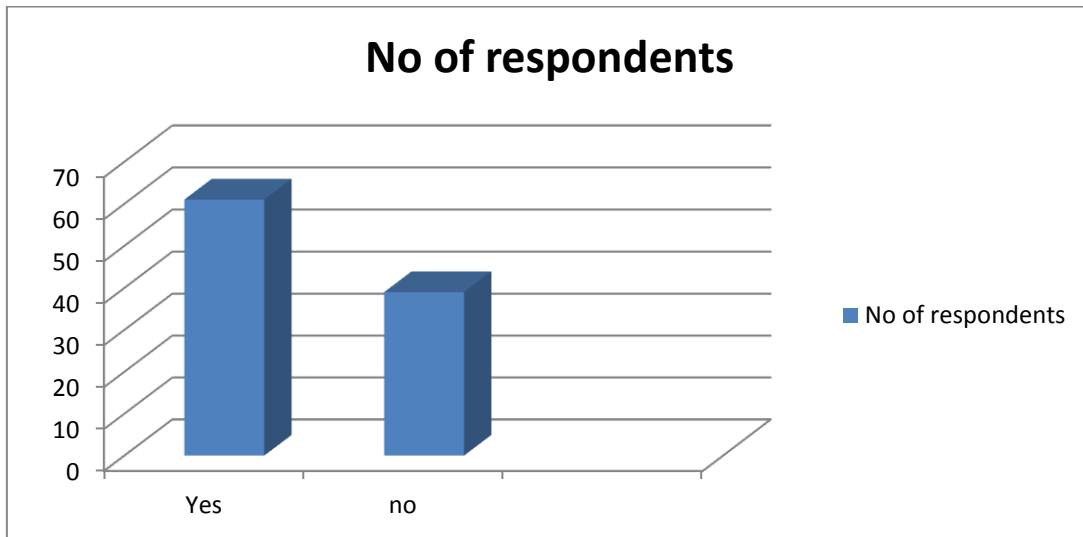
Inference:

ATM services and online services are most liked services by the customers. These services are more helpful for the people.

13. Table showing how many respondents have ATM Services.

Particulars	No. of respondents
ATM Service users	61
ATM Service non users	39

Chart 13. Chart showing users of ATM services.



Analysis:

In the total respondent 61 people are using ATM services. 39 people are not using ATM services.

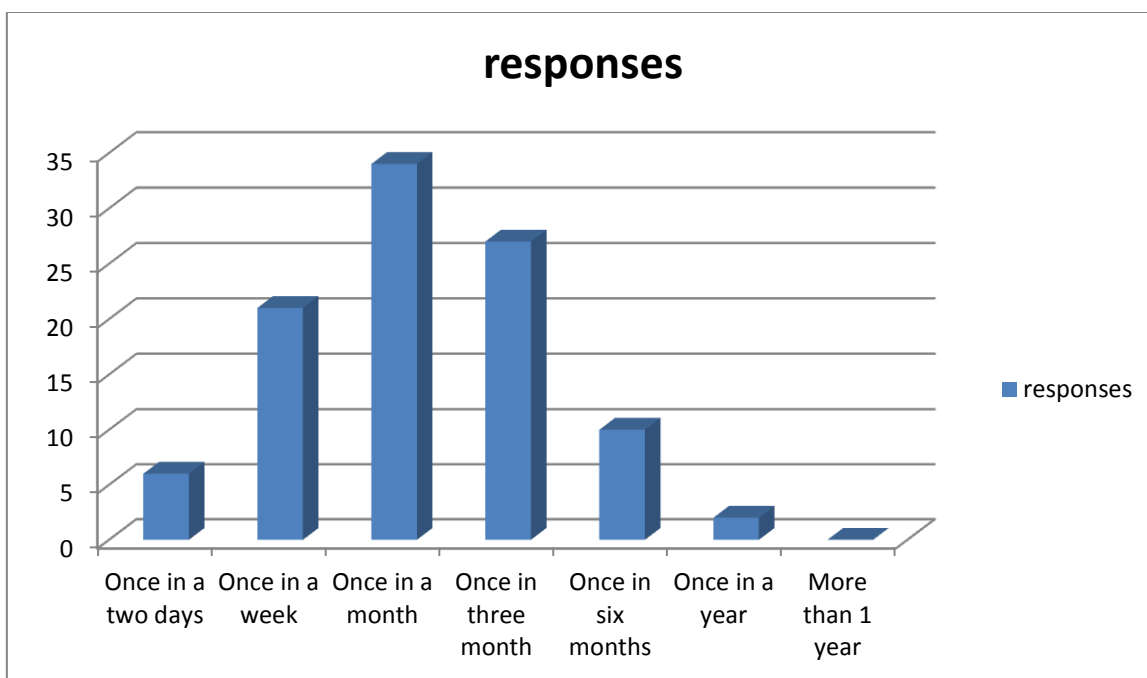
Inference:

Here more than 60% people are using ATM services, some people need proper guidance how to use.

14. Table showing indication of respondent's frequency of usage of the banking services

Frequency	Responses
Once in a two days	6
Once in a week	21
Once in a month	34
Once in three month	27
Once in six months	10
Once in a year	2
More than 1 year	0

Chart 14. Chart showing indication of frequency of usage of banking services.



Analysis:

Here 21 respondents are visits bank once in a week, 34 respondents are use banking services to once in a month, 27 people are visits once in three months. There are two people visits bank once in a year.

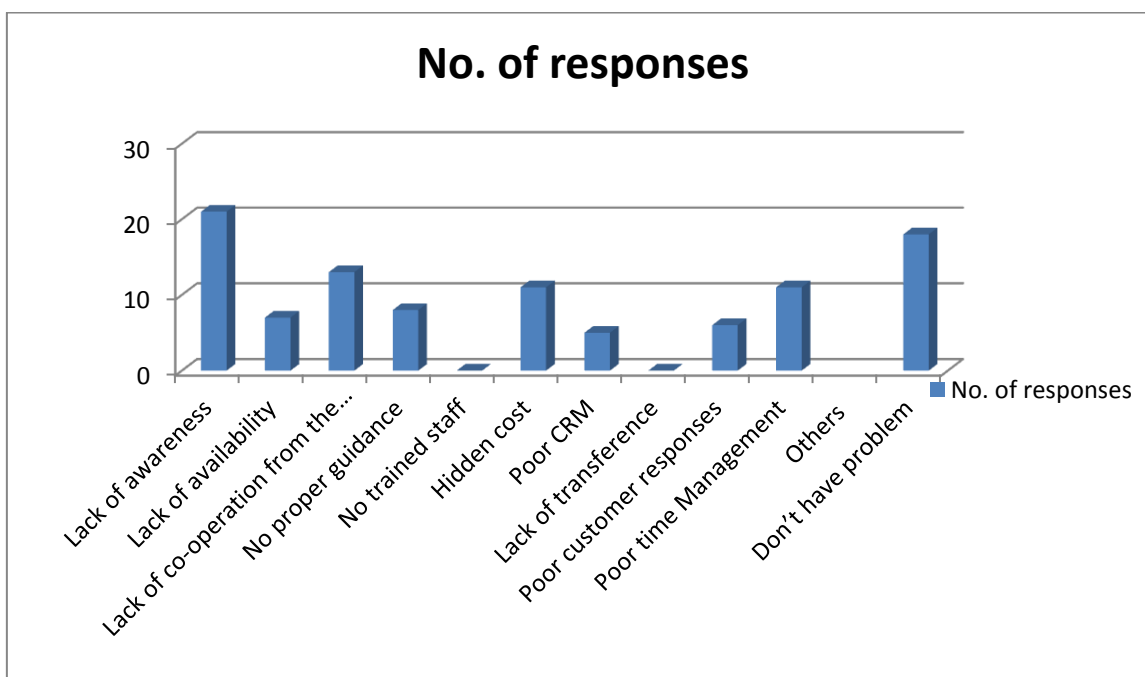
Inference:

More than 50% of the total respondents visits bank in a month, some of them are use banking services once in a three month. So banking habit is good in rural area'

15. Table showing the problems faced in availing banking services.

problems	No. of responses
Lack of awareness	21
Lack of availability	7
Lack of co-operation from the bank	13
No proper guidance	8
No trained staff	0
Hidden cost	11
Poor CRM	5
Lack of transference	0
Poor customer responses	6
Poor time Management	11
Others	0
Don't have problem	18

Chart15. Chart showing problem faced in the bank.



Analysis:

In the total respondents 21 respondents are answered that major problem faced in the bank while availing banking services is lack of awareness, 11 people have problem with poor time management, 13 people said that lack of co-operation from the banker. Here 11 people facing problem of hidden cost and also 18 people don't have any problem.

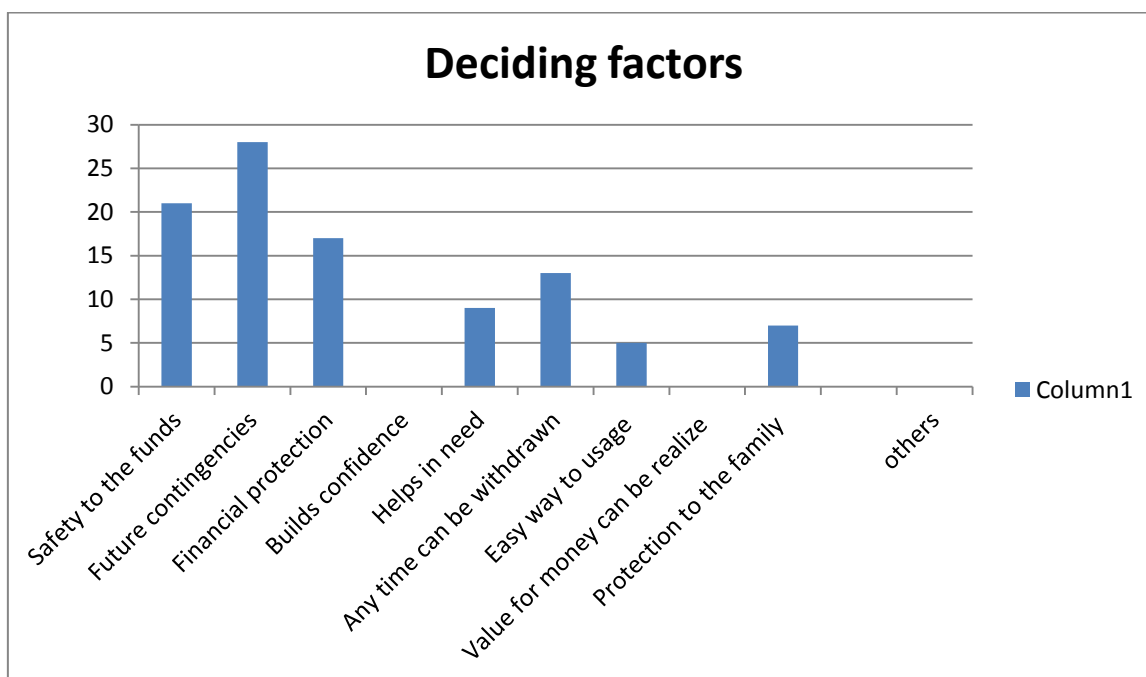
Inference:

Customers don't have much awareness and some bank have poor time management. Most of the bank giving quality services so some customers don't have any problem.

16. Table showing deciding factors that motivates to visit a bank and to use financial services offered by the bank.

Factors	No. of respondents.
Safety to the funds	21
Future contingencies	28
Financial protection	17
Builds confidence	0
Helps in need	9
Any time can be withdrawn	13
Easy way to usage	5
Value for money can be realize	0
Protection to the family	7
Creates lot of financial awareness	0
others	0

Chart 16. Chart showing deciding factor to visit bank.



Analysis:

In the total respondents, 28 people said that motivating factor is future contingencies, 21 people said that safety of the funds. In this 17 people are motivated by financial protection and 5 people found that easy way to usage.

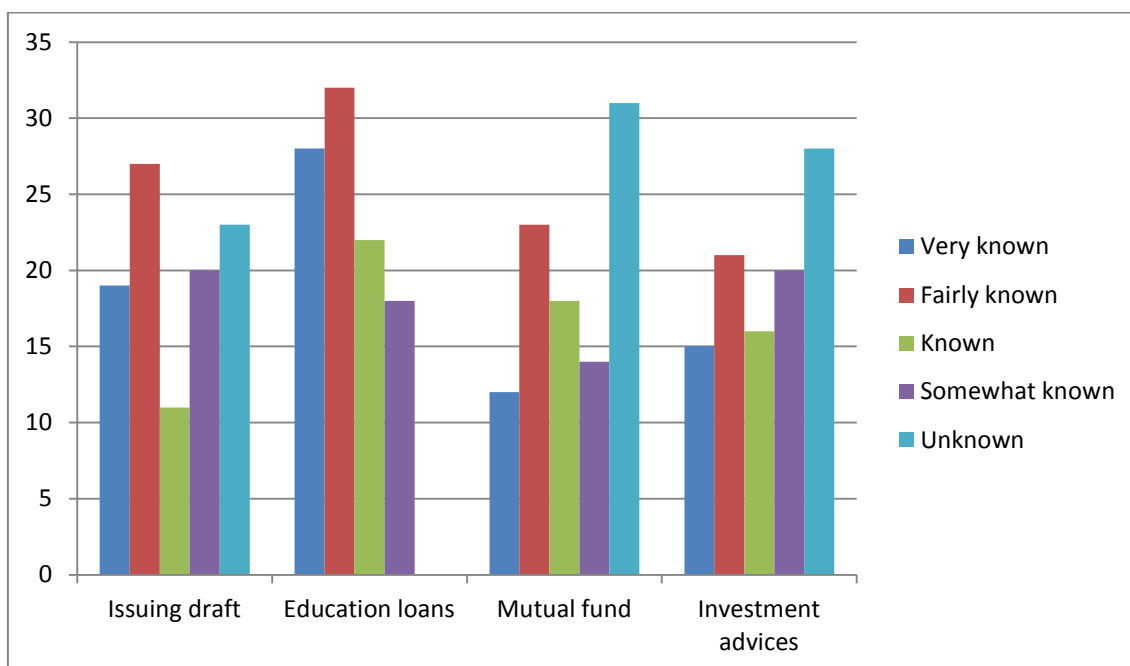
Inference:

Most of the people using banking services because it gives safety and give financial protection. Some people using services for future contingencies. They are not aware of value of money can be realized.

17. Table showing indication of level of awareness on various banking services.

Particulars	Very known	Fairly known	Known	Somewhat known	Unknown
Issuing draft	19	27	11	20	23
Education loans	28	32	22	18	0
Mutual fund	12	23	18	14	31
Investment advices	15	21	16	20	28

Chart-17. Chart shows indication of level of awareness on issuing draft service.



Analysis:

Issuing draft service is very known by 19 respondents, fairly known by 27 respondents, known by 11 people, somewhat known by 20 people and unknown by 23 respondents.

Education loan is one of the important service, this service is very known by 28 people, fairly known by 32 people, known by 22 people, somewhat known by 18 people and there are no one who don't know this service.

Mutual fund service is very known by 12 people, fairly known by 23 people, known by 18 people, somewhat known by 14 people and unknown by 31 respondents.

Investment advice also given by every bank, this service is very known by 15 respondents, fairly known by 21 people, known by 16 people, somewhat known by 20 people and unknown by 28 respondents.

Inference:

Draft issuing is one of the important services of the bank but it is have some terms and conditions so some of the people are doesn't know about this service.

Education loan service is known by every respondent. This is very helpful to the students.

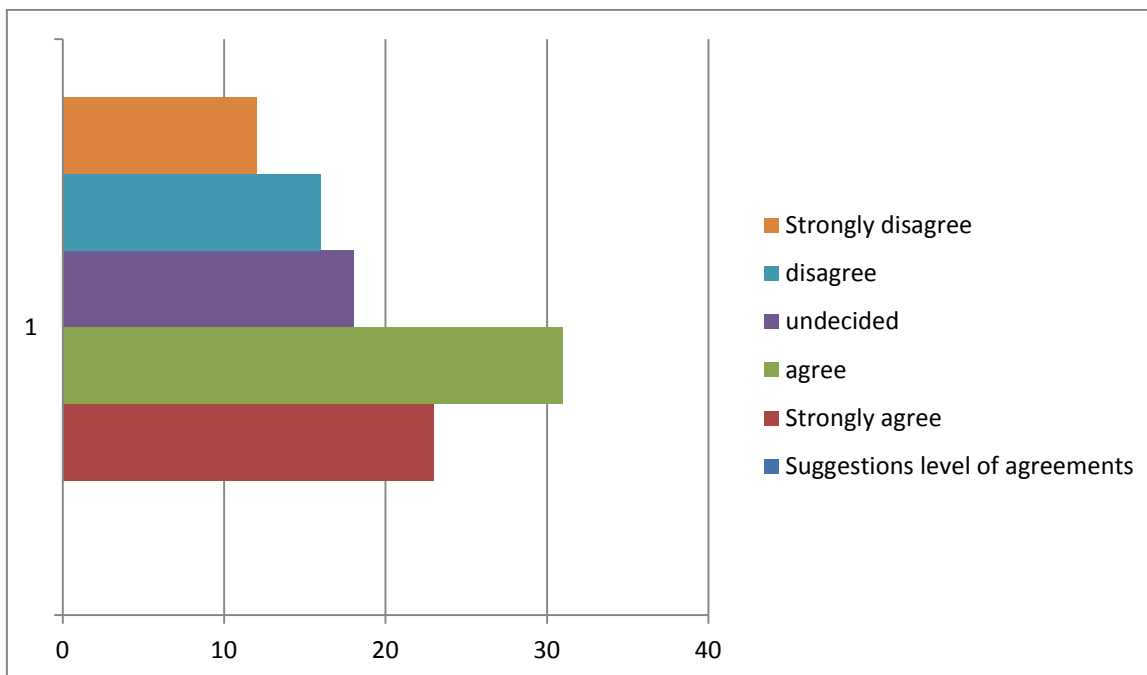
Mutual fund service is not much popular in rural areas so most of the respondents don't know about this and some people got know from bankers.

Investment advices services are given to the customers for increase their relationship most of the people are knows about this.

18. Table showing expression of level of approval of the respondents to the following suggestions to improve the banking habits and awareness on financial services offered by the bank.

S.N	Suggestions level of agreements	Strongly agree	Agree	undecided	disagree	Strongly disagree
18.1	Development of proper infrastructure	23	31	18	16	12
18.2	Popularization of banking products	27	25	16	21	11
18.3	Proper maintenance	21	24	30	13	2
18.4	Improving safety and security	11	29	9	32	19
18.5	Controlling of frauds	26	27	24	12	11
18.6	Strict vigilance on corrupt	18	23	36	14	9
18.7	Establishment of customer care centre	9	9	19	36	27
18.8	Govt. initiative towards banking institutions	21	17	13	26	23
18.9	Subsidies and incentives to the customers	41	33	11	9	6

Chart18.1- Chart showing level of approval of suggestion to improve the banking habits on development of proper infrastructure.



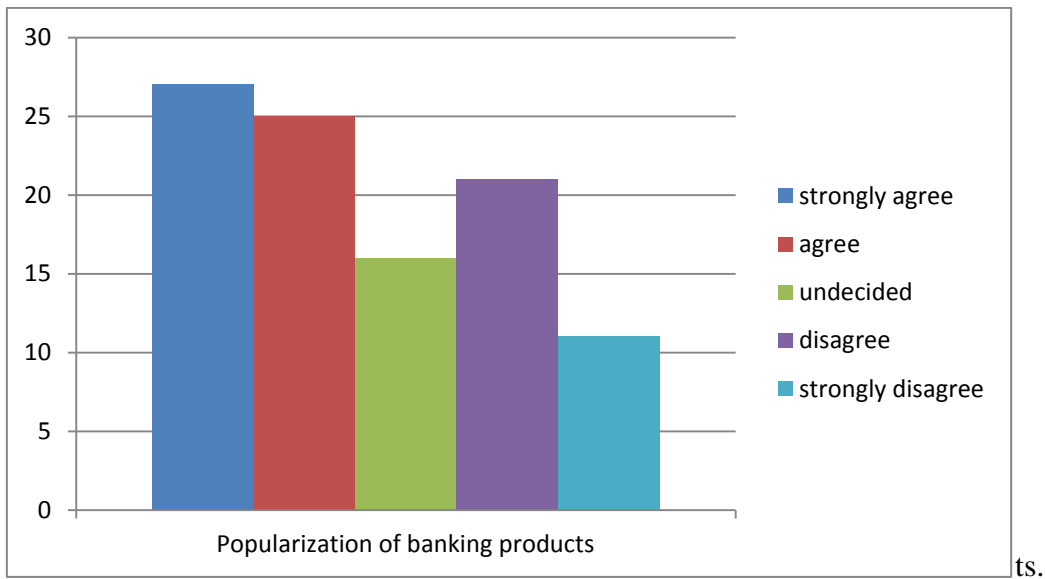
Analysis:

Here 21 people strongly agree that proper infrastructure is needed to improve banking habits. 31 people agree the same and 18 people are undecided. 16 people disagree and 12 people strongly disagree the statement.

Inference:

Here most of the people agreed that proper infrastructure is needed. So respondents gave positive response to this statement.

18.2- Chart showing level of approval of suggestions to improve the banking habits on popularization of banking product



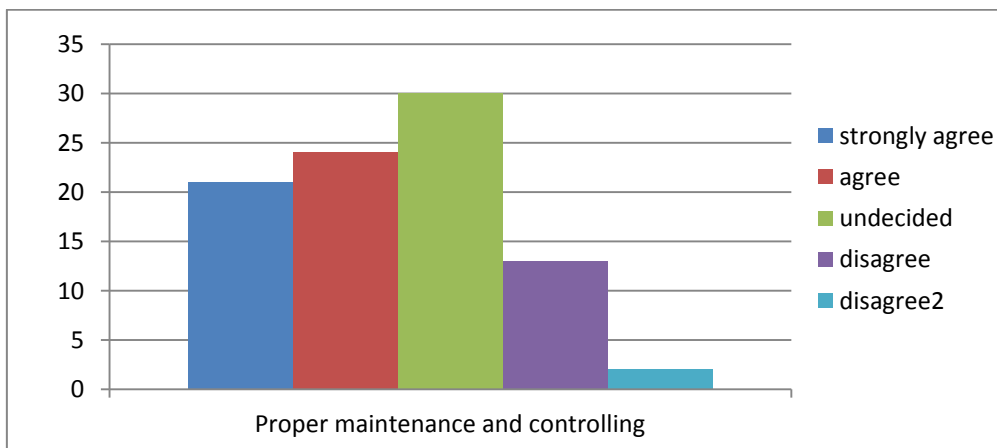
Analysis:

In the total respondents 27 people are strongly agree that banking product should popularize to people. 25 people are agree to the suggestion given, 16 people undecided, 16 people disagree to the statement and 12 people are strongly disagree to the suggestion given.

Inference:

Most of the people are gave suggestion that popularisation of banking products is necessary to increase the banking habits among the rural people.

18.3- Chart showing level of approval of suggestion to improve the banking habits on proper maintenance and controlling.



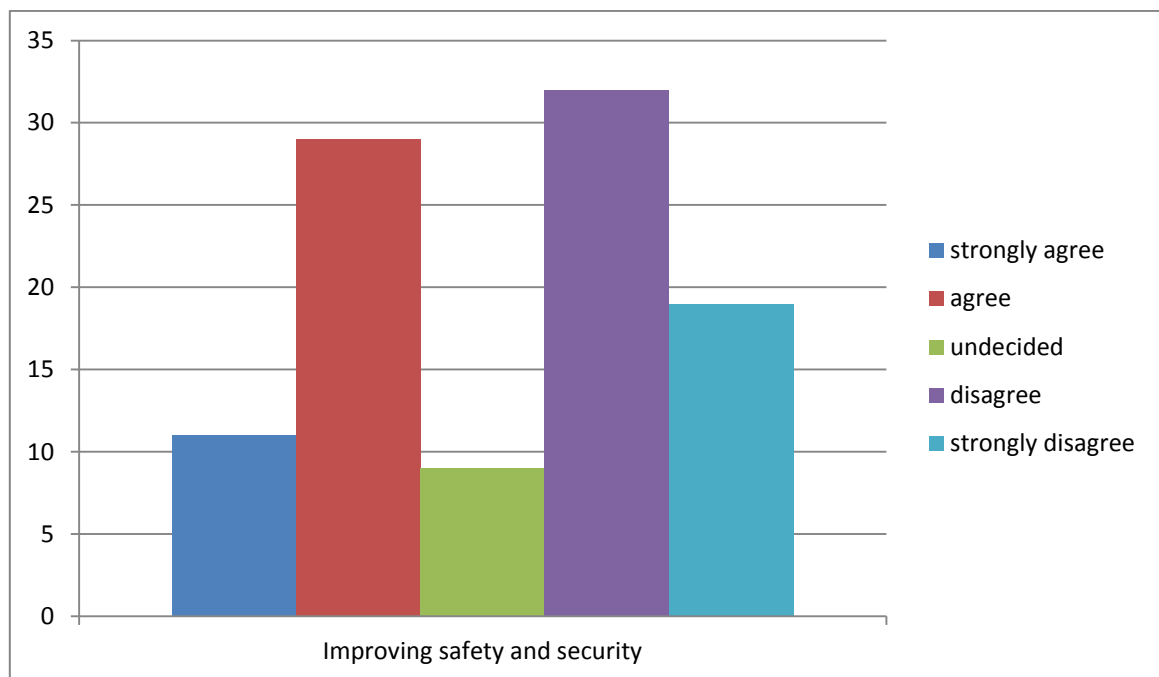
Analysis:

Here 21 people strongly agree the suggestion, 21 people agree and 30 people undecided about maintenance and controlling is helps to improve banking habits or not. 13 people disagree with the suggestion and 2 people strongly disagree.

Inference:

Here people neither agree nor disagree that proper maintenance can improve banking awareness. Somehow some people agree with the suggestion.

18.4- Chart showing level of approval of suggestion to improve the banking habits on Improve safety and security.



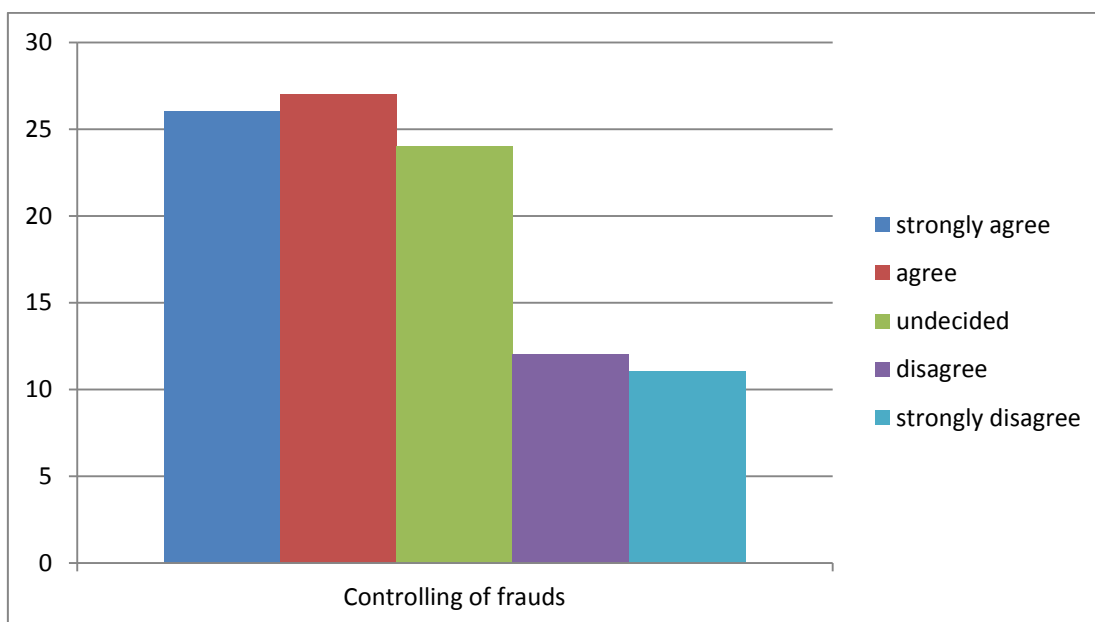
Analysis:

Here 11 respondents strongly agree that improving safety and security improve the banking habits and 29 people agree with the suggestion. 9 people undecided about this. 32 people disagree with the suggestion given and 19 people strongly disagree.

Inference:

Here most of the respondents disagree that improving safety and security will increase banking habits or improving safety and security not needed, it is already good.

18.5- Chart showing level of approval of suggestion to improve the banking habits on controlling of frauds.



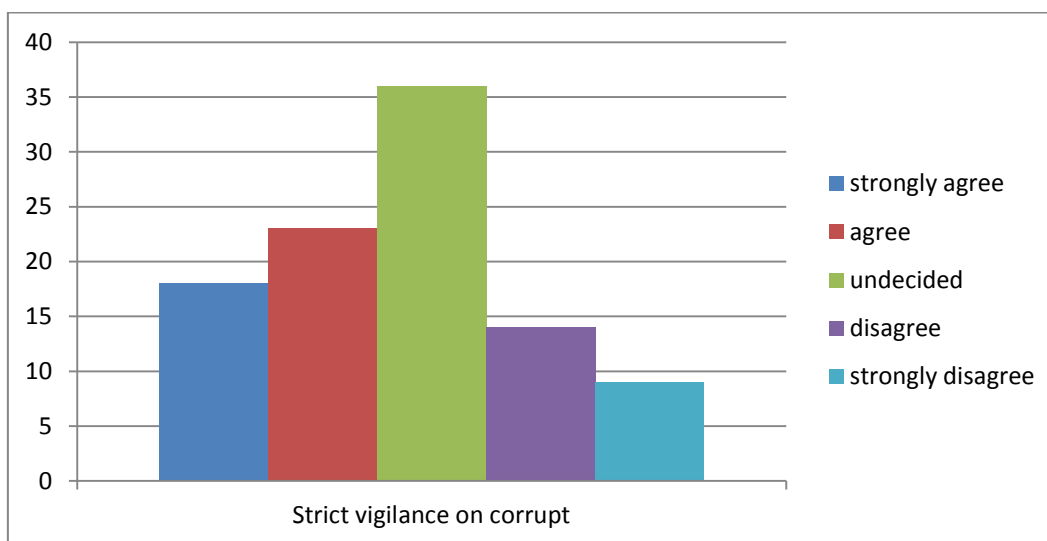
Analysis:

26 people strongly agree with the suggestion, 27 people agreed and 24 people are undecided. 12 people disagree with the statement and 11 people strongly disagree of the suggestion.

Inference:

Here people agree that frauds should be stop and it increase the banking habits. some people not decided about this.

18.6- Chart showing level of approval of suggestions to improve the banking habits on strict vigilance on corrupt.



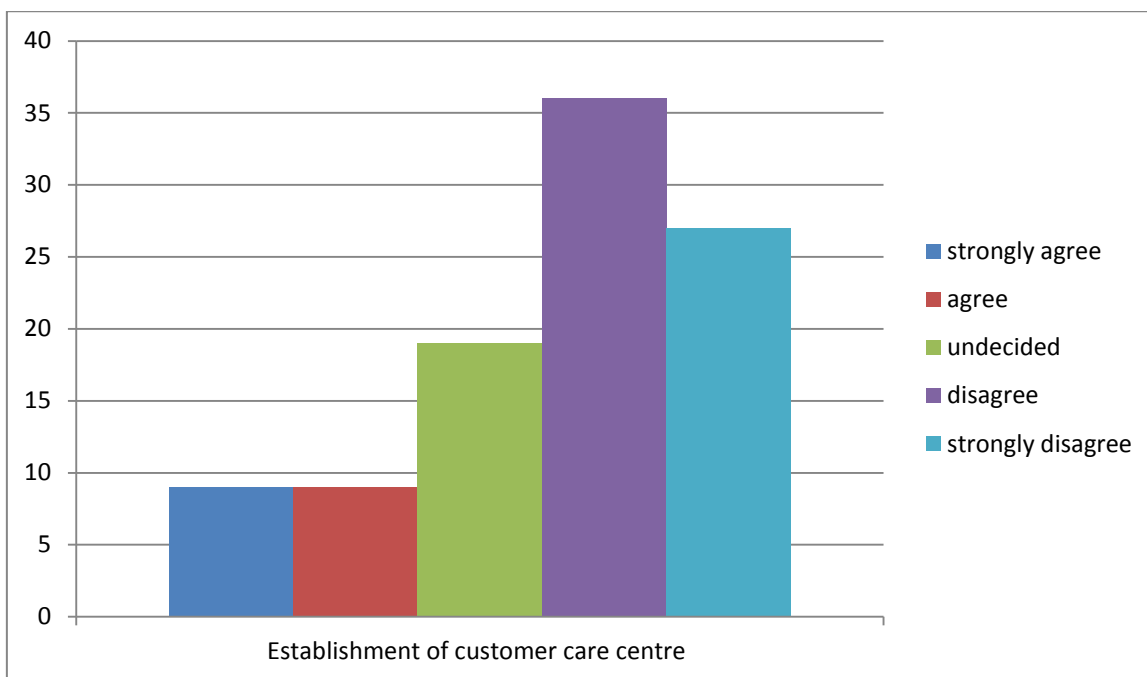
Analysis:

Here, 18 people strongly agree with the suggestion given, 23 people agree with the point. 36 people undecided and 14 people disagree with the point and 9 people strongly disagree with the point.

Inference:

Here most of the respondents undecided about strict attention on corruption whether it increase banking awareness among the customers or not. But some people are positive suggestions.

18.7- Chart showing level of approval of suggestion to improve the banking habits on establishment of customer care center.



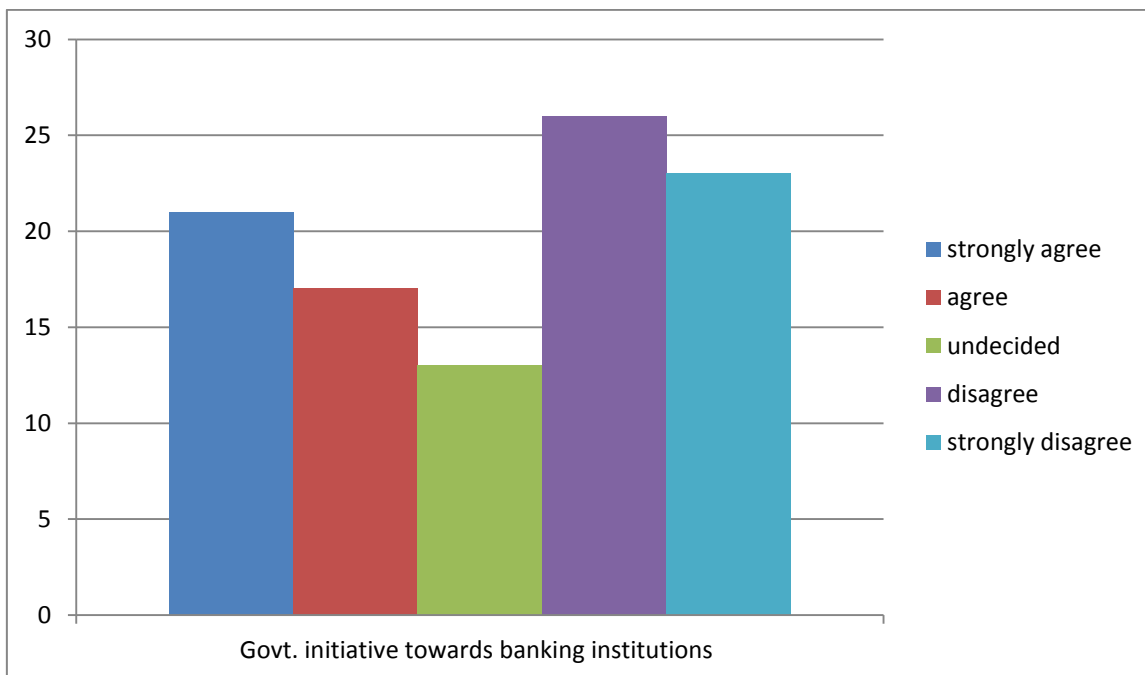
Analysis:

Here each 9 people responded as strongly agree and agree with the statement.19 people undecided and 36 people are disagreeing with the suggestion given and27 people are strongly disagree with the given suggestion.

Inference:

Respondents are thinking that customer care centers is not much useful for the customers, bank only give required information so most of the people disagree that establishment of customer care increase customer awareness.

18.8- Chart showing level of approval of suggestion to improve the banking habits on Govt. initiative toward banking institutions.



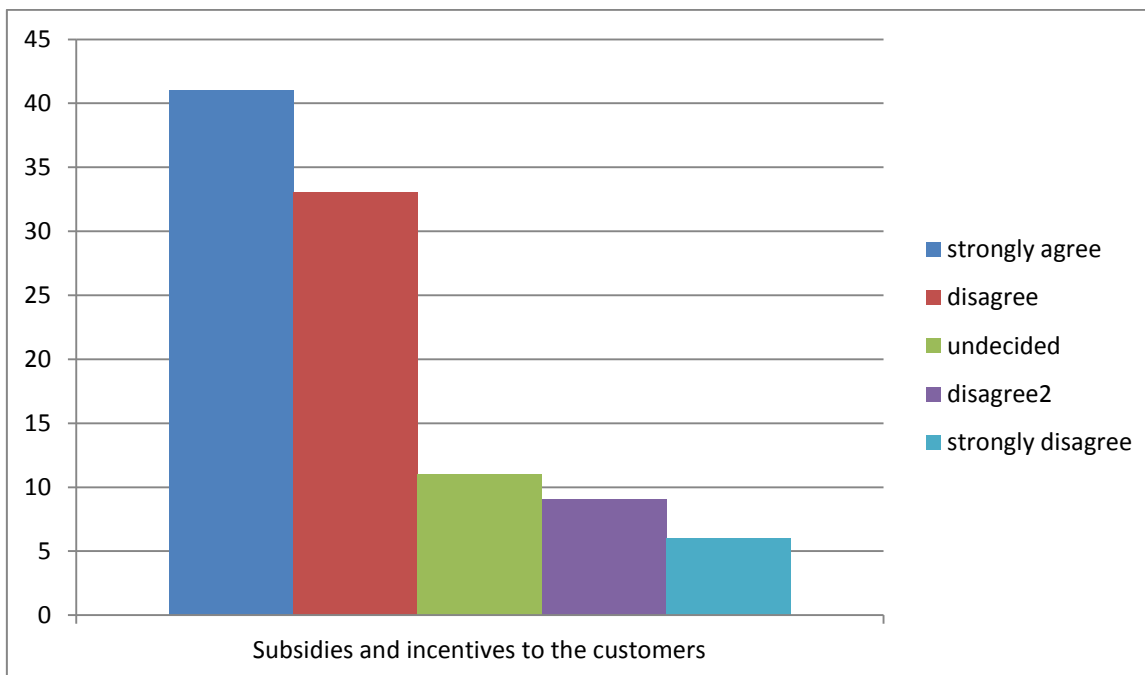
Analysis:

In the total respondents 21 people strongly agree with the suggestion, 17 people agree with statement. 13 people undecided and 26 people disagree with the suggestion, 23 people strongly disagree.

Inference:

Respondents are thinking different in this situation, all level get most equal response. Some people agree with Govt. initiative is needed and some people disagree with the statement.

18.9- Chart showing level of approval of suggestions to improve the banking habits on subsidies and incentives to the customers.



Analysis:

41 people in the total respondents are strongly agree that subsidies and incentives give to customers, 33 people agree with the suggestion, 11 people undecided and 9 people disagree and 6 people strongly disagree with the statement.

Inference:

Here clearly respondents agree with the statement incentives and subsidies will increase the customers.

Chapter-5

Findings, Conclusions and Suggestions

5.1 Findings:

- Most of the rural people aware of banking services.
 - More than 90% people are holding bank account
 - More than 60% people are holding bank account in public banks
 - On an average 30% people are holding bank account in co-operative banks.
 - Most of the people are self motivated to open bank account, friends and bankers also influenced people to open bank account.
 - More than 60% of the people are holding ATM card and above 30% are not having ATM services.
 - Above 40% of the people is using internet banking/mobile banking.
 - Most of the people are visit bank for deposit and taking the ATM card.
 - People don't use much transfer of fund and DD services.
 - According to the customer most admirable service of the banks is ATM service and online banking services.
 - Customers are regularly visits bank more than 50% of people visit bank once in a month.
 - Major problem faced by customers in availing banking services are:
 - a. Lack of awareness
 - b. Lack of co-operation from banker
 - c. Hidden cost
 - d. Poor time management
 - Deciding factors that motivate customers banks are:
 - a) Safety of funds
 - b) Future contingencies
 - c) Financial protection
 - Most of the customers think that to improve banking habits should be improve:
 - a) development of infrastructure
 - b) popularization of banking product
 - c) controlling frauds
 - Customers do not give much emphasis on customer care centers.
 - Customers expecting incentives and subsidies from bank.

- Customers are aware of most popular services of the bank like deposits, granting loans and safe locker.
- Some of the customers are not aware of the functions like issuing draft, mutual funds, Demate services and investment advice.

5.2 Conclusion:

Managing a banking segment has experienced different changes after the new monetary strategy in light of privatization, globalization and progression received by the legislature of India. Clients are the significant resource for benefit association in regulation on banking segment; indeed, even the clients are literates they like to attempt control an account switch themselves. For successful advertising bank ought to have staff with right delicate ability, for example, worry for clients' issue, uplifting state of mind, great communication and arrangement ability. At each level of managing with the client bank need to teach them for saving money exercises and procedures.

Usage of Information innovation to upgrade client benefit calls for preparing and change in the mentality and behaviour of representatives and the association. Present day business banks render an incentive to its significant clients after presentation of different innovation based administrations in particular, ATM, Internet Saving money, Phone Banking, Mobile Banking, Bill Pay Services. Till now as it were restricted clients are utilizing the retail keeping money administrations offered by the cutting edge banks. On the off chance that the present examination helps the strategy producer of the bank to teach the whole client base about the administrations gave and to make ideal utilization of them.

There is no significant relationship between customer's domestic status and level of awareness about banking services; each respondent from same area has different level of awareness. Age, education, income are also influence more.

There is a significant relationship with the customer's relationship with the bank and level of perception towards the service quality of the bank.

Customers are satisfied with the banking services. Bankers are reaching their level of expectation also all banking services effectively reaching to its customers, most of the customers getting useful services from the bank.

5.3 Suggestions:

Innovation based administrations of the managing an account area are quickly developing and the use of administrations by the clients are not all things considered.

Here are a few suggestions:

Recommendations to make it more alluring in light of the present investigation.

- There is massive market potential lying ahead. Thus, in the present focused condition, Banks will need to attempt to pull in and hold clients by separating items that of more noteworthy than open part banks by improving the nature of client administration and showcasing mixture of items focused at particular client gatherings.
- Coordinated Delivery channels could additionally upgrade effective reception of innovation like email, I-managing an account, ATMs and so forth. Private area banks can forcefully promote in the media touching the enthusiastic estimation of the clients by clarifying separation in administrations, imparting the simplicity of use of different transference channels offered by the private part banks.
- Banker should motivate people to increase banking habits and make savings.
- Banks have to do camp to make awareness and give demonstration to use of banking products like ATM services, internet banking etc.
- Give advertise and popularize the banking products.
- Maintain good relationship with the customers.
- Give good co-operation to the customers and give proper guidance to customers.
- Rendering in- time service delivery to the customer.
- Bank should maintain good infrastructure facilities.

- Bank control some frauds and maintain transference.
- Bank has to give incentives and subsidies to customers to get more customers.
- It is suggested that the private part banks need to persuade the clients in regional regions to taste the simplicity of innovation based administrations at incredible degree.
- Private part can help up their customer base by decreasing the opening balance with the goal that it can worship number of clients.
- Service charges for center items and additional administrations can be limited.
- SST (Self-benefit Technology) utilization can be propelled by directing mindfulness programs.
- It is suggested that the bank's site are refreshed with everyday charges for administrations and made easy to understand.
- Strategic showcasing must start with the move forwards to identify an attractive arrangement of services to different segment based on age, income etc.
- Open doors for the bank. At the point when another administration is offered it must be lower than existing banks cost and higher profit to customers.
- Information known through media, limited time perspectives can be given to win the philanthropy of the client.
- The private part Banks can keep up a database of profile of client's relatives, at the season of opening record. The banks can utilize the database for welcome the clients and their relatives for birthday, commemoration, and celebrations and furthermore to convey the new plans.

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14. Indicate your frequency of usage of the banking services

- 1) Once in two days
- 2) Once in a week
- 3) Once in a month
- 4) Once in three months
- 5) Once in six months
- 6) Once in a year
- 7) More than 1 year

15. What are the problems faced by you in availing banking services?

- 1) Lack of awareness
- 2) Lack of availability
- 3) Lack of co-operation from banker
- 4) No proper guidance
- 5) No trained staff
- 6) Hidden cost
- 7) Poor CRM
- 8) Lack of transparency
- 9) Poor customer responses
- 10) Poor time management
- 11) others
- 12) Don't have problem

16. What are the deciding factors that motivate you to visit a bank and to use financial services offered by the banks?

- 1) Safety to the funds
- 2) Future contingencies
- 3) Financial protection
- 4) Builds confidence
- 5) Helps in need
- 6) any time can be withdrawn
- 7) Easy way of usage
- 8) Value for money can be realized
- 9) Protection to the family
- 10) Creates lot of financial awareness
- 11) other

17. Do you use ATM Services?

- 1) Yes
- 2) No

18. Indicate your level of awareness on various banking services.

Particulars	Very known	Fairly known	Known	Somewhat known	Unknown
Issuing draft					
Education loans					
Mutual fund					
Investment advices					

19. Express your level of approval to the following suggestions to improve the banking habits and awareness on financial services offered by the banks?

S. No	Suggestions Level of agreement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	Development of proper infrastructure					
2	Popularization of banking products					
3	Proper maintenance and co					
4	Improving the safety and security					
5	Controlling of frauds					
6	Strict vigilance on corrupt					
7	Establishment of customer care centers					
8	Govt. initiative towards Banking institutions					
9	Subsidies and incentives to the customer					

Signature

Thank you



MEMORANDUM

Name of the student: Karthikeya

Internal Guide: Dr. Ramaswathi G.

Roll No: 18010010000000000000

Specialization: Finance and Marketing

Title of the Project: Study on banking services provided to rural customers

Company Name: Karnataka Bank Ltd

External guide: Surethi Nani

Week	Work undertaken	External Guide Signature	Internal Guide Signature
22-01-18 to 26-01-18	Understanding structure, culture and functioning of the organization		
29-01-18 to 02-02-18	Knowing about the products and services about the bank		
05-02-18 to 09-02-18	Gather the customer's details		
	Presentation of research instruments		

19-02-18 to 23-03-18	Collecting of primary and secondary data of the study	<i>(Signature)</i>	✓
26-02-18 to 02-03-18	Data collection	<i>(Signature)</i>	✓
05-03-18 to 09-03-18	Analysis of data collected in different statistical tools	<i>(Signature)</i>	✓
12-03-18 to 16-03-18	Analysis of findings, suggestions and conclusion	<i>(Signature)</i>	✓
19-03-18 to 23-03-18	Preparation and submission of final report	<i>(Signature)</i>	✓

(Signature)
Internal guide

HOD
(Signature)

Head of the Department
Department of MBA
Arya Institute of Technology
Hevanahli, Bangalore-560 10

