

A STUDY ON RURAL AREA PUBLIC PERCEPTION ON DIGITAL PAYMENT WITH  
REFERENCE TO THE NIZAMABAD DISTRICT

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ABSTRACT

The country's economic development is greatly impacted by rural India, and with the impact of demonetisation, the growing shifts in ICT penetration, and the digital initiatives implemented for rural populations, it is imperative that the trends of digital payments models in rural India be improved. It is crucial that the shift to digital payments, even in the rural economy, be supported given the advantages such as transaction transparency, the potential to reduce the parallel economy, and the improvement of company convenience. Significant changes are occurring, including the introduction of numerous digital wallets such as Phonepe, Google pay, Paytm, Mobiwik, Free Charge, and others, as well as the government's introduction of numerous UPI (unified payment interface) solutions and the BHIM app to facilitate the seamless transition to digital payments.

Taking into account the advantages such as transparency, market research data shows a significant increase in digital transactions following the demonetization period. Some of the fundamental problems that affect digital transactions include restricted possibilities for digital transactions based on feature phones, knowledge concerns about digital transactions, limitations of PoS transactions, technical issues and fear of frauds etc. Even while social trends in rural areas are favouring the adoption of digital payments, there are still significant obstacles in the way of achieving this paradigm shift. This research study focused on influence of occupations of rural people on the digital payment, this study conducted in the selected area of Nizamabad district of Telangana state, from 200 respondents.

Key words: Digital payment, Rural area, Mobile wallets, e-banking, Digitalization, Demonetization.

INTRODUCTION:

The Indian economy is among the fastest-growing in the world. The Indian economy has been concentrating on development in spite of the global economic upheavals. Significant changes in the Indian financial system have occurred recently, resulting in enormous shifts, patterns, and adjustments to the dynamics of enterprises. Even though the Indian government has been concentrating on measures related to digital transactions for the past few years, the real impact of digital payments has occurred in India in a major way during the demonetization era.

Rural and urban economic trends are inherent to the Indian economy. The majority of India's economy is reliant on the rural sector, and digital initiatives won't be deemed effective until digital payment methods are a fundamental component of rural economic growth. Digital payments have been increasingly popular in the nation in recent years, both in rural and urban areas. India's economy has always relied heavily on cash, and the country's long-standing customs of making purchases with cash have permeated its

economic culture. It is essential that the market prepare for more transparent and compliance-based systems and digital trends in light of government initiatives to transform the economy into a digital one and the emergence of numerous private companies in the digital transaction solutions space, such as E-Wallets, Mobile App Solutions (UPIs), and payment bank licenses issued by the RBI. For the successful implementation of digital transactions and digital banking systems, certain key processes that are very important are net/mobile banking, more of ecommerce presence in rural segments, digital transaction solutions like the PoS solutions usage in merchandise, usage of plastic currency, etc.

However, the most important thing to evaluate is how well the system adapts to the country's rural segments, taking into account the opportunities and problems presented by the current circumstances and occupations of rural area people influence lot to the use of digital payment system. Hence in this research study, the emphasis is on acquiring insights into the influence of occupation of village people, problems and opportunities that are anticipated in the digital payments system penetration in to rural areas of Nizamabad district.

## REVIEW OF LITERATURE

Das and Das (2021) discuss rural India's digital payment issues: It revealed that the younger, well-educated and high-income customers' segments adopted use of digital payment methods. Das and Mohanty (2021) identify cost, trust, convenience and awareness as the four factors that influence the digital payment systems in rural India. Tatineni and Balaji (2020) in their article on digital payments emphasized that rural customers are slower in embracing newer technology compared to urban customers. Kumar & Kumar (2020) observed that the rural consumers found the device attractive but was hesitant to use and had security concerns. Das and Das (2020) found that technology-based payment systems can greatly improve financial accessibility in rural India, on the other hand, they did point out that there are a lot of obstacles, like people not knowing how to use or understand smartphones or the internet.

## OBJECTIVES OF THE STUDY

1. To know rural public perception towards digital payment.
2. To identify impact of occupation on use of mobile phones.
3. To understand the awareness of rural public on digital payment.
4. To identify major problems of rural public regarding use of digital payment.
5. To know rural public perception regarding benefits of digital payment.
5. To know rural people intention about use of digital payment in the future.

## METHODOLOGY

Both the primary and secondary data were employed in this study. Structured questionnaire was used to collect the primary data from 200 rural respondents of different occupation from the selected area of Nizamabad district and secondary data was collected from different online sources like website, journals. This study employs judgement sampling method to select the respondents from the population. Likert five points scale used for data analysis.

## STATEMENT OF THE PROBLEM

Information technology plays vital role in the banking sector, in which digital payment system expanding fastly. The majority of the transactions in this sector take place online. It leads to benefit bank's staff and its customers. Today digital payment system not only impacting to the urban people but also to the rural people. Therefore the primary goal of this study is to determine how digital payments are effecting to the rural people. The current study is being carried out in the selected villages of Nizamabad district, Telangana state.


#### HYPOTHESIS

H01: There is no significance difference between occupation of male and female respondents regarding use of mobile phones.

H02: There is no significance difference between male and female respondents regarding awareness on use of digital payment with respect to their occupation.

#### DATA ANALYSIS AND INTERPRETATION


Table 1: Occupation profile of the respondents



Total	114	57.00	86	43.00	200	
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Above table shows that most of the respondents are male (57.00) out of this 29.82% are farmers, 17.54% are labours, 15.79% are businessmen, 14.03 are students, 12.28% are employees 10.53 are the beedi workers. Total female respondents are 43.00 % in which mostly 37.21% are beedi workers, 18.60% are farmers, 16.28% are labours, 11.63% are students, 9.30% are employees and 8.98% are carrying business. It is also reveals that out of 200 respondent total 50 (25%) respondents are farmers and least 22(11%) are employees.

Table 2: Do you have own mobile phone



Total	98	85.96	58	67.44	156	78
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Above table reveals that out of 200 respondents 156 (78%) respondents are using mobile phones out of 114 male respondents 98 respondents (85.96%) are using mobile phones and out of 86 female respondents 58 (67.44%) respondents are using mobile phones. Out of 98 male respondent 100% employees and businessmen are using mobile phones, 87.5% male students are using, 83.33% male beedi workers are using, 82.35% male farmers are using

Out of 67.44% Female respondents employees and business women are using mobile phones 100%, 70% female students are using, 65.63% female beedi workers are using, 62.5% female farmers are using and 42.86% female labors are also using mobile phones. It is also reveals that male and female both businessmen and women and employees also using 100%.

Students	5	4	6		3 2	1	2	2	1		3.75	3.9
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Students	7	5	6	3	2	1	1	1			4.19	4.2
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technical problems of use of digital

payment. The mean of businessmen is 4.22 and women is 4.17, mean of male employees is 4.07 and female is 4.13, average of male students is 4.19 and female students is 4.2 it is also reveals that businessmen, employees and students also have agreed regarding technical problem of digital payment, it is may be signal problem and server problems in the rural areas.

Table 5: Fear of fraud regarding the use of digital payment

Occupation	Strongly <u>agree</u>	Agree	Neutral	Disagree	Strongly <u>disagree</u>	Mean
Students	4	5	3	3	1	3.5

Above table reveals that the mean of male farmers regarding the fear of fraud to use digital payment is 4.55 and female farmer is 4.56 which is slightly high than the male, mean of male businessmen is 3.94 whereas female is 4.17 it is also slightly higher than the male, mean of male beedi workers is 4.58 and female is 4.69 which is also higher than the male, average of male labor is 4.55 whereas female is 4.71 it is also higher than the male and mean of male employees is 3.43 and female employees is 4.00 it is also slightly higher than the male and average of male students is regarding fear of fraud is 3.5 and female student is 3.9 it is also slightly higher than the male hence this table states that farmers, beedi worker and labours are strongly agree that they are fear of fraud regarding the use of digital payment in this responses of female respondents are slightly higher than the responses of male respondents.

Table 6: Do you agree that digital payment is most convenient and useful to you which save time and money.

Occupation	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean						
Students	10	7	5	2	1	1					4.56	4.6

Above table states that mean value of male farmers is 4.47 and female farmer is 4.06 which is slightly lower than the male, mean value of businessmen is 4.61 and businesswomen is 4.67 it is slightly higher than the businessmen, mean value of male beedi workers is 4.33 and female workers is 4.16 it is slightly lower than the male beedi

workers, mean value of male labour is 4.00 whereas female is 3.64, mean value of male employees is 4.71 and female employees is 4.63 it is also slightly lower than the male employees, mean value of students is 4.56 and female students value is 4.6 it is slightly higher than the male students. Above table disclose that mean value of employees, students and businessmen more than the 4.5 hence they are strongly agree that digital payment is convenient, useful and it is save time and money.

Table 7: Do you wish to use digital payment in the future

Total	114	100	86	100	200	100

Above table disclose that total 114 male respondents of all occupations and 86 female respondents of all occupations are wish to use digital payment in the future.

## RESULT ANALYSIS

H01: There is no significance difference between occupation of male and female respondents regarding the use of mobile phones.

Analysis:

Calculated Chi-Square Value is 16.41 and Tabulation value at 5% significance level is 11.070 (degree of freedom is 5) it is observed that calculated value (16.41) is higher than the tabulated value (11.070), hence Null hypothesis is rejected and identified that there is a significance difference between the occupation of male and female respondents regarding the use of mobile phones.

H02: There is no significance difference between the occupation of male and female respondents regarding the awareness on use of digital payment.

Analysis:

Calculated Chi-Square value is 95.34 and Tabulated value at 5% significance level is 11.070, degree of freedom is 5, hence it is observed that calculated Chi-Square value (95.34) is quite higher than the tabulated value (11.070), hence Null hypothesis is rejected and it is identified that there is a significance difference found between the male and female respondents regarding the awareness on use of digital payment with respect to their occupation.

## CONCLUSION

This study reveals that digital payment is not only playing vital role in urban areas but rural public also showing enthusiasm towards digital payment. In this study identified that occupation of rural public impacting on use of mobile phone and also digital payment. Employees, businessmen and students are more aware regarding use of digital payment than the farmers, beedi workers and labours. It is also observed that technical issue is the major problem in the rural areas it includes signal problem due to poor network. In this study labours, beedi workers are strongly agreed regarding fear of fraud, it is due to

lack of knowledge and rural respondents accepted the benefits of digital payment like convenient, and save time and money. It is also found that there is significance difference between the male and female respondents regarding the use of mobile phones and awareness on use of digital payment with respect to their occupation. At the end all the rural respondents are wish to use digital payment system in the future also, it is indicating that rural public perception towards the use of digital payment system is good and positive.

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