


Chapter 2

Digital Literacy as a Catalyst for Mobile Payment Marketing Effectiveness: Insights From Haryana, India

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ABSTRACT

This chapter analyzes the importance of digital literacy in enhancing the effectiveness of mobile payment marketing strategies in rural India, specifically for Haryana. Large segments of rural communities remain excluded from the digital economy despite expansion of digital financial services and government-backed initiatives such as Digital India. The most significant reasons for this exclusion are a deficiency in digital literacy, infrastructural shortcomings, and a default distrust of digital systems. This research examines the means through which perceived usefulness, trust, and ease of use serve as mediators between digital literacy and mobile payment acceptance, based on theoretical models such as the Technology Acceptance Model (TAM). Demographic factors such as age, sex, income, and education also play a

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role in these dynamics, also analyzed in this chapter. For emerging economies, this chapter contributes to the larger discourse on rural development, digital inclusion, and financial empowerment through technology.

INTRODUCTION

Mobile payment systems have become an important component of contemporary financial ecosystems, particularly in developing economies such as India where digital financial services are expanding rapidly. These systems are increasingly positioned as tools for widening economic participation and reducing transaction-related barriers. In rural markets, however, the effectiveness of mobile payment initiatives depends not only on technological availability but also on how well marketing strategies align with users' digital capabilities. Among the various factors influencing this alignment, digital literacy plays a central role, as it determines whether individuals are able to understand, access, and confidently use mobile payment platforms.

India's push toward a digitally inclusive economy has been supported by several national initiatives, including Digital India, the Pradhan Mantri Jan Dhan Yojana, Aadhaar-based identification, and the Unified Payments Interface (UPI). While these efforts have significantly improved digital infrastructure and access, their impact has been uneven across regions. In many rural areas, the transition from cash-based transactions to digital payments has progressed slowly. Haryana, a northern Indian state that combines rapidly urbanizing cities with extensive rural regions, illustrates this contrast clearly. Urban centres such as Gurugram and Faridabad display high levels of digital payment usage, whereas large sections of rural Haryana continue to experience limited digital awareness and restricted engagement with mobile payment services.

Despite the increasing availability of smartphones and affordable internet services, rural consumers in Haryana often remain hesitant to adopt mobile payment systems. This hesitation stems from limited digital skills, low trust in technology, concerns about cybersecurity, and deeply rooted social and cultural practices. These factors significantly shape how rural audiences interpret and respond to marketing messages related to digital financial services. As a result, marketing campaigns that focus solely on promotion or incentives frequently fail to translate awareness into actual usage. Effective marketing in rural contexts therefore requires careful attention not only to infrastructural limitations but also to the cognitive, emotional, and psychological readiness of potential users.

Against this background, this chapter examines the role of digital literacy in enhancing the effectiveness of mobile payment marketing strategies in rural India, with particular emphasis on Haryana. It explores how individuals' willingness to use

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