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## **An Over view of Digital Financial Inclusion in rural area**

*Dr. K.Amutha, Associate Professor, P.S.G. College of Arts and Science, Coimbatore, Tamilnadu, India*

*Mrs. C.Ramya, Research Scholar, Department of Commerce, VIB Janakiammal College of Arts and Science, Coimbatore, Tamilnadu, India.*

## **User-centric driving forces for Digital- Based Financial Transaction**

*C. S. Shrija, Research Scholar of Commerce, Kongunadu Arts and Science College (Autonomous), Coimbatore, Tamilnadu, India.*

*Dr. B. Divya Priya, Associate Professor of Commerce, Kongunadu Arts and Science College, Coimbatore, Tamilnadu, India.*

## **Digital Banking Tech and Financial Inclusion: A Study on Workers of Unorganised Sector**

*Dr. K Uma Maheshwari., Associate Professor, Centre for PG Studies, Sindhi College, Bengaluru, Karnataka, India*

## **Analysis of Health, Safety and Welfare measures and their impact on Organisational Commitment towards Construction Companies in Chennai**

*C. Ram Kumar, Research Scholar, Periyar University, Salem, Tamilnadu, India*

*Dr.K.Selvavinayagam, Principal, Government Arts and Science College, Dharmapuri, Tamilnadu, India*

## **Investment Behaviour of individual Investors in Capital Market**

*Ms. K.Geethanjali, Assistant Professor, Department of Commerce, Suguna College of Arts and Science, Coimbatore, Tamilnadu, India.*

## **A study on the Customer Perception and Satisfaction towards online shopping in India**

*Prof. Mubina Shaikh, Assistant Professor, J. K. College of Science and Commerce, Mumbai*

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# USER-CENTRIC DRIVING FORCE FOR DIGITAL-BASED FINANCIAL TRANSACTION

*C. S. Shrija, Research Scholar of Commerce, Kongunadu Arts and Science College (Autonomous), Coimbatore, Tamilnadu. India*

*Dr. B. Divya Priya, Associate Professor of Commerce, Kongunadu Arts and Science College (Autonomous), Coimbatore, Tamilnadu. India*

## INTRODUCTION:

Digital financial services (DFS) have rapidly expanded in recent years, largely driven by Fintech and further accelerated by the COVID-19 pandemic. There are growing concerns that traditional financial literacy is insufficient to empower individuals to effectively access and use DFS. Digital financial literacy (DFL) is emerging as a key enabler that involves a set of knowledge, awareness, and abilities, which includes some aspects of financial literacy (FL) and digital literacy (DL), but also specific features and risks that are particular to DFS. It is a multi-dimensional concept which integrates financial literacy, financial capability and digital literacy. Financial Literacy refers to awareness and knowledge of financial concepts and products needed for managing personal finances. Financial capability refers to an individual competency in financial knowledge, skills and behaviors needed to undertake informed, confident and relevant decisions and actions about personal and household finance to improve one's financial well-being. In this context, the term Financial Education refers to the process of providing people with knowledge, skills and exposure through access to relevant objective informative and training to enable there to make informed financial decisions and take actions appropriate to their circumstances. DL refers to the ability to read and investigate the digital context, and the competence and knowledge to access and use digital products and services such as mobiles, tablets or internets. AFI network define digital financial literacy as: "Acquiring the knowledge, skills, confidence and competencies to safely use digitally delivered financial products and services , to make informed financial decisions and act in one's best financial interest per individuals economic and social circumstances". Digital Financial Literacy includes four dimensions: This study aims to understand the method of banking adopted for various kinds of transaction and driving factors for using financial transaction digitally.

**Objectives:**

The study aims to achieve the following objectives:

- To analyze the adopted method of banking of the rural women;
- To trace out user-centric forces that drives for using digital financial transactions;
- To understand the rural women preferences and satisfaction towards the use of digital banking products

**Method of Data Collection:**

Both primary and secondary sources of data were used in the study. Primary data were collected from the rural women using structured interview schedule. Secondary Data were collected form Government report, e-journals and e-newspapers

**Sample Technique and Size:**

Sample size consisted of 150 women who were the resident of rural region of Coimbatore District having a monthly income in the range between Rs. 7,500 and Rs. 15,000. Multi-stage sampling method was adopted to reach the targeted respondents. Sample size consisted of 150 women who were the resident of rural region of Coimbatore District having a monthly income in the range between Rs. 7,500 and Rs. 15,000. Due to time constraints and hard-to-reach segmented population, the sample size was limited to 150.

**RESULTS AND DISCUSSIONS****1. Socio-demographic Profile of the Respondents:**

Only women in the age group between 25 to 40 years from rural region of Coimbatore district with formal education up to the class X and earning monthly income in the range between Rs. 7,500 to 15,000 were chosen. Their sources of income were raised through house-keeping, daily wagers (flower-plucking, weavers, washing) and other assistant services in demand.

**2. Method of Banking adopted by Rural Women:**

The following table shows the various methods adopted by rural women for their financial transaction.

**Table 1 – Adopted method of banking by rural women**

| S. No | Transactions            | Visiting branch |       | Telephone banking |       | Online banking |       | ATM Centre |       | Mobile banking |       | Total |
|-------|-------------------------|-----------------|-------|-------------------|-------|----------------|-------|------------|-------|----------------|-------|-------|
|       |                         | N               | %     | N                 | %     | N              | %     | N          | %     | N              | %     |       |
| 1.    | Pay bills               | 56              | 37.33 | 42                | 28.00 | 30             | 20.00 | NA         |       | 22             | 14.67 | 150   |
| 2.    | Balance enquiry         | 36              | 24.00 | 20                | 13.33 | 56             | 37.33 | 16         | 10.67 | 22             | 14.67 | 150   |
| 3.    | Bank statement          | 68              | 48.33 | 2                 | 1.33  | 24             | 16.00 | 12         | 8.00  | 44             | 29.30 | 150   |
| 4.    | Money transfer          | 60              | 40.00 | 24                | 16.00 | 46             | 30.67 | 6          | 4.00  | 14             | 9.33  | 150   |
| 5.    | Investments             | 58              | 38.67 | NA                |       | 22             | 14.67 | 12         | 8.00  | 58             | 38.66 | 150   |
| 6.    | Savings                 | 58              | 38.67 | 4                 | 2.66  | 42             | 28.00 | 3          | 2.00  | 43             | 28.67 | 150   |
| 7.    | Contacting bank advisor | 86              | 57.33 | 5                 | 3.33  | 36             | 24.00 | 4          | 2.67  | 19             | 12.67 | 150   |
| 8.    | Loan                    | 38              | 25.33 | 45                | 30.00 | 22             | 14.67 | NA         |       | 45             | 30.00 | 150   |

**Source: Primary Data**

From the above table, it was found that,

- 1. Pay bills:** 56 (37.30%) respondents are visiting branch to pay their bill. 42 (28.00%) respondents are paying their bill over telephone banking. 30 (20.00%) respondents are paying their bills through online banking. 22 (14.67%) respondents are using mobile banking to pay their bills. Majority (37.33 %) of the respondents are visiting branches to pay their bill.
- 2. Balance enquiry:** Out of 150 sample respondents, 36 (24.00%) respondents are visiting branches to know their bank balance. 20 (13.33%) respondents are using telephone banking to know their bank balance. 56 (37.30 %) respondents are using online banking service to know their bank balance. 16 (10.67%) respondents are using ATM to know their bank balance, and remaining 22 (14.67 %) respondents are using mobile banking to know their bank balance. Majority (37.33 %) of the respondents are online banking to know their bank balance.
- 3. Bank statement:** Out of 150 sample respondents, 68 (48.33%) respondents are visiting branches to collect their bank statement. 2 (1.33%) respondents are using telephone

banking to get their bank statement. 24 (16.00 %) respondents are using online banking service to download their bank statement. 12 (8.00%) respondents are using ATM to get their bank transaction statement, and remaining 44 (29.30 %) respondents are using mobile banking to get their bank transaction statement. Majority (48.33 %) of the respondents are visiting their branch to get their bank statement.

4. **Money Transfer:** Out of 150 sample respondents, 60 (40.00%) respondents are visiting branches for money transfer. 24 (16.00%) respondents are using telephone banking for money transfer. 46 (30.67 %) respondents are using online banking service for money transfer. 6 (4.00%) respondents are using ATM for money transfer, and remaining 14(9.33%) respondents are using mobile banking for money transfer. Majority (40.00 %) of the respondents are visiting branches for money transfer
5. **Investments:** Out of 150 sample respondents, 58 (38.67%) respondents are visiting branches to make investments. 22 (14.67%) respondents are make their investments through online banking. 12 (8.00%) respondents make their investments through ATM centers, and remaining 58 (38.66%) respondents are make their investments through mobile banking. Majority (38.67%) of the respondents are visiting branches and through mobile banking for investment.
6. **Savings :** Out of 150 sample respondents, 58 (38.67%) respondents are visiting branches for savings. 4 (2.66%) respondents are using telephone banking for savings. 42 (28.00%) respondents are using online banking for savings. 3 (2.00%) respondents are using ATM centers for savings, and remaining 43 (28.67%) respondents are using mobile banking service for savings. Majority (38.67%) of the respondents are visiting branches for savings.
7. **Contacting bank advisor:** Out of 150 sample respondents, 86 (57.33%) respondents are visiting branches to contacting bank advisor. 5 (3.33%) respondents are using telephone banking to contacting bank advisor. 36 (24.00%) respondents are using online banking to contacting bank advisor. 4 (2.67%) respondents are using ATM centers to contacting bank advisor, and remaining 19 (12.67%) respondents are using mobile banking service to contacting bank advisor. Majority (57.33%) of the respondents are visiting branches to contacting bank advisor.

8. **Loan :** Out of 150 sample respondents, 38 (25.33%) respondents are visiting branches to avail loan. 45 (30.00%) respondents are using telephone banking to avail loan. 22 (14.67%) respondents are using online banking to avail loan, and remaining 45 (30.00%) respondents are using mobile banking service to avail loan. Majority (30.00%) of the respondents are using telephone banking and mobile banking to avail load.

**Table 2 – User-centric forces that drives for using Digital Financial Transactions**

| S. No. | Factors driving Rural women for using Digital Financial Transactions | Weighted Average Score | Rank |
|--------|--|------------------------|------|
| 1.     | Ease of access   | 5.41                   | 3    |
| 2.     | Transaction speed and process  | 5.34                   | 4    |
| 3.     | No time to visit banks / Queues and counters                         | 5.88                   | 2    |
| 4.     | Security alerts (One-time password)                                  | 3.33                   | 6    |
| 5.     | Time saving  | 4.92                   | 5    |
| 6.     | 24 x 7 Accessibility   | 5.96                   | 1    |

*Source: Primary Data*

From the above table, it can be inferred that rural women were driven towards the use of digital financial transactions because of: ‘24 x 7 Accessibility’ secured the first rank with mean score 5.96. Second driving factor is ‘No time to visit banks / Queues and counters’ with mean score 5.88. Third rank was secured by the force ‘Ease of access’ with mean score 5.41. Subsequent ranks were secured by the force ‘Transaction speed and process’ and ‘Time saving’ with mean score 5.34 and 4.92. Least score was secured by ‘Security alerts’ with mean score 3.33.

**Table 3 – Preferences and Satisfaction of using Digital Financial Transaction**

| Preferences and Satisfaction of using Digital Financial Transaction | Yes |     | No |     | Total |
|---|-----|-----|----|-----|-------|
|   | N   | %   | N  | %   |       |
| I prefer to use financial transaction digitally in future days      | 132 | 88% | 18 | 12% | 150   |



|  |     |       |    |       |     |
|--|-----|-------|----|-------|-----|
| I am satisfied with the digital financial transaction and will continue to use in the future | 128 | 85.3% | 22 | 14.7% | 150 |
|--|-----|-------|----|-------|-----|

**Source: Primary Data**

The above table depicted rural women preferences and satisfaction towards the use of digital based financial transaction. It can be found that 88% of the rural women preferred to use financial transaction digitally in future. 85.3% of the rural women were satisfied with the digital financial transaction and will continue to use in the future.

**Conclusion:**

The present study will help the banker to identify the driving forces that has rural women to use digital based financial transaction and their perception to use in the future. Also, the study has identified the certain areas that have led the rural women for dissatisfaction and not to prefer over digital financial transaction. Thus, the study offers suggestions based on the findings: (i) Most of the rural women were dissatisfied about the security features. An awareness campaign can be run-over to announce people that they are in to safe banking; (ii) Enhancing the security features draws the attention; and In case of failure of the transaction, double the time amount was debited from their account and credited back after a day (particularly in making payment to electricity bills) and also, transaction of the payment success was not made immediately. The banker has to arrange for immediate retain back the amount debited for double time and ensure the payment was made to Electricity Department was success through SMS. This will increase the usage of digital based financial products also.

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Vivekananda Institute of Management Studies,  
Karuvalur Road,  
Kovilpalayam, Coimbatore- 641 107  
Email: [vim@vimsobe.ac.in](mailto:vim@vimsobe.ac.in)  
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