

AWARENESS AND EFFECTIVENESS OF DIGITAL PAYMENT USE AMONG RURAL HOUSEHOLDS

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Abstract: Digital payment is defined as transactions in which authorizes the transfer of money through electronic means, and the funds flow directly from one account to another. Rural India has significant impact on the economic progress of the country, and with the emerging changes of ICT penetration, and the impact of demonetisation, alongside the digital initiatives carried out for rural segments, the need for improving the trends of digital payments model in rural India is very important. Transferring of money to one another, making shopping a convenient option and rather than carrying cash all the time, people can opt for making use of their credit and debit cards and mobile wallets for easy payments. The present study is an attempt of the light on the Awareness and Perception about digital payment with special reference to Malappattam Panchayat in Kannur district. The study revealed that most of the people are aware about the digital payments. The study suggested that Government should promote rural households to report their complaints to the digital transactions in order to improve confidence in online transactions and an awareness programme should be implemented in regional language also by considering illiterate people.

Keywords: Digital Payment. Awareness, Mobile wallet, Rural People

INTRODUCTION

Digital India is considered to be the flagship programme of Government of India which visions to transform India into a digitally empowered society and in a knowledge economy. In order to promote India towards a cashless society, various models of cashless transactions have been introduced, which helps in making all the payments digitally without using any type of tangible currency. Digital payment methods are often easy to make, more convenient and provide customers the flexibility to make payments from anywhere and at any time. These are a good alternative to traditional methods of payment and speedup up transaction cycles. Post demonetization, people slowly started embracing digital payments and even small-time merchants and shop owners started accepting payments through the digital mode. Considering the benefits like transparency in transactions, scope for curtailing parallel economy and improving the ease of business, it is very essential that the transformation towards digital payments, even in the rural economy is empowered.

The government of India has been taking several measures to promote and encourage digital payment in the country. As part of the 'Digital India' campaign, the government aims to create a 'digitally empowered 'economy that is' faceless, paperless, cashless. Digital payment platforms have eased cashless transactions, and have been especially popular since demonetisation. These platforms are capable of making payments in online as well as in offline mode. However, their features differ and citizens of the country should make the best use of them while making payments.

Statement of the Problem

Digital Payment is a financial exchange that takes place online between buyers and sellers is usually some form of digital cash that is backed by a bank or an intermediary, or by a legal tender. E-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still, many of the transactions are cash based. So, there is a need to widen the scope of digital payment. The majority of the Indian population lives in rural areas. As a part of Pradhan Mantri Jan Dhan Yojana almost all people open a zero-balance account. But many of them doesn't use their bank accounts or their ATM card for their transaction. India is taking so many steps for a digital payment.

Objective of the study

- ❖ To determine the awareness and effectiveness of digital payment technique in rural households

Review of literature

Sanghita Roy, Dr. Indrajit Sinha (2014) stated that E-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still 90 percent of transactions are cash based. Technology

acceptance model used for the purpose of study. They found innovation, incentive, customer convenience and legal framework are the four factors which contribute to strengthen the E-payment system.

Vidya Shree DV, Yamuna N. and Nitua Shree G (2015) the article entitled “A Study on new Dynamics in Digital Payment System -with special reference to Paytm and PayU Money”. The research paper is zeroing in on the effect of the new digital payments systems on clients and issues experienced assuming any. The research found that, individuals are more mindful about the online payments through portable applications and there is a more extensive expansion in development rate. The research likewise found that, Paytm and Pay U cash is giving simple payment structures contrasted with Digital payment system.

Rahul Midha (2016; pp: 256-261); in his study” Digital India: Barriers & Remedies” highlights the issue of digitalization process and effectiveness of digital India campaign. The programme is a good initiative but it has certain barriers which need to be overcome. Digital India campaign aims to create a cashless society which has its own advantages. Implementation phase is surely problematic as the concept is new but over the time period this has to be seen from the perspective of customers. It is high time to discuss the relevant issues with the customers so that the existing barriers may be removed.

Mamta, Prof. Hariom Tyagi and Dr. Abhishek Shukla (2016) the article entitled “The Study of Electronic Payment Systems”. This investigation aimed to identify the issues and challenges of electronic payment systems and offer some answers for improve the e payment system quality. The successful implementations of electronic payment systems depend on how the security and protection dimensions perceived by consumers just as sellers are famously managed, thus would improve the market confidence in the system.

G. Sudha and M Thangajesu Sathish (2020) article is revealed that retailers can move to digital payment methods after demonetization. The researcher looked at payment methods before and after demonetization to see if they changed. The majority of retailers accepted payment through a variety of apps.

The awareness about digital payment is very important in recent times. Today digital payments have a greater role in the economy. This paper shows the attitude of rural households on digital payment and awareness and effectiveness of digital payment of rural households. The study is conducted among the households in Malappattam Panchayat in Kannur district of Kerala. For the primary data 60 samples are taken from the Malappattam Gram Panchayat. The present study made an attempt to discuss the awareness and effectiveness of digital payment in the study area.

On the basis of types of Bank Account

Bank account is a financial account maintained by a bank or other financial institution in which the financial transactions between the bank and a customer recorded. Bank accounts offer more convenience. It helps to people can easily pay by check or through online bill pay. The Automated Teller Machine (ATM) or debit card for the account help withdraw money easily or make payment at stores. A debit card is usually accepted for purchases anywhere credit card are accepted. Table 1.1 shows that distribution of households based on bank account.

Table 1.1
Distribution of households on the basis of bank account

Type of Bank Account	No. of Households	Percentage
Government Bank	54	59.34
Private Bank	7	7.69
Cooperative Bank	30	32.97

Source: primary data

The table 1.1 shows 59.34 percent of the total respondents used a government Bank and 32.97 percent people used a co-operative bank for their financial services. Only 7.69 percent of respondents used private bank.

1.2 Reasons for choosing online services

There are several reasons for choosing online services. They are different from one person to another. On the basis of reasons for choosing online services are divided into seven categories.

Table 1.2
 Distribution of households based on Reasons for choosing online services

Reasons	No.of households	Percentage
Convenience	19	15.97
To save money	28	23.53
24 hour access to account	33	27.73
Safe and secure	22	18.49
Privacy	8	6.72
Low service charge	3	2.52
Other	6	5.04

Source: primary data

The table 1.2 shows that 16 percent of the respondents use the online services because of their convenience, 24 percent to save money.28 percent for their 24 hour accessibility,

1.3 Awareness of Digital Transactions

In the recent time period online transactions plays an important role. The awareness about online transactions is different from one another. It is related to their Education, skill, monthly income etc. The table 1.3 shows awareness of digital transactions based on sample households.

Table 1.3
 Distribution of households Awareness about Digital transactions

Awareness	No.of households	Percentage
Poor	4	6.67
Average	12	20
Good	23	38.33
Very Good	17	28.33
Excellent	4	6.67
Total	60	100

Source: primary data

The table 1.3 shows that 20 percent of respondents have Average awareness about digital transactions, 38.33 percent have good awareness, 28.33 percent of people have very good awareness about digital transactions

1.4 Sources of awareness about Digital Payment systems

Digital payment system helps everyone to save time and energy and is more convenient for instant money transfers all across the world. There are different sources of awareness of digital transactions. The sources of awareness of digital transactions are divided into six categories.

Table 1.4
 Distribution of households based on Sources of Awareness about Digital Payment System.

Sources	No.of households	Percentage
Television	29	20.57
Social Media	36	25.53
News Paper	27	19.15
Advertisement	13	9.22
Internet	30	21.28
Other	6	4.2

Source: primary data

The study shows that the majority 26 percent respondents got knowledge about digital payment solutions from social media, 21 percent from television. 19 percent by newspaper and 9 percent from Advertisement. Whereas 21.28 percent of respondents know about the internet and the remaining 4.2 percent respondents got to know about digital payment in other sources.

1.5 Different platforms used in Digital Transactions

Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee use electronic mediums to exchange money. There are several types of platforms for digital transactions. Debit card, credit card, mobile banking, QR code Scanner etc are some examples for digital transactions.

Table 1.5
 Distribution of households based on different platforms used in Digital Payment

Platforms	No. of Households	Percentage
ATM/Debit card	49	32.45
Credit Card	8	5.30
Phone Pay	17	11.26
Google Pay	41	27.15
Mobile banking	13	8.61
QR code Scanner	17	11.26
Aadhar Based banking	5	3.31
Other	1	0.66

Source: primary data

The study shows that the majority (33 percent) respondents used ATM/ Debit cards , 27 percent of people have Google pay, . 5 percent using credit card and 11 percent using phone pay for their financial transactions.

1.6 Purposes of using Digital Transactions

Electronic payments are much faster than the traditional methods of Payments such as cash or checks. People are increasingly paying their bill through banks and using credit/debit cards and other online transactions.

Table 1.6
 Distribution of households based on purposes of using Digital Transactions

Purposes	No.of households	Percentage
Phone bill	44	24.86
KSEB	43	24.29
Water bill	16	9.04
Tuition fee	5	2.82
Tax(house/place)	7	3.95
Super market	25	14.12
Durable goods	6	3.39
Hospital payment	14	7.91
Other	17	9.60

Source: Primary data

Among the sample unit 25 percent people used digital payment for phone bills. 24 percent are used to pay KSEB bills. 9.04 percent of respondents used digital transactions to pay water bills. 14.12 percent are used for payment for super markets.

1.7 Problems arising digital transactions

Digital payment has proved to be the most popular option among a large number of people these days. But for many, there is still a lack of trust for digital payment. There are those that don't yet feel safe using this as they don't trust the internet and the perceived security risks.

Table 1. 7 Distribution of households based on problems arising technology usage

Problems	No. of Households	Percentage
Insufficient safety/security	24	28.57
Cyber Crime	9	10.71
Hacking issue	23	27.38
Illiteracy	4	4.76
Charges for online transaction	24	28.57

Source : primary data



Table 1.7 shows the various issues which are considered by the respondents for avoiding digital payment techniques. The study analysis shows 28.57 percent of respondents are faced with insufficient safety /security and feel higher charges on online transactions so avoiding digital payment techniques. 10.71 percent of respondents are faced cyber crime. 27.38 percent of the respondents are feel hacking issue for avoiding digital payment techniques. 5 percentage people are illiterate about digital transaction.

CONCLUSION

Digital payment is very important and plays a significant role as it saves a very crucial time for people. Digital Payments in India were introduced with a view of moving towards a cashless economy and a society which is digitally empowered. The importance of digitalisation in banking and the payment system cannot be underestimated. Even before the pandemic onset, digital banking and mobile payments had registered significant growth including in emerging economies globally. Inexpensive smart phones and access to high-speed internet have ensured a thriving e-commerce industry in several economies.

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