

## **Awareness of People Pertaining to Digital Payment Tools in Kottayam**

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### **Abstract:**

Demonetization in India in its wake brought about increased use of various digital payment tools facilitating easy financial transactions. It is assumed that 60 percent of all financial transactions in India are taking place through digital platforms now. This digital payment revolution is largely due to the Indian Government's 'Digital India policy' that aims at digitally empowered Indian economy which operates through a paperless and cashless' payment system . Consequently, several digital payment platforms are operating in India now. Their successful performance makes it imperative to find out how far the concept of digital payment tools permeated in to the Indian society at the micro level. Hence, an attempt has been made in this paper to analysis the awareness of people pertaining to digital payment tools in Kottayam Dist. Kerala state.

**Key Words:** Digital Payment, Cashless Economy, AEPS, UPI, Mobile Wallets, Bank Prepaid Cards, Digital Payment Apps, Internet Banking and mobile Banking

### **Introduction**

Nowadays we see phenomenal growth in the use of internet banking and mobile phone banking in financial transactions in India. This is a payment made through digital modes using digital tools. In digital payments, payer and payee use digital modes to send and receive money. Digital payment system is an electronic medium that allows consumers to make electronic commerce transactions for their purchases and also financial transactions.

Digital payment system has gained remarkable momentum particularly after

demonetization in India. The government of India is taking various steps for efficient utilization of digital payment platforms to wipe out corruption and black money from the Indian economic system. Presently, around 60 per cent of the transactions in India are thought to be carried out through digital platforms.

Indian government as well as private sector companies such as paytm, free charge, Vodafone (mpesa) , Airtel ( Airtel money) and mobiwik have been using several digital payment tools. Besides Aadhar Payment App and the National Payments Corporation of India (NPCI) sponsored Bharath Interface for Money App (BHIM app) are also available facilitating Digital Payments .

As stated already, Demonetization in India in its wake brought about increased use of various digital payment tools facilitating easy financial transactions. The increase in digital payment is largely due to the Indian Government's 'Digital India policy' that aims at a digitally empowered Indian economy which operates through a paperless and cashless' payment system . Consequently, several digital payment platforms are operating in India now. Their successful performance makes it imperative to find out how far the concept of Digital payment tools permeated in to the Indian society at the micro level. Hence, an attempt has been made in this paper to analysis the awareness of people pertaining to digital payment tools in Kottayam Dist., Kerala state.

### **Explanation of Key Words**

1. Digital Payment: Payments made through the digital or electronic mode.,egs:-Debit Cards, Credit Cards ,Internet Banking, Mobile Wallets , Unified Payments Interface (UPI), Unstructured Supplementary Service Data (USSD) and Mobile Banking .

2. **Cashless Economy:** A system that effects payments without paper cash transactions.
3. **Mobile Wallets:** A mobile wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account or debit/credit card information or bank account information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services. Some of the mobile wallet apps in the market are Pay tm, Mobikwik, Free charge, etc.
4. **Bank Prepaid Cards:** A prepaid card is a type of payment instrument on to which you load money to make purchases. The type of card may not be linked to the bank account of the customer. However, a debit card issued by the bank is linked with the bank account of the customer
5. **Internet Banking:** Internet banking refers to the process of carrying out banking transactions online. These may include many services such as transferring funds, opening a new fixed or recurring deposit, closing an account, etc. Internet banking is also referred to as e-banking or virtual banking. Internet banking is usually used to make online fund transfers via NEFT, RTGS or IMPS. Banks offer customers all types of banking services through their website and a customer can log into his/her account by using a username and password. Unlike visiting a physical bank, there are no time restrictions for internet banking services.
6. **Mobile Banking:** Mobile banking is referred to the process of carrying out

financial transactions/banking transactions through a Smartphone. The scope of mobile banking is only expanding with the introduction of many mobile wallets, digital payment apps and other services like the UPI. Many banks have their own apps and customers can download the same to carry out banking transactions at the click of a button.

7. Digital Payment Apps: egs:- Aadhar Enabled Payment System (AEPS),UPI,USSD, Bharath Interface for Money(BHIM), Google Pay and Paytm.

### **Statement of the Problem**

Mobile users nowadays use their smart phones to make money transactions or payments using applications and tools installed in the phones. This has led to tremendous increase in ‘Cashless’ or Digital Payments. The Government aims at transforming Indian Economy in to a ‘Digitally Empowered’ one. The existence of a number of Digital Payment tools promoting Digital Cash transactions backed by the Government’s policy support makes it imperative to ascertain how far the Digital Payment concept permeated into the micro level of the society. Hence, the study focuses on “**Awareness of People Pertaining to Digital Payment Tools in Kottayam district**” Kerala State.

### **Objectives of the Study**

- To analyze the awareness level of customers about digital payment systems.
- To evaluate the priority of the customers about various digital payment systems.

## **Scope of the Study**

The study is conducted among a cross section of the people of Kottayam district. Efforts have been made to ensure that the sample selected represent different categories of people in all respects. So sample consists in respondents from different walks of life and area. The out come of the study through replication else where may be used to promote or modify the ‘Digital Drive’ carried out by the Indian Government.

## **Research Methodology**

### **Collection of Data**

#### **❖ Primary data**

Primary data is collected from students, farmers, businessman etc... belonging to Kottayam Dist. Kerala State by administering a questionnaire specifically designed for the study.

#### **❖ Secondary Data**

Secondary data were collected from various published and unpublished sources, magazines, journals and internet .

### **Sample design**

The required data for the study has been collected from a sample of 100 customers belonging to Kottayam Dist. A structured questionnaire specifically designed for the study was used for collection of data.

### Tools used for the study

The data collected were analyzed by using appropriate statistical and mathematical techniques. Test of ANOVA, Percentage, pie diagram, bar charts, graph etc were used to present the data in simple manner.

The study uses the hypothesis:

There is no significant difference in awareness of customers relating to different Digital Payment tools.

- a. There is no significant difference between occupation and awareness of respondents in Digital Payment tools.
- b. There is no signify difference between age and alertness of customers pertaing to Digital Payment tools

### Analysis and Presentation of Data

#### Awareness Level of Digital Payment Tools

The awareness level of Digital Payment tools is found to be different among customers.

The following table shows distribution of respondents on the awareness about digital payment tools :-

**Table 1**

#### AWARENESS LEVEL OF DIGITAL PAYMENT SYSTEM

Awareness	No. of Respondents	Percentage
Highly aware	13	13
Aware	47	47

Unaware	40	40
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

Out of the 100 respondents 13% were highly aware, 47% were aware and 40% were unaware of digital payment tools. It can be concluded that majority of the respondents are aware of digital payment tools.

### **Awareness about Various Digital Payment Tools**

The following table shows the awareness of respondents about various digital payment tools like Banking cards, Unstructured supplementary service data (USSD), Aadhaar Enabled Payment system (AEPS), Unified payment interface (UPI), mobile wallets, bank pre-paid cards, Point of sale (PoS), Internet banking, Mobile banking, Digital payment apps, and Bharath interface for money app (BHIM).

**Table 2**

### **Percentage of Awareness about Various Digital Payment Tools**

<b>Digital payment Tools</b>	<b>Excellent</b>	<b>Very good</b>	<b>Good</b>	<b>Poor</b>	<b>Total</b>
Banking cards	43	40	10	7	60
Unstructured supplementary services	-	-	56	44	60
Aadhar enabled payment system	-	-	-	100	60
Unified payment interface	37	22	32	9	60
Mobile wallets	25	32	36	7	60
Bank prepaid cards	17	15	26	42	60

Point of Sale	-	-	-	100	60
Internet banking	34	48	15	3	60
Mobile banking	43	36	21	-	60
Digital payment apps	56	40	4	-	60
Bharath interface for money app	-	-	-	100	60

Source: Primary Data

- As only 60% of the respondents (Table 1) have been aware of Digital Payment tools , their extent of awareness is given in percentage pertaining to different Digital Payment tools .

The following are the conclusions drawn from above analysis

- 43% of the respondent's are well aware of Banking Cards followed by 40% who are reasonably aware of the Cards and 10% is aware of them. However, 7% of the respondents have poor awareness of the Bank Cards.
- 56% of the respondents are aware of unstructured supplementary service data, whereas 44% have poor awareness.
- The respondent's awareness on aadhaar enabled payment system is very poor: (100% of the respondents have poor awareness ).
- 37% of the respondents are well aware of Unified Payment Interface, 22% of the respondent's awareness is very good, 32% of respondent's awareness is good and 9% of respondents has poor awareness.
- 25% of respondents has excellent awareness of Mobile wallets, 32% of respondents has very good awareness, 36 % good awareness and 7% has poor awareness .



- 17% of the respondents have excellent awareness on Bank prepaid cards 15% of them has very good awareness, 26% has good awareness and 42% has poor awareness.
- 100% of respondents have poor awareness of point of sale
- In the case of Internet banking, 34% is well aware, 48% has very good awareness, 15% good awareness and 3% has poor awareness.
- For mobile banking 43% of respondents has excellent awareness 36% very good awareness and 21% has good awareness.
- On Digital payment apps 56% of the respondents has excellent awareness, 40% has very good awareness and 4% has good awareness.
- The respondent's awareness of Bharath interface for money app is very poor( 100%)

### **Conclusion**

The study indicates that a considerable segment of the population (40% of the sample) is not aware of the existence of various Digital Payment tools . This makes it imperative to carry out Digital Payment awareness campaigns in the society at the grass roots level. Besides, even among the people who are aware of Digital Payment tools the BHIM app, Aadhar Enabled Payment System and Point of Sale have not reached their ' awareness'. Moreover, a very negligible segment is aware of Unstructured Supplementary Services and Bank Prepaid Cards . Hence, if these tools are to be successful, must be introduced to the population through wide publicity and promotion campaign.

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