

## Use And Awareness Of Digital Payment In Rural Areas: Special Reference To Lakhimpur District, Assam.

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### **Abstract:**

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. The main aims of the paper is that study about use and awareness of digital payment in rural economy: special reference to Lakhimpur district. The data was collected by using online survey method through questionnaire. A total number of 137 rural people participated in this survey. The analysis of data has been done on the basis of various criteria's viz. awareness of digital payment in rural people , most preferred digital payment mode, etc. The paper present its various findings and also provides certain suggestions to make the digital payment mode an easier one.

**Keyword:** Digital Payment, Use, Awareness, Lakhimpur, Assam.

### **1. INTRODUCTION:**

Digital payments are payments done through digital or online modes, with no exchange of hard cash being involved. Such a payment, sometimes also called an electronic payment (e-payment), is the transfer of value from one payment account to another where both the payer and the payee use a digital device such as a mobile phone, computer, or a credit, debit, or prepaid card. This mode of payment became more prominent after the announcement of demonetization by the honourable Prime Minister of India, Narendra Modi on 8th November, 2016. There are various modes of digital payments, including UPI, NEFT, AEPS, mobile wallets, and PoS terminals. The main purpose behind the digital mode of transaction is to make our economy a cashless one. Transactions are possible anywhere in the world with the single click. The Government of India has been undertaking several measures to promote and encourage digital payments in the country. The vision of Digital India Programme is to transform India into a digitally empowered society and knowledge economy.

### **2. OBJECTIVES OF THE STUDY**

- a. To study the awareness level of rural people regarding digital payment.
- b. To study the opinion and preference of rural people for cashless transactions.
- c. To study most prefer digital payment mode use by the rural people.
- d. To find out the challenges and benefits of going cashless faced by rural people.

### **3. LITERATURE REVIEW**

Deepika Kumari, (2016) "Cashless transaction: methods, Applications and Challenges" This study concluded that as the demonetization applied by government of India. Government trying to aware its people for cashless transaction by various kinds of advertisement method but still a large number of

people are awaiting for the introduction of cashless transaction and its different methods, advantages and challenges.

Dr. Venkateswararao Podile and P. Rajesh (2017) “After demonetization initiatives, most of the people in India started electronic payments for their transaction. Slowly India is moving from cash to cashless economy. A cashless economy is one in which all the transactions are done using cards or digital means”

Dr. K. A. Rajanna (2018): “A cashless economy is a situation in which the financial transactions are made by digital currencies. In India, too much of transactions are made through cash. Less than 5% of total payments happen through electronically. Financial literacy and awareness about cashless transactions is paramount in India. Banks and financial institutions offering discounts on purchases with credit/debit cards and online wallets offering attractive deals for payments have made Indians comfortable with paperless transactions”

Dr. Hanumanth S. Patil and Sonali P. Bhujbal (2018): “In a present scenario India is highest cash to GDP in the world. India is cash based economy which is operating 86% of cash payments of total transaction. Higher cash flows causes cash related frauds, terror financing, corruption, money laundering. To eliminate the money and cash related frauds it was necessary to bring cash economy into cashless economy in India”.

Ashish Bagla (2018), made a study on “A study on the future of Digital Payments in India” by taking a sample of 110 respondents. This paper tries to identify the reasons for adoption of digital payments by people in India and it also tries to find out the problems faced by people in making digital payments. This study has found that the biggest challenge in front of government is the lack of knowledge and awareness among people and fear of loss of money by use of digital payment methods and risk of hacking.

### 3.1 Different Modes of Digital Payment

- a. **Banking Cards:** Banking cards are the most widely used digital payment system in India. It offers a great set of features that provides convenience as well as security to the users. Cards offer the flexibility of making other types of digital payments. Customers can store card information in the mobile application and pay for the services using the stored card information. Banking cards (debit and credit cards) can be used for a variety of digital transactions like PoS terminals, online transactions, as a payment medium in mobile apps, which provide any kind of service like grocery, healthcare, rental cab booking, flight tickets, etc.  
The most popular cards are issued by service providers like VISA, MASTERCARD, RuPay, AMEX etc.
- b. **AEPS (Aadhaar enabled payment system):** AEPS can be used for all the following banking transactions such as balance enquiries, cash withdrawal, cash deposit, aadhaar to aadhaar fund transfers. All such transactions are carried out through a banking correspondent which is based on Aadhaar verification. This service can be availed if the aadhaar is registered with the bank where an individual has a bank account.
- c. **UPI (Unified Payment Interface):** UPI is the latest digital payment standards where the user having a bank account can transfer money to any other bank account using UPI based app. UPI enabled payments occur throughout the day and all 365 days in a year. Payment can be done using a Virtual Payment Address (VPA). To use UPI services one *must have a bank account and a mobile number registered with that bank account.*
- d. **Mobile Wallets:** Mobile wallets are another popular payment option. Here the users can add money to their virtual wallet using debit or credit cards and use the money added in the wallet to

perform digital transactions. Some of the most popular mobile wallets are PayTM, Mobikwik, Phone Pe, etc.

- e. Point of Sale Terminals: PoS terminals are installed in shops or stores where payments for purchases can be done through debit and credit cards. There are variations of PoS, one which can be Physical PoS and the other one is mobile PoS. The mobile PoS does away with the need of maintaining a physical device.
- f. Mobile Banking: Mobile banking is a service provided by the banks through their mobile apps in a smartphone for performing transactions digitally. The scope of mobile banking has expanded extensively after the introduction of UPI and mobile wallets. Mobile banking is a term used to describe a variety of services that are availed using mobile/smartphones.
- g. Internet Banking: Internet banking is the process of performing banking transactions from the comfort of your home using a mobile phone/laptop/ desktop and an active internet connection. The major type of transactions can all be done using internet banking. Internet banking services can be availed round the clock and all 365 days in a year, which makes it a popular choice for performing digital transactions.

#### 4. DATA ANALYSIS AND INTERPRETATION:

##### 4.1 Age group of the respondents

<i>Age</i>	<i>No of respondents</i>	<i>Percentage</i>
<i>18-30</i>	<i>56</i>	<i>40.87</i>
<i>31-40</i>	<i>35</i>	<i>25.54</i>
<i>41-55</i>	<i>29</i>	<i>21.16</i>
<i>56 and above</i>	<i>17</i>	<i>12.40</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 1 shows that age group of respondents. It is found from the table most of the respondents i.e 40.87% are belongs to 18-30 age group, while 25.54% respondents are from 31-40 age group and 21.16% from 41-55 age group.

##### 4.2. Gender wise distribution of the respondents

<i>Gender</i>	<i>No of respondents</i>	<i>Percentage</i>
<i>Male</i>	<i>83</i>	<i>60.58</i>
<i>Female</i>	<i>54</i>	<i>39.41</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 2 shows that gender wise distribution of respondents. It clear from the above table that 60.58 % respondents are male and 39.41% respondents are female.

##### 4.3. Awareness level of respondents about e-payment system

<i>Responses Towards Awareness</i>	<i>No of respondents</i>	<i>Percentage</i>
<i>Yes</i>	<i>112</i>	<i>81.75</i>
<i>No</i>	<i>25</i>	<i>18.25</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 3 shows that most of the 81.75% respondents are aware about e-payment system and 18.25% respondents are not aware for it.

##### 4.4 Respondents preferences for using cash, cashless or both:

<i>Respondents</i>	<i>No. of respondents</i>	<i>Percentage</i>
<i>Cash</i>	<i>25</i>	<i>18.24</i>
<i>Cashless</i>	<i>33</i>	<i>24.08</i>
<i>Both</i>	<i>79</i>	<i>57.67</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 4 shows that respondents preference towards using cash, cashless or combination of both for their day to day transactions. It is found that 18.24 % respondents are using cash and 24.08% respondents prefer cashless transactions .The remaining 57.67% respondents like to use both.

#### 4.5 Mode of e-transactions available with respondents:

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
<i>E- Wallets</i>	<i>45</i>	<i>32.85</i>
<i>Swipe Machine</i>	<i>31</i>	<i>22.63</i>
<i>Both</i>	<i>49</i>	<i>35.77</i>
<i>None</i>	<i>12</i>	<i>8.76</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 5 shows that 32.85% respondents are using E-Wallets for transaction ,while 22.63% respondents keep swip machines and 35.77% respondents have both E-Wallets and Swipe Machine available in their transaction.

#### 4.6.Various modes of E-Wallets:

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
<i>Google Pay</i>	<i>57</i>	<i>41.6</i>
<i>Paytm</i>	<i>32</i>	<i>23.36</i>
<i>Amazon Pay</i>	<i>13</i>	<i>9.49</i>
<i>Phone Pay</i>	<i>09</i>	<i>6.56</i>
<i>PayPal</i>	<i>03</i>	<i>2.18</i>
<i>BHIM Axis Pay</i>	<i>01</i>	<i>0.72</i>
<i>SBI YONO</i>	<i>10</i>	<i>7.30</i>
<i>Free charge</i>	<i>05</i>	<i>3.64</i>
<i>Airtel Pay</i>	<i>04</i>	<i>2.91</i>
<i>Others</i>	<i>03</i>	<i>2.18</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 6 shows that various mode of E-Wallets .It is found that most of the 41.6% respondents are using Google Pay and 23.36% respondents are using Paytm .While 9.49% are using Amazon Pay, 6.56% respondents are using Phone Pay.

#### 4.7 Purpose of using E-Payment:

<i>Particulars</i>	<i>No. Respondents</i>	<i>Percentage</i>
<i>Transfer Money</i>	<i>43</i>	<i>31.38</i>
<i>Recharge/Bill Payment</i>	<i>54</i>	<i>39.41</i>
<i>Shopping</i>	<i>29</i>	<i>21.16</i>
<i>Book Tickets</i>	<i>11</i>	<i>8.02</i>
<i>Total</i>	<i>137</i>	<i>100</i>

Table 7 shows that most of the 39.41% respondents are using e-payment for Recharge/Bill Payment followed by Transfer Money (31.38%),Shopping(21.16%),Book Tickets(8.02%).

#### 4.8 Respondents perception on the downside of E-payment system:

<i>Options</i>	<i>No. of respondents</i>	<i>Percentage</i>
<i>Poor internet connectivity</i>	<i>43</i>	<i>31.38</i>
<i>Security</i>	<i>76</i>	<i>55.47</i>
<i>Lack of technical knowhow</i>	<i>18</i>	<i>13.13</i>
<i>Total</i>	<i>137</i>	<i>100</i>

*It has been found that security is a factor about which most of the respondents (55.47 %) are concerned. Another 31.38% are concerned with the problem of poor internet connectivity, 20% have issues with the lack of acceptance while 13.13% respondents do not have required technological knowledge.*

## 5. FINDINGS

- a. It was found from the study that a most of the respondents are aware about e-payment system.
- b. b .It was found from the study that most of the respondents are male.
- c. It was found from the study that most of the respondents prefer cashless transactions over cash transaction.
- d. It was found from the study that most of the respondents are using e-payment system for Recharge/Bill Payment.
- e. It was found from the study that Google-Pay is the most uses e-wallet.
- f. f .Most of the people hesitate to use cashless payments due to security system.

## 7. SUGGESTIONS

The few suggestions of the study are as follows:

- a. Government should assure basic necessities in rural areas and focus on developing infrastructure.
- b. Training programmes could be organised by the government. Digital literacy is a must for bringing more and more rural people to the digital platform
- c. The Gram Sabhas in Panchayati Raj Institutions must take up the issue of digital economy at the village level.
- d. The self-help groups (SHGs) can be of great help to the people in the promotion of digital banking systems in the rural areas.
- e. Government can ensure to the public that the operation of digital payment transactions is free from transaction cost.

## 8. CONCLUSION

Digital Payment system is easy to use to the customer as well as bank officers and there are several option are available in the financial system in Assam, but there are large amount of rural people in Assam don't know how to use the system. The Digital literacy of Assam people is low level, Therefore Digital payment system is not pure developed and spread all over the Assam. The social and Infrastructure barriers are there influences to use of digital payment system. But Now a day's mobile banking are becoming popular in the Assam because it is easy to use and anytime can use. It is also required to improve the digital literacy among the people.

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