



**STUDY ON THE NEED OF DIGITALIZATION IN BANKS WITH REFERENCE
TO DISTRICT CENTRAL COOPERATIVE BANK IN AMRAVATI DISTRICT**

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ABSTRACT

The co-operative banks are those financial institutions which are created for specific purpose. This specific purpose may be helping each other, mutual help, self-help, etc. The important function of co-operative banks in India is providing access of credit in rural area, these banks also ensure funding in agriculture, livestock, milk, as well as needy, poor and weaker section in society, but the problem is that many cooperative banks in India are not digitalized till now. So the purpose of this research paper is to study the reasons that why digitalization in co-operative banks (District central co-operative bank Amravati) is necessary?

KEYWORDS

Co-operative Bank, Digitalization, mutual help, financial institutions.

INTRODUCTION

Cooperative banks are founded to cater to the many sorts of consumers and their financial needs. The primary goal of a cooperative bank is to provide credit to the common man at the lowest feasible interest rate by removing the domination of commercial money lenders. It offers agricultural credits and money when the public and private sectors (banks) have been unable to do so. If all other commercial banks in the market are becoming digitalized, why not cooperatives as well?

If it is to survive amid the fierce competition, it must follow the path that other banks are taking. Other banks have been embracing modern technologies for several years to provide their customers with the finest services available. Other banks are introducing new features and functionalities to improve their customers' banking experiences. Every bank tries to provide new services to consumers; if they want to keep customers, they must continually improve their methods of operation.

Origin of Co-operative movement:-

The cooperative movement is regarded as a very useful and beneficial tool for the economic growth of rural people and the socioeconomic development of the underprivileged. Because the majority of people in India live in rural regions and work in agriculture, the cooperative movement is extremely important. The translation of data into digital format with the aid of technology is referred to as digitalization.

What is Digitalization and its Importance:-

The term "digitalization" refers to the process of converting data into a digital format using technology. The process by which a bank allows clients to access their accounts and conduct transactions through the internet without the participation of a human is known as "digitalization of the bank." Bank stakeholders are all reliant on digitalized procedures. Further digitization allows for transactions to be completed in seconds, increasing consumer loyalty and saving time. The alternative name for a digitalized bank is online / Internet banking.

Modern banks are investing heavily in digital projects in order to stay competitive while also providing the greatest digital services. The bank's operations should be technologically updated. In today's competitive market, having healthy data analytics and intelligence in the digitization process allows the bank to grow closer to its customers and stay in business. In today's world, digitalization is not just a choice for banks, but it is now a need, since every industry, including banking, has adopted digitalization. Internet banking has altered traditional banking practice and expanded the financial sector's scope.

Following are the various forms of digitalization

- Banking cards (debit/credit cards.)
- Unstructured supplementary service data (USSD)
- Aadhar enabled payment system. (AEPS)
- Unified payment interface. (UPI)
- Mobile wallets (payTm/Mobikwik)
- Point of sale
- Internet Banking
- Mobile banking
- Bharat Interface for money (BHIM)

Challenges In Implementing Digitalization:-

We can see many commercial banks are getting digitalized. Their primary motive is to earn profit, but co-operative banks work on the principle of co-operation. There are many challenges in process of going digital like the cost of running and maintaining banking software is too high, proper training of software should be given to the bank staff, cost of taking seminar and workshop in rural areas to teach rural people, how to access their bank transactions through mobile.

Further, there are customers who know online banking very well, so challenge is that, they are curious to know which bank is giving good offers of interest rates. If they getting really good offers from other banks like exciting interest rates on deposits, low interest rate on loan, facilities of bills payment, etc then there are chances that they can switch their accounts in other banks. So, to retain these customers, immediate digitalization with exciting interest rates should be start by co-operativebank.

REVIEW OF LITERATURE

Dr. (Smt.) Rajeshwari M. Shettar (2019) “*Digital banking an indian perspective*” :- According to this study, as the number of people using smartphones and the internet grows, banking consumers have begun to demand more engaging things from their bank for their convenience. Because of digital banking, businesses no longer have to adhere to bank hours. As a result, company has begun to expand at a faster rate than previously. Digital banking has transformed bricks and cement banking into green digital banking since numerous transactions may be completed while sitting at home without waiting in large lines.

Manisha Verama (2018) “*A rise of digital banking in India- a case study of hdfc bank*”:- According to this study, brick and mortar banking is being replaced by mouse banking. Customers' expectations of banks are always growing. New technological advancements have enabled businesses to operate anywhere in the planet. Dr. Rangarajan Committee (1988) was the initial move toward computerization. The Saraf Technology Committee (1994) offered numerous proposals to enhance the service. ATMs, electronic fund transfers (EFT), and electronic clearing services (ECS) all contribute to the development of bank payment and settlement systems.

Dr.P.Revathi (2019) “*Digital banking challenges and opportunities in India*”:-As per this study“Money makes the world go round” this may sound pessimistic, but applicable to all businesses. Banking transactions are transparent and customers are also getting authentic. The main reason behind this digital banking is ease, convenience of banking operations. More numbers of customers are using digital platforms in younger age. So, the technology has transformed many thing but still there are challenges which Indian banks have to overcome.

Mr. Vijay Prakash Gupta &Dr. P. K. Agarwal (2013) “*Comparative Study of Customer Satisfaction in Public Sector and Private Sector Banks in India*”: this research paper shows light on cut throat competition face by both private and public sector banks, to improve the customer base and market share. Both public sector banks and private sector banks should

find their weak areas and try to improve them, as the customer satisfaction is the ultimate aim. It further says that Bank should provide good quality services to the customer, which definitely have to satisfy the customer's expectation.

Dr. Rajsee Joshi, Ritika Goel, Shraddha Garg (2018) “ *A study on customers' perception on adoption of digital banking in Indian Banking Sector.*”: According to the findings of this survey, banks in India still have a extended path to go in terms of technology acceptance to catch up with worldwide norms. Public sector banks, in particular, must increase their methodological adoption in order to boost client satisfaction. Customers believe security to be the most critical aspect in adopting technology, thus banks should always try to improve it. Public sector banks must also increase the number of services available through ATM, as well as improve their mobile banking and online banking offerings

OBJECTIVES

- To find out what are the needs for digitalization of District central cooperative bank Amravati.
- To study why digitalized techniques carry more importance than traditional techniques
- To analyze how going Digital will help bank to gain more customerbase

HYPOTHESIS

- H0: Digitalization procedure will not exert positive impact on bank's (District central cooperative bank Amravati) growth and development.
- H1: Digitalization procedure will exert positive impact on bank's (District central cooperative bank Amravati) growth and development.

RESEARCH METHODOLOGY

Research Method

The data is collected from secondary sources.

Sources of Data

Secondary Data

- Literature from Text Books
- Literature from articles published in Newspapers & Magazines
- Literature from the articles published in journals pertaining toe-banking
- Literature from Websites

CONCLUSION

Few years ago, private money lenders used to exploit farmers and weaker section of society, then co-operative banks were formed which works on principle of co-operation, funding of credit is its main motive, but in today's modern age, where technology and innovations are reaching at its peak. Even rural consumers are smart enough to use digital banking services. So, they may switch to other banks if they get good services as well as better offers. So, to retain customer base, co-operative banks must go for digitalization as soon as possible. Otherwise it would be very difficult for them to survive in cut throat competition with other commercial banks. As the whole world is moving forward by using latest technology, it is the right time to get itself digital by co-operative banks in India. So, the bank (District central co-operative bank Amravati) should start the process of getting digitized head office as well as all branches of the bank.

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