

An Analysis of Digital Financial Awareness and Satisfaction of People Using Digital Banking Products

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ABSTRACT

The digitalization of the financial sector has changed the ways in which services were offered to people in India. The constant escalation in the use of smartphones and growing internet coverage has made the digital accessibility of the different financial services, including banking services, easy and has paved the way to achieve the objective of inclusive growth. The present work aimed to study digital financial awareness (DFA) and its usage among people of different age groups residing in urban and rural places of Puri district in the state of Odisha, India. The data used was both reliable (Cronbach's alpha greater than 0.8) and normally distributed (p-value greater than 0.05). The analysis made by using an independent sample t-test, one-way ANOVA, and Duncan's multiple range test (DMRT) highlighted that a significant difference was observed between people of different areas (p value = .000, at 1% level of significance) and among people of different age groups (p-value = 0.002, at 1% level of significance) with respect to satisfaction in using the digital methods.

KEYWORDS

Digital Financial Awareness (DFA), Digital Methods, Duncan's Multiple Range Test (DMRT)

INTRODUCTION

The development of a nation depends on the growth and prosperity of its people and financial inclusion is paving that way in India (Patwardhan, 2018). According to (Raj & Upadhyay, 2020), the digitalization of the financial sector has brought significant transformation in India. The government under its flagship program of "Digital India" is transforming it into a digitally empowered society and knowledge economy in front of the world. This highlights the importance of creating digital financial awareness among people so that they can effectively use financial services digitally (Bathula & Gupta, 2021). In the scenario of the COVID pandemic, the importance of virtual operations is highly felt. Starting from the purchase of groceries to banking services, people have started using the virtual platform (Fu & Mishra, 2021). For carrying out various transactions, people showed their dependence on various digital methods of payment like bank cards, payment banks, and e-wallets to name a few (Mosteanu et al., 2020). However, this scenario is not the same everywhere. People in the urban areas have easy access to the internet and other technology which on the other hand is a major constraint for the rural population.

Innovation and growth are two inseparable aspects of development. Digital innovation in the current years in every sphere of the economy like banking, insurance, production, etc, has paved the way for the development of our economy.

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The Indian government has started many initiatives to increase the ambit of financial inclusion. Financial inclusion is the provision of financial services to people at an affordable cost. It aims at encouraging the people of the unprivileged section of society to use various financial services at a cost that they can thrive (Joshi, 2017). (Bathula & Gupta, 2021) in their research work highlighted that to reach the goal of inclusive growth, the government of India has started encouraging people to use digital platforms while using different financial services.

The constant escalation in the use of smartphones and growing internet coverage has made the digital accessibility of the different financial services, including banking services, easy (Raj & Upadhyay, 2020).

With the digital availability of various banking products and services, it becomes essential to encourage people for using them. The ongoing pandemic in India has led to a tremendous increase in virtual or digital banking. This has ultimately raised the expectations of consumers who want instant and personalized services specifically during the period of growing pandemic (Siby, 2021). In this context, it becomes important to find if people are aware of the various digital platform for using banking services. It is equally important to realize whether they can access those services digitally or not. Knowing the satisfaction of people using these digital services is worth studying as it will give us a lucid picture of different factors causing satisfaction along with factors causing dissatisfaction while using those services (Erevelles et al., 2003). When people are using various financial services digitally, it becomes essential to know about different problems encountered while the digital usage. Discovering their level of satisfaction in using different digital payment methods is equally significant (Tiwari and Singh, 2019). To achieve the objective of inclusive growth digitally, people must have both affordable access to financial services and the ability to use these services digitally.

REVIEW OF LITERATURE

The objective of achieving sustainable development worldwide can be achieved by emphasizing the growth of financial inclusion. For this, countries across the globe are developing suitable strategies to facilitate the underserved population to use or avail formal financial services (Ma'ruf & Aryani, 2019; Kara et al., 2021). The evolution of financial inclusion is continuous as reflected by the Global Findex Data, 2017 (World Bank Group 2017; Oluwafemi et al., 2021). The digital payment system, policies of the government, and the imminent financial services that can be accessed through mobile phones and the internet has led to the growth of digital financial inclusion. There is a transformation in the payment landscape due to the emergence of digital technology. It is observed that globally the number of adults who are using the digital platform has increased from 42% in 2014 to 52% in 2017, (Demirgüç et al., 2018 & 2020). In emerging economies like China, the digital payment platform has facilitated 57% of account holders to access digital services by using mobiles and the internet (Demirgüç et al., 2018 & 2020). A study on "Digital Financial Inclusion" by (Peric, 2015) revealed that inclusion through digital platforms is essential to make the people at the lower level of the pyramid financially active. Banking and non-banking institutions are building their digital ways by using Artificial Intelligence (AI) to bring not only the underserved population but also people who were served by formal financial institutions to the purview of digital financial inclusion (Kshetri, 2021; Peric, 2015). According to (Kshetri, 2021), the fourth industrial revolution has introduced changes in the banking sector which was traditionally premised on paper and physical distribution of cash.

As per (Demirgüç et al, 2018), the use of digital payments is rising. The share of adults around the world who use the digital platform has risen by 11% point between 2014 and 2017. The Digital revolution is taking the world by storm. In the last 10 years, India has witnessed tremendous growth in payment systems and there is a significant shift in preference for making payments. According to (Joshi, 2017), the government of India has initiated several new modes of digital payment under the mechanism by establishing the National Payments Corporation of India (NPCI) which is an umbrella organization for retail payments in India. The growth of robust electronic payment systems such as RTGS (Real Time Gross Settlement), NEFT (National Electronic Fund Transfer), and ECS (Electronic

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