

AWARENESS OF DIGITAL PAYMENT METHODS AMONG RURAL HOUSEHOLDS

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Abstract:

The ever-changing digital systems have made banking services more accessible to customers. Digital payment methods offered by a banker are the new best thing that could have happened to mankind. In fact, not only it has provided a means of convenience for today's banking times but also helped individuals to go paperless. Customers can do their transactions by sitting at their comfortable points by simply clicking a button on their digital devices such as smart phones, laptops, desktops, etc. Customer attitudes and behavior are evolving rapidly. Digital is preferred worldwide. Digital technology is, itself changing and every new step in technology throws open new capabilities to enhance customer delight. Digital modes are more user-friendly in terms of saving time, cost, and effort. The customer education and customer communication for technology-based services will be different in content and mode of delivery, compared to the conventional practices. Banks need to master these also for efficient and effective use of their digital offerings. Our society is not in a full-fledged manner to cope with the digital change due to the digital divide. Focusing on the aforesaid situation, the present study is entitled awareness of digital payment methods among rural households. The study is mainly focused on the awareness level of various digital payment modes and what motivates to use them. Descriptive research is carried out by focusing on 105 respondents by following a simple random sampling method. Respondents belong to the Palakkad district in Kerala. Both secondary, as well as primary data are used. Collected data are analyzed by using statistical tools consisting of mean, standard deviation, Mean Percent Score, Independent sample t-test, and one-way ANOVA. The output of the study revealed that the respondents are aware of various digital payment modes. This study does not travel beyond the scope of awareness level which makes its constraints and offers the scope for further study."

Keywords: Digital, Digital payment, Digital payment Methods Awareness, Digital devices

INTRODUCTION

Digital payment methods are sprouting fast but they are yet to be widely espoused mostly in developing countries [1]. The access and use of evolving digital devices and innovative applications supplemented with internet connectivity are steadily shifting numerous activities from the physical world to a cybernetic world [2]. As per the Indian Payment and Settlement Act 2007; digital payments are defined as electronic fund transfers. When an individual initiates the transfer of funds through an electronic medium using authorization or bank instructions to credit or debit an account maintained with that bank, it is called a digital payment system [3]. The payment industry had robust growth over the last decade. The global digital payment market was valued at USD 3885.57 billion in 2019 and is expected to reach USD 8686.68 billion by 2025[4]. The swift advances in technology over the past several decades

reformed the way people live and conduct business [5]. The world, today, is fast-paced and financial processes are at the cutting edge of applied technologies. While on one hand, large volumes of money are required to be moved, instantly across the globe, transact in the physical world without physical cash, etc.; on the other hand, customers look towards completing their banking and other financial operations from the comfort of their homes and with maximum possible convenience. This has led to the advent, rise, and explosion of Alternate Delivery Channels like ATMs, Bank Cards, Point of Sales terminals, Internet and mobile banking, etc. Also, advanced electronic payment systems like RTGS and NEFT have quickened and interlinked transactions across organizations and individual accounts. The development and use of Alternate Delivery Channels are major contributors to the digital payment system [6]. However, rural dwellers are not full-fledged with the digital payment system. They lack digital resources as well as digital knowledge which make them adopt digital payment methods a day-dream.

The phenomenon of using digital payments and how people fine-tune their behavior boosts researchers to conduct further reflective research on both [7].

The main objectives of the study include the following:

1. To examine the awareness of Digital Payment Services among rural households
2. To evaluate the motivational factors for use of Digital Payment Services among rural households

A well-structured interview schedule is prepared and has interacted with the rural households to accomplish the objectives of the study.

LITERATURE SURVEY

AfzalH. Seyal and Md. Mahbubur Rahim [8] conducted a study on Customer satisfaction with Internet banking in Brunei Darussalam: Evaluating the role of demographic factors. This study highlights the online banking customers' satisfaction in Brunei Darussalam. The authors used a survey approach methodology of four hundred customers of the four major banks in the study area. Individual respondents agreed that thirty-one percent of them are using Internet banking and forty-six percent of the sample size is satisfied with Internet banking.

Hameed Ullah Khan, Kind Saud University, Saudi Arabia [9] in their study entitled E-banking: Online Transactions and Security Measures: Online banking platforms allow consumers to manage their accounts globally and at their convenience. This paper is conceptual. It discussed the advantages and limitations of internet-used banking transactions and also focused to examine the security threats while its use.

Dr. Parul Deshwal [10] authored a paper entitled A study of Mobile Banking in India This paper used both secondary and primary data and 350 was the sample size. In this study, the author was mainly focused on understanding the basic concept of mobile banking in India, studying the challenges of users, analyzing the positive and negative factors, and knowing the various purpose of using mobile banking.

S V Mohana Sujana [11] wrote a research paper entitled “Digitalization in Banking Sector”. The author tries to understand the significance of digital banking in society. The main objective of the study is to determine customer awareness of digital banking. It also focused to study customer usage and suggestions for better access to digital banking.

Sabah Abdulla Al-Somali et al [12], in their work entitled as an investigation into the acceptance of online banking in Saudi Arabia, disclosed that the quality of internet connection, the awareness of online banking and its merits, the social influence, computer self-efficacy, education, trust and resistance to change have a significant influence on the attitude towards the likelihood of adopting online banking.

Bashar Salim [13] entitled his work an application of the UTAUT model for acceptance of social media in Egypt: A statistical study was focused to identify the influential factors for acceptance of social media. Survey research was followed to gather data.

Ms. RashiSinghal [14] in her work impact and importance of digital payment in India tried to examine different digital payment modes familiar to individuals. The author was focused to understand the impact of the digital payment system in India by using secondary data. The study revealed that the digital revolution has provided an easy approach for digital payments and the reach of mobile networks, the internet and electricity is likewise expanding digital payments to remote areas.

Shendge et al [15] remarked that when India becomes a cashless economy, there will be both positive and negative impacts, but the negative impact can be overlooked if the gain from the positive impact is considered.

RESULTS AND DISCUSSIONS

Out of 105 respondents, 64 percent constitute female and the rest 41 percent are male. It is found that 29.5 percent of respondents are in the age category of 18-28 years, 59 percent come in the age category of 29-38 years and the remaining 11.4 percent of respondents are in the age group of 39-48 years. Regarding the marital status of the respondent 10.5 percent come in the single category, 84.8 percent comes under the head married and the rest of 4.8 percent of respondents are divorcees. The study reveals that 36.2 percent are government employees, 34.3 percent are private employees, 2.9 percent doing business, 7.6 percent come in the professional category, and the balance of 19 percent are in other categories which include daily wages, students, etc. Regarding the monthly income of the respondents, 33.3 percent constitute less than Rs. 10000 categories, 20 percent comes in the range of Rs 10001-20000, 21.9 percent are in the range of Rs.20001 – 30000 13.3 percent includes in Rs.30001 – 40000 range and the rest of 11.4 percent comes in the category of above Rs.40000. It is found that 6.7 percent of respondents have less than three as their family members, 59 percent of respondents have 3-4 members in their family and the rest have more than four members in their family.

Table 1: Demographic Profile of the Respondents

Variable	Options	Frequency	Percent
Gender	Male	41	39.0
	Female	64	61.0
	Total	105	100.0
Age	18-28 years	31	29.5
	29-38 years	62	59.0
	39-48 years	12	11.4
	Total	105	100.0
Marital status	Single	11	10.5
	Married	89	84.8
	Divorcee	5	4.8
	Total	105	100.0
Education	Up to SSLC level	15	14.3
	Higher secondary level	8	7.6
	Degree level	23	21.9
	Post Graduate level	53	50.5
	Others	6	5.7
	Total	105	100.0
Employment status	Govt. Employee	38	36.2
	Private Employee	36	34.3
	Business	3	2.9
	Professional	8	7.6
	Daily Wages	20	19.0
	Total	105	100.0
Monthly income	Less than Rs.10, 000	35	33.3
	Rs 10,001 - Rs. 20,000	21	20.0
	Rs.Rs.20, 001 -Rs. 30,000	23	21.9
	Rs.30,001- Rs.40,000	14	13.3
	More than Rs.40,000	12	11.4
	Total	105	100.0
Number of family members	Less than 3	7	6.7
	3 -4	62	59.0
	More than 4	36	34.3
	Total	105	100.0
Monthly income is used for digital payment services	Less than 20 %	40	38.1
	20 % - 40%	38	36.2
	40% - 60%	19	18.1
	60% - 80%	5	4.8
	More than 80%	3	2.9
	Total	105	100.0
kind of internet connection	Wi-Fi	13	12.4
	3G/4G Data package	78	74.3
	Broadband connection	13	12.4
	Cable connections	1	1.0
	Total	105	100.0

Source: computed value

Regarding data sources for conducting digital financial transactions, out of 105 respondents 12.4 percent have Wi-Fi connections, 74.3 percent use 3G/4G data, 12.4 percent use broadband connections, and the remaining 1 percent use cable connections.

Table 2: Awareness Levels of Various ATM Services

Awareness level of various ATM Services	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLATM1	4.59	0.77	5	91.81	Highly aware
AWLATM2	4.21	1.10	5	84.19	Highly aware
AWLATM3	3.83	1.26	5	76.57	Highly aware
AWLATM4	4.25	1.02	5	84.95	Highly aware
AWLATM5	4.32	1.05	5	86.48	Highly aware
AWLATM6	4.15	1.06	5	83.05	Highly aware
AWLATM7	3.30	1.49	5	66.10	Highly aware
AWLATM8	4.15	1.32	5	83.05	Highly aware
AWLATM9	4.15	1.26	5	83.05	Highly aware
AWLATM10	3.84	1.27	5	76.76	Highly aware

Source: computed value

It is very clear that respondents are highly aware of various ATM services as it has more than 75 percent mean percentage score.

Table 3: Awareness Level of Bank Cards

Awareness level of Bank Cards	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLBC1	4.43	1.00	5	88.57	Highly aware
AWLBC2	3.92	1.25	5	78.48	Highly aware
AWLBC3	3.49	1.36	5	69.71	Aware
AWLBC4	3.46	1.27	5	69.14	Aware
AWLBC5	2.41	1.37	5	48.19	Somewhat aware
AWLBC6	3.79	1.28	5	75.81	Highly aware
AWLBC7	2.56	1.43	5	51.24	Aware

Source: computed value

Regarding the awareness level of various bank cards, respondents are least aware of foreign travel cards issued by banks and they are not highly aware of credit card-related norms and Near Field Communication cards. However, they have enough knowledge regarding other elements asked.

Table 4: Awareness Level of Internet Banking Services

Awareness level of Internet Banking Services	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLIBS1	4.36	1.07	5	87.24	Highly aware
AWLIBS2	4.56	0.84	5	91.24	Highly aware
AWLIBS3	4.48	0.92	5	89.52	Highly aware
AWLIBS4	4.23	1.19	5	84.57	Highly aware
AWLIBS5	2.96	1.45	5	59.24	Aware
AWLIBS6	3.20	1.45	5	64.00	Aware
AWLIBS7	3.80	1.22	5	76.00	Highly aware
AWLIBS8	3.70	1.32	5	74.10	Aware
AWLIBS9	3.04	1.35	5	60.76	Aware
AWLIBS10	3.64	1.34	5	72.76	Aware
AWLIBS11	3.13	1.37	5	62.67	Aware

Source: computed value

Buying insurance products through internet banking services has the least mean score compared to other elements. It reveals that the respondents are aware of various internet banking features.

Table 5: Awareness Level on Point Of Sale

Awareness level on Point of Sale	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLPOS1	3.90	1.32	5	78.10	Highly aware
AWLPOS2	2.64	1.44	5	52.76	Aware
AWLPOS3	2.69	1.46	5	53.71	Aware
AWLPOS4	2.55	1.37	5	51.05	Aware

Source: computed value

From the above table, it is clear that no one is included in this study without the knowledge of PoS. All the elements have an average mean score.

Table 6: Awareness Level on UPI

Awareness level on UPI	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLUPI1	4.17	1.20	5	83.43	Highly aware
AWLUPI2	4.14	1.09	5	82.86	Highly aware
AWLUPI3	4.22	1.13	5	84.38	Highly aware
AWLUPI4	4.32	1.01	5	86.48	Highly aware
AWLUPI5	4.04	1.26	5	80.76	Highly aware
AWLUPI6	4.01	1.18	5	80.19	Highly aware

Source: computed value

It is found that the Unified Payment Interface (UPI) system is highly aware among the respondents as it has a good mean score.

Table 7: Awareness Level of QR Code

Awareness level on QR Code	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLQR1	3.32	1.40	5	66.48	Aware
AWLQR2	3.09	1.40	5	61.71	Aware
AWLQR3	3.30	1.40	5	66.10	Aware
AWLQR4	3.81	1.44	5	76.19	Highly aware

Source: Computed Value

Regarding awareness level on Quick Response code, respondents scored good mean score values which means that they have enough idea on the same.

Table 8: Awareness Level of Mobile Banking

Awareness level of Mobile Banking	Mean	Std. Deviation	Maximum	Mean % score	Level
AWLMB1	4.05	1.21	5	80.95	Highly aware
AWLMB2	4.34	1.05	5	86.86	Highly aware
AWLMB3	4.28	1.05	5	85.52	Highly Aware
AWLMB4	4.33	1.08	5	86.67	Highly aware
AWLMB5	4.31	1.08	5	86.29	Highly aware
AWLMB6	4.30	0.97	5	86.10	Highly aware
AWLMB7	3.52	1.36	5	70.48	Aware
AWLMB8	3.30	1.35	5	66.10	Aware
AWLMB9	4.30	1.03	5	85.90	Highly aware
AWLMB10	4.00	1.29	5	80.00	Highly aware

Source: computed value

The above table reveals that the respondents have enough awareness of mobile banking apps and their features as all the elements considered for the study have scored good mean score values.

Table 9: Result of Independent Sample T-Test

Gender	Motivational factors (Mean value)	Std. Deviation	P value
Male	40.8537	7.60448	0.053
Female	43.5313	6.31443	

Source: computed value

Since the p-value is greater than the threshold limit (0.05), it is revealed that no significant relationship between gender and motivational factors.

Table10: Result of One-Way Anova

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	428.711	4	107.178	2.342	.060
Within Groups	4575.518	100	45.755		
Total	5004.229	104			

Source: computed value

* Grouping variable: Employment status

The computed value F is 2.342, which is not significant with P-value.060 (>.05).so it is clear that there is no significant difference between employment and motivational factors. The result permits to acceptance of the null hypothesis.

CONCLUSION

It can be concluded that the majority of the respondents are aware of digital payment methods offered by the banks. Cash withdrawal from ATM, swiping cards at POS, UPI-based mobile banking for making payments and QR code scanning are more familiar to them. However, specific features offered on these digital channels are not utilized in a full-fledged manner. The customer education and customer communication for technology-based services will be different in content and mode of delivery, compared to the conventional practices. Banks need to master these also for efficient and effective use of their digital offerings. This study does not travel beyond the scope of awareness level which makes its constraints and at the same time offers the scope for further study.

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