

## Digital India: Rural People Intention to Use Digital Payment System.

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### ABSTRACT

The Government of India launched Digital India to provide high-speed internet networks to rural areas. Digital India was founded with the goal of achieving inclusive growth in electronic services, goods, manufacturing, and job prospects. Due to this digital vision, digital payments have emerged as a popular and convenient method of paying for goods and services. Transactions made over the internet or through other electronic channels are known as digital payments. With more and more people opting for cashless transactions, digital payments have become an increasingly important part of the global economy. So the study focus on impact of digitalization on rural people intention to use digital payments systems with the objectives of factors impacting adoption of digital payments, problems confronting on usage of digital payments. The study also made an attempt to study the awareness level of rural people regarding digital payments along with how rural people perceive digital payment systems for digital transactions. Primary data collected through interview schedule are analysed using percentage analysis, descriptive analysis and ranking are made through weighted score and garret ranking method. For testing hypothesis of the study Freidman test, independent sample t test, chi square test and one-way ANOVA are employed.

**Key Words:** Digital Vision , Digitalisation, Digital Payments

### 1. INTRODUCTION

The government's bold initiative "Digital India" aims to inspire and link rural India to the information world via a high-speed internet network. As internet connection spreads to more remote locations, the government effort "Digital India" has assisted millions in connecting to new digital technology. One of these is a payment system that is revolutionising how retail commerce is conducted in large rural regions and tiny towns, where more than two-thirds of India's 1.4 billion people reside. Digital payments are becoming increasingly vital in today's fast-paced environment due to several advantages, including ease, speed, and security.

### 2. STATEMENT OF PROBLEM

The Digital India Movement has the potential to bring about revolutionary changes in India and the lives of ordinary people. Residents of small towns and villages, particularly younger

consumers, are discovering the advantages of becoming cashless. Digital transactions are only one of the advantages that the internet has provided to those living in remote regions. This system's popularity stems from its ease of use and general reduction in transaction costs. It happens with the touch of a button, is inexpensive, and simple to operate. Therefore the study focus on impact of digitalization on rural people intention to use digital payments systems with the objectives of finding factors impacting adoption of digital payments, problems confronting on usage of digital payments along with rural people's perception towards digital payments.

### 3. OBJECTIVES

1. To know the level of awareness of digital payment methods among rural people.
2. To understand how rural people perceive digital payment system.
3. To find out the most preferred Digital payment method among users.
4. To identify the factors impacting digital payment adoption.
5. To know the constraints confronting while using digital payments.

### 4. HYPOTHESIS

H<sub>0</sub> 1: There is no significant difference in ranking of digital payment methods by users.

H<sub>0</sub> 2: There is no significant relationship between gender and overall perception towards Digital payments.

H<sub>0</sub> 3: There is no significant difference among education groups with respect to perception towards Digital payments.

H<sub>0</sub> 4: There is no significant difference among occupation groups with respect to perception towards Digital payments.

H<sub>0</sub> 5: There is no association between age and awareness level of Digital payments.

H<sub>0</sub> 6: There is no association between monthly income and awareness level of Digital payments.

### 5. RESEARCH METHODOLOGY

The study is descriptive, empirical and analytical in nature and is based on both primary and secondary data. A sample of 50 respondents was drawn from the Kollam district of Kerala state through convenient sampling. For collecting primary data, interview schedule was designed and data was collected during the period from January 2023 to March 2023. Secondary data was collected from daily newspapers, books, journals, websites and related articles. The collected data are properly classified and analysed through percentage analysis and descriptive statistics. For ranking data Garret ranking and weighted score ranking method are used.

#### 5.1. Statistical Tools used for analysis;

Friedman test, Independent sample t-test, Chi square test, One way ANOVA.

### 6. ANALYSIS AND INTERPRETATION

#### 6.1. Reliability Analysis

Table 1. Reliability Statistics

Cronbach's Alpha	N of Items
.796	4

Inference.

The recommended level of cronbach’s alpha is .70 for preliminary research. The obtained value (cronbach’s alpha-.796) shows greater internal consistency of items as the reliability statistic value is greater than .70.

Table.2 Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Digital payment is essential for conducting transactions easily.	11.46	4.172	.697	.699
Transactions through Digital payments is time saving and convenient.	11.30	4.867	.727	.709
Digital payment system is faster than cash payment.	11.30	4.908	.512	.790
Transactions through Digital payment is safe and secure	12.20	4.204	.556	.783

### 6.2.Descriptive statistics

Table No. 3. Descriptive statistics of demographic variables.

Demographic Factors	Frequency		Mean	Std. Deviation
	N	%		
Age				
20-30	32	64	1.36	.485
30-40	18	36		
Gender				
Male	31	62	1.38	.490
Female	19	38		
Educational Qualification				
Degree	14	28	3.12	1.154
Diploma	4	8		
Post graduation	20	40		
Professional degree	10	20		
School level	2	4		

Monthly income				
<20000	27	54	1.46	.503
20000-50000	23	46		
Occupation				
Govt. employee	1	2	2.58	1.144
Pvt. employee	31	62		
Student	14	28		
unemployed	4	8		

**Inference**

Table.1 shows that about 64% of respondents comes under age group 20-30, 62% of respondents are male, 40% are post graduated, 28% are graduated and only 4% have school level education. With regard to income, 54% of respondents have monthly income less than 20000 and 46% have income within the range of 20000-50000. Regarding occupation 62% of the respondents are private employees,28% comes under the category of student and 8% are unemployed.

**6.3. Frequency Analysis.**

Table. 4. Awareness level of Digital payment systems

Awareness	Frequency	Percent	Valid Percent	Cumulative Percent
Fully Not aware	17	34.0	34.0	34.0
Fully Aware	19	38.0	38.0	72.0
Aware	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Table 2 shows that 38% of the respondents are fully aware of digital payment methods, 34% not fully aware and 14% are aware of the digital payment methods.

**6.4. Friedman test**

Table.5. Most preferred Digital payment method

Digital payment methods	Mean Rank	Rank
Banking cards	3.38	II
Mobile wallets(paytm, phonepe etc)	3.13	I
UPI	3.54	III
Point of sale	4.99	VII

Net banking	3.97	IV
AEPS(Aadhar Enabled Payment System)]	4.80	VI
Mobile banking	4.19	V

H<sub>0</sub> 1: There is no significant difference in ranking of digital payment methods by customers.

Test statistics

N	50
Chi-square	37.751
Df	6
Asymp.Sig	.000

Inference

Since p value .000 is less than 0.01 (p<0.01), there is a significant difference in ranking of digital payment methods by users. . Out of 7 digital payment methods considered, Mobile wallets have the lowest mean rank. Hence it is concluded that mobile wallets is the most preferred DPS among respondents.

### 6.5. Perception of rural people towards Digital payment systems.

Table.6. Perception towards Digital payment system

Statements	Mean	Std. Deviation
1.Transactions through Digital payment is safe and secure	3.22	1.016
2.Digital payment is essential for conducting transaction easily	3.96	.903
3.Transactions through Digital payments is time saving and convenient	4.12	.689
4.Digital payment system is faster than cash payment	4.12	.849
Valid N (listwise)		

Table.6. shows that the respondents are strongly agree with the statements 3 and 4 ie, Transactions through DPS is time saving and DPS is faster than cash payment as both have the mean of 4.12. Respondents have a neutral attitude towards the statement of Transaction through

Digital payment is safe and secure and they are agreeing with the statement of DPS is essential for conducting transaction easily.

### 6.6. Garrett Ranking

Table.7. Factors impacting for usage of Digital Payment systems

Factors	Percent position $(100(R_{ij} - 0.5)/N_j)$	Garret value	Mean score	Rank
Time saving	$100(1 - 0.5)/4 = 12.5$	73	63	I
Cost effective	$100(2 - 0.5)/4 = 37.5$	57	45.8	II
convenience	$100(3 - 0.5)/4 = 62.5$	44	29.06	IV
User friendly	$100(4 - 0.5)/4 = 87.5$	27	40.02	III

Table.7. shows that the most influencing factor responsible for opting digital payment is its time saving feature followed by cost effectiveness. The features of user friendly and convenience hold the third and fourth position respectively.

### 6.7. Weighted Score Ranking Method

Table . 8. Problems confronting while using of Digital Payment systems

Problem factors	Weighted average Mean (W.M)	Mean score(W.M/100)	Rank
Network problem	167	1.67	I
Security issues	107	1.07	III
Transaction limits	105	1.05	IV
Server issues	120	1.20	II

Table. 8. reveals that the main problems facing while using of Digital Payment systems is network issues and server issues followed by security issues.

### 6.8. Independent sample t test

$H_0$ : There is no significant relationship between gender and overall perception towards digital payments.

Table.9. independent sample t test for difference between gender and overall perception

Gender	Male	Female	t(48)	p

	Mean	Std. Deviation	Mean	Std.Deviation	.630	.532
Overall perception	3.9032	.77642	3.7763	.51971		

Male (n=31), Female(n=19)

Inference

There is no significant difference between male (M=3.9032, SD=.77642) and female (M=3.7763,S.D=.51971) and overall perception (t (48)=.630, p>.05).

**6.9.One way ANOVA**

H<sub>03</sub>: There is no significant difference among education groups with respect to perception towards Digital payments

Table.10.Post hoc comparison of education and overall perception

	Education	Mean	Std. Deviation	F	p
Overall perception	school level	3.3750	.53033	3.53	.014
	degree	3.8571	.53452		
	post graduation	3.6125	.77999		
	diploma	3.7500	.35355		
	professional degree	4.4750	.43221		

Mean with different subscripts differ at the p =.05 level by Tuckey HSD

Inference

Since p value .014 is less than .05 (p<0.05) , there is a significant difference among education groups with respect to overall perception.

H<sub>0 4</sub>: There is no significant difference among occupation groups with respect to perception towards Digital payments

Table.11. one way Anova for comparing occupation and overall perception

	Occupation	Mean	Std .Deviation	F	p
Overall perception	Student	3.7321	.95305	.711	.550
	Govt.employee	4.0000	-		
	Pvt.employee	3.9516	.57525		
	unemployed	3.5000	.35355		

Inference

Since the p value .550 is greater than 0.05( $p > 0.05$ ), there is no significant difference among education groups with respect to perception towards digital payments.

### 6.10. Chi square tests

H<sub>05</sub>: There is no association between age and awareness level of Digital payments.

Table 12.chi square for association between age and awareness

Age	Fully not aware		Fully aware		Aware		$\chi^2$	Asymp. Sig. (2 sided)
	n	%	n	%	n	%		
20-30	11	22	13	26	8	16	.451	.798
30-40	6	12	6	12	6	12		

Inference

Since p value .798 is greater than 0.05 ( $p > 0.05$ ), there is no association between age and awareness level of the respondents.

H<sub>06</sub>: There is no association between monthly income and awareness level of Digital payments

Table 13. chi square for association between income and awareness

Income	Fully not aware		Fully aware		Aware		$\chi^2$	Asymp. Sig. (2 sided)
	N	%	n	%	n	%		
<20000	9	18	13	26	5	10	3.483	.175
20000-50000	8	16	6	12	9	18		

Inference

Since p value .175 is greater than 0.05 ( $p > 0.05$ ), there is no association between income and awareness level of the respondents.

## 7. FINDINGS

1. About 38% of the respondents are fully aware of digital payment methods, 34% not fully aware and 14% aware of the digital payment methods.
2. Respondents have a positive attitude towards Digital payment methods especially regarding time saving and speed of digital payments methods.



3. Respondents have chosen Mobile wallets as most preferred digital payment system followed by banking cards.
4. Time saving is the main factor which influences the respondents to opt digital payment systems.
5. Network problem is the main problem that is confronting by the users while using digital payments followed by server issues.

## 8. CONCLUSION

The Digital India vision strives to transform India into a digitally empowered society by providing high speed internet connection especially to rural areas for making transaction digitally. The study shows that rural people have a positive attitude towards digital payments in respect of its speedy transaction and time saving feature. There are some crucial factors that influence in opting the digital payments instead of cash transactions, among them the “time saving” and its speed influence most for preferring it. The study reveals that mobile wallets such as phonepay, Googlepay are the most preferred digital payment method among users. At the same time the rural people are distressed about network and server issues while transacting digitally.

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