

Customer Perception of Digital Marketing: A Comparative Study Rural and Urban Areas

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Abstract: Global banking has changed as a result of the quick development of technology. A crucial component of the contemporary financial system is digital banking, which includes digital wallets, UPI transactions, online banking, and mobile banking. However, there are significant differences in the knowledge and uptake of digital banking between rural and urban locations. This study examines how consumers in rural and urban locations see digital banking services using secondary data from journals, government studies, and banking publications. The study highlights the main obstacles, knowledge gaps, and disparities in satisfaction and offers solutions to improve the use of digital banking in rural India.

Keywords: Digital Banking, Customer Perception, Rural Banking, Urban Banking, Financial Inclusion, Digital Literacy, Online Banking, Mobile Banking, Banking Infrastructure, Technology Adoption, Digital India, Security in Digital Banking, Comparative Study

I. INTRODUCTION

Using digital platforms like online banking portals, ATMs, UPI, and mobile applications to conduct banking operations is known as digital banking. People have been urged to switch to digital transactions and financial inclusion has been expedited by the Government of India's Digital India Initiative and Jan Dhan Yojana.

There is still a significant digital divide between rural and urban consumers in spite of these advancements. Customers in cities tend to be better educated, more tech-savvy, and internet-connected. Rural consumers, on the other hand, encounter a number of obstacles, such as inadequate infrastructure, restricted internet connectivity, low levels of digital literacy, and apprehension about online fraud.

II. REVIEW OF LITERATURE

Sharma & Kaur (2020): Urban users adopt digital banking faster due to better infrastructure. The study indicated that 85% of urban users had access to mobile banking services, compared to 55% in rural areas. **RBI (2023):** UPI transactions are increasing in both rural and urban areas, with urban users leading adoption. Digital literacy programs are essential to reduce the rural-urban gap. **Gupta (2019):** Trust, security concerns, and lack of awareness were identified as primary barriers to rural digital banking adoption. **Kumar & Singh (2021):** Education and income levels significantly influence digital banking usage, highlighting that higher-income households are more likely to use digital services. **Singh & Verma (2020):** Analysis of customer satisfaction found urban customers prioritize convenience, while rural customers emphasize trust and assistance. **Reddy (2021):** Study on mobile banking usage patterns showed rural areas rely more on bank branch visits due to connectivity and literacy limitations

III. NEED AND GAP OF THE STUDY

Even though digital banking has expanded quickly in India, understanding and acceptance of the technology are still not evenly distributed between rural and urban areas. There is a knowledge vacuum about how attitudes vary between the two sectors because the majority of prior research has been on urban clients or general digital banking trends. By examining the body of secondary data and literature, this study seeks to close that knowledge gap by identifying the main distinctions and shared elements affecting consumer perception in both urban and rural settings.



III. OBJECTIVES OF THE STUDY

1. To use secondary sources to investigate how consumers see online banking.
2. To assess how well-informed and satisfied rural and urban consumers are with digital banking.
3. To determine the main obstacles and difficulties influencing adoption in rural areas.
4. To make recommendations for ways to increase rural communities' acceptance and confidence in digital banking.

IV. RESEARCH METHODOLOGY

Type of Research: Descriptive and analytical.

Data Type: Secondary data only.

Sources of Data:

Reserve Bank of India (RBI) reports (2022–2024)

World Bank financial inclusion reports

Journal articles, research papers, and government publications

Websites of leading banks (SBI, HDFC, PNB)

Newspapers and online financial magazines

SCOPE OF THE STUDY:

The study covers general customer perception toward digital banking in India, focusing on the comparison between rural and urban populations using published data.

V. ANALYSIS AND INTERPRETATION

Aspect Urban Areas and Rural Areas interpretation

Awareness High (80–90%) Moderate (40–55%)

Urban customers have better exposure through social media and digital promotions.

Accessibility Excellent internet and banking infrastructure

Limited internet connectivity and fewer branches

Infrastructure gaps restrict rural participation.

Usage Frequency Daily or weekly Occasional or minimal Urban users rely on mobile and internet banking for routine transactions.

Perceived Security Moderate trust (70%) Low trust (40%) Rural users fear fraud and scams.

Customer Satisfaction High (75%) Average (55%) Satisfaction is lower in rural areas due to slow service and technical issues.

Major Barrier None significant Lack of digital literacy Rural users need more training and awareness programs.

KEY INTERPRETATION

Customers in cities tend to connect digital banking with speed, ease, and time savings.

Customers in rural areas tend to think of it as risky, confusing, and reliant on outside assistance.

The biggest obstacle to financial inclusion is still the digital divide.

VI. FINDING

1. Consumers in cities are more knowledgeable and comfortable utilizing online banking services.
2. Low literacy rates, inadequate connectivity, and a lack of confidence in digital platforms are problems in rural areas.
3. People in rural areas are more likely to worry about their safety and dread losing their money.
4. Rural consumers are less knowledgeable as a result of banks' concentrated marketing activities in urban areas.
5. Despite obstacles, government and bank measures are causing adoption in rural areas to gradually increase.



VII. SUGGESTIONS

1. Improve Infrastructure: Expand cell network coverage and internet access in remote areas.
2. Financial Literacy Programs: To teach digital usage, hold frequent workshops and awareness campaigns.
3. Regional Language Support: To make things easier to grasp, create apps and webpages in local languages.
4. Promotions with a Rural Focus: Banks could use radio, neighborhood gatherings, and local authorities to highlight the advantages of digital banking.
5. Simplify Technology: Provide visually guided, user-friendly interfaces for rural clients.
6. Strengthen OTP verification, fraud alerts, and user education on safe practices to bolster security measures.

VIII. CONCLUSION

In India, digital banking is becoming the foundation of contemporary financial services. The disparity in consumer perception between rural and urban areas is still problematic, though. While rural consumers frequently view digital banking as complicated and dangerous, urban consumers view it as efficient, safe, and convenient.

Enhancing infrastructure, raising awareness, and fostering consumer trust via transparency and education are the answers. India can progress toward full digital financial inclusion with persistent efforts by banks, the government, and regional organizations.

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