A Study on Awareness of Financial Inclusion Products and Digital Payment Methods Among University Students

Mr. Ramzi Abdullah Ahmed Hassan *;Dr.NandkumarBaburaoBodhgire

*Research Student
Swami Ramanand Teerth Marathwada University
Nanded City, Maharashtra, INDIA
Email Id: captinrmzy@gmail.com
** Assistant Professor,
Department of Economics,
Swami Ramanand Teerth Marathwada University
Nanded City, Maharashtra, INDIA
Email Id: n99bodhgire@gmail.com

ABSTRACT:

The study aims to assess the awareness and understanding of financial inclusion products and digital payment methods among university students. The research employs an analytical descriptive method and primary data collected through a survey of 60 students at Swami Ramanand Teerth Marathwada University in Maharashtra, India. The findings show that while a majority of students are aware of financial inclusion products and digital payment methods, there is a lack of understanding and usage of these tools. The study concludes that further efforts are needed to promote the adoption of financial inclusion products and digital payment methods among university students.

KEYWORDS:*FINANCIAL INCLUSION, BITCOIN, DIGITAL PAYMENTS*

INTRODUCTION:

The main concept of financial inclusion is how to provide financial services to the low-income earning group. (Bhagwandas, 2018)Financial inclusion, also known as inclusive financing, ensures that low- and middle-income people have access to financial products and services at a reasonable cost through a fair and transparent mechanism operated by mainstream financial institutions (Rangarajan Committee, Government of India, 2008).Following nationalisation, the Indian banking sector expanded at an unprecedented rate. Over 102,343 branches were established after 1969, compared to 8700 beforenationalisation. The Indian government and the Reserve Bank of India are critical in establishing banks and financial infrastructure to provide financial access and assistance to the poor rural section of society. (Sharma, 2017) Many researchers have been drawn to the concepts of financial inclusion because it is one of the fertile contemporary developments with a green space for research and conducting applied studies. It is worthy of academic study because of the strength of its relationship with both political and economic decision-making. This significance grew following the Maya Declaration (2011) and the Group of Twenty. The Group of Twenty recognised the importance of financial inclusion policy through its members in 2010. The Organization for Economic Cooperation and Development has worked with them since 2013 on financial literacy and consumer protection.

Financial inclusion stimulates economic growth, particularly through the contribution of digital technology. This is the basis for financial inclusion. Financial inclusion is a game changer for reducing poverty, increasing income, and improving customers' access to various financial services. The primary goal of this study is to determine how much students trust various digital products within financial technologies to use them and gain access to them. To achieve the goal of inclusive growth, securing access to financial services is inextricably linked to financial inclusion. It is based on the premise that a personal independence culture encourages interactions between society, from the family to financial intermediaries, and then access to financial markets. Individuals must obtain financing and pay bills to obtain a final result on the index of society as a whole. Considering individuals' educational levels, generational differences, and other time-related criteria.According to Bhagwandas, Financial Inclusion refers to universal access to a wide range of financial services at a reasonable cost, with all financial services such as insurance and equity products. (Bhagwandas, 2018)Much literature has dealt with reading financial inclusion from various perspectives. The study by Yan Shen and James Huang focused on the digital financial inclusion model, which reflects not only the extent to which individuals use available infrastructure but also the strength of the financial system. Yan Shen and James Huang's study adopted the construction of a digital system for assessing financial inclusion for country comparisons. The Digital Financial Inclusion Index was created using data from the World Bank and the International Monetary Fund to assess the level of digital financial inclusion in 105 countries. The link between digital financial inclusion and economic growth has been investigated. He came to the conclusion that digital financial inclusion has a significant positive impact on economic growth. and has spillover effects on neighbouring countries. (Yan Shena, 2020) The perspective of Technology in Achieving Financial Inclusion in Rural India. was a research paper by Shashank Bansal. Bansal says," Efficiently mobilising their household savings and allocating them to the economy's growing credit requirements aids in the country's long-term development. People's access to financial products and services is critical to a country's welfare and growth. Inclusion of a section of the country into the mainstream financial system In terms of mobilisation and utilisation of funds to support the country's inclusive growth, there is still a significant gap between growth expectations and ground realities. There is also a significant disparity in access to financial services between people living in rural and urban areas. The outcomes of this study were: There is a need for effective tools to bridge the gap and bring every population segment, whether rural or urban, into mainstream financial activities. Modern information and communication technology (ICT) can be used to create a platform that allows us to provide financial services to people in remote areas. Technology intervention assists banks in lowering costs, increasing customer reachability, and managing business risk more effectively, which was his recommendation. (Bansal, 2014) A change in the digital banking services usage pattern by Indian rural MSMEs during demonetisation and COVID-19 pandemic-related restrictions was a research paper by Shafique Ahmed and Samiran Sur. The study dealt with the economic situation of microfinance institutions during the COVID-19 epidemic. Shafique and Surinemphasised the importance of leveraging artificial intelligence with the availability of low-cost internet and simple-to-use devices. Especially since the government has adopted electronic transformation in its policy. (Sur, 2021)

Financial inclusion is founded on four components, which serve as the foundation for financial inclusion policies. -As Ravindra Tripathi mentioned-

(1) Access: This aspect of financial inclusion highlights the availability of financial services and products from regulated institutions. This component aids in determining the availability of essential services such as bank branches and bank accounts, as well as the reach of financial services. Policymakers can assess the effectiveness of their policies using this component. Banking services, savings, and deposit patterns access are clearly defined by ability, affordability, and physical proximity.

(2) Quality determines the suitability of financial products for consumers. Products must be designed in a way that incorporates customer needs.

(3) Application: The term primarily refers to the application and frequency of financial products. Policymakers can use this component to analyse the barriers that prevent financial inclusion. This component also contributes to individuals' financial inclusion. As a result, developers must implement simple technical programs for people of various ages to attribute the element of accessibility to ease of use.

(4) Well-being: This component helps to highlight the financial well-being of society's marginalised people. This component summarises the integration of the seventh four. It is the final goal of economic policies to provide easy access to everyone to increase the economic system's efficiency and achieve financial well-being for all. (Yaday, 2019)

After integrating the four pillars, we find that electronic wallets or digital payments represent easy access and achieve tangible economic prosperity. This idea is whatDrS.Vasantha talked about in his research paper -Impact of Mobile Wallets on Cashless Transaction- According to DrS.Vasantha, India has the world's largest market for smartphone and mobile applications for payment transactions. Digital wallets have a significant impact on the increased use of cashless transactions. He concluded that the use and application of mobile wallets arewidespread among young people aged 18 to 25. (S.Vasantha, 2019) While Laily and Salina see in their research. (Financial Prudence through Financial Education: A Conceptual Framework for Financial Inclusion) financial inclusion products facilitate another matter, which is the ease of managing wealth and achieving financial profits through electronic lending tools. It creates the opportunity for a successful connection between investors and borrowers. (Kassim, 2018)

- **Electronic payment concept**

Laalaoui and Hamani show in their research paper -The contribution of Electronic Payment to Enhancing Financial Inclusion- that digital payment means settling transactions electronically via computers or in any electronic form, using means and special techniques to make cash payments between the parties involved. (Hamani, 2020)Looking at the last four pillars of financial inclusion, we find that electronic payment has the following characteristics: ease of use; security when compared to paper money; multiple areas of service; confidentiality; and being viewed as a tool to stimulate trade and facilitate exchanges.

OBJECTIVES OF THE STUDY:

1- To know awareness of financial inclusion products among university students.
2- To understand awareness of digital payment methods among university students.

3- To take in a detailed review of financial products and digital payments method.

RESEARCH METHODOLOGY:

The researcher employs an analytical descriptive research method based on the analysis of primary data collected to analyse financial products and digital payment method awareness. The current study has assessed university students' understanding of financial products and digital payment methods. Therefore, a survey was carried out, and data was gathered from 60 SRTM students. Districts, Maharashtra-Nanded. The questionnaire on financial products and digital payment methods contains 20 questions, with the results shown in the tables below. The questionnaire is divided into two sets of questions. The first section is personal information related to gender, age, personal income, and the father's occupation. The second section is also associated with knowledge and performance measures, as it measures the extent of students' knowledge, the extent to which applications are used, and the extent of familiarity with digital products.

RELEVANCE OF THE STUDY:

This research can assist bankers, government officials, and academics develop better strategies to meet the needs of businesses, mainly rural micro, small, and medium-sized enterprises. Before implementing any plans or policies for using banking products and electronic software, the government or banks must comprehend and comprehend what it takes to gain their trust in using these digital services. Furthermore, petite, small, and medium-sized rural enterprises primarily serve local markets. Therefore, local customers should be encouraged to use digital payment services, enabling local businesses to do the same.

LITERATURE REVIEW

(GUST, 2017) Marius has published his work in *The Journal Contemporary Economy*. This paper examines financial inclusion, a case study of Romania. Marius used secondary data. Discuss the idea of financial inclusion, concept, development, and importance. The researcher made an index of financial inclusion in Romania. using data published by the World Bank, the International Monetary Fund, and the Gallup World Poll.

(Zelin Nurfadia Sidik, 2018) The research paper was published onJurnalIlmuEkonomi. the relationship between financial inclusion and economic growth was studied. It would focus on the role of the financial sector in reducing poverty and promoting equitable income distribution. The literature review will also discuss the impact of the global financial crisis on low-income and unbanked individuals and how financial inclusion can help address this issue. Additionally, the review would examine studies that have measured the link between financial inclusion and income level, such as the Index of Financial Inclusion (IFI), and the findings of these studies. The review would likely conclude that implementing inclusive financial systems is crucial for sustainable development and poverty reduction efforts.

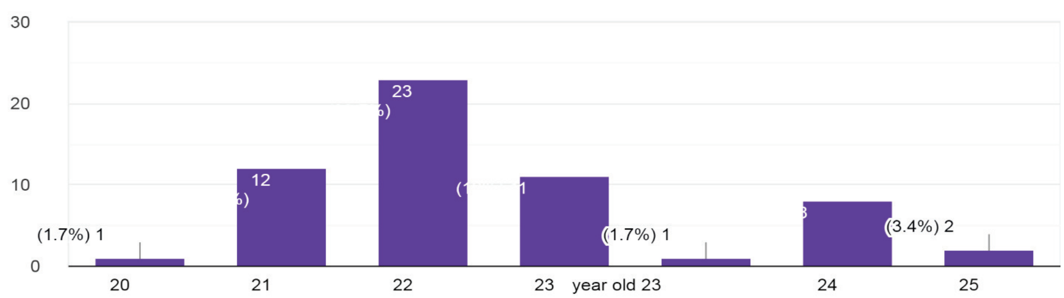
(Mahendra, 2006)"Financial Inclusion: Issues and Challenges" Mahendra's existing research on the importance of financial inclusion for improving the living conditions of poor farmers, rural non-farm enterprises, and other vulnerable groups. The research paper discusses the high rates of financial exclusion among small and marginal farmers and certain social groups, particularly regarding the lack of access to credit from formal institutions. The role of formal banking institutions, self-help groups, and microfinance institutions in promoting financial inclusion was also explored. Mahendra highlights the need for new regulatory procedures and depoliticization of the financial system to support these efforts. Additionally, the research paper discusses the challenges and issues associated with improving financial inclusion, such as supply and demand problems, risk elements, and the need for credit plus advisory services. Overall, emphasising the importance of financial inclusion for addressing poverty and promoting economic growth was a suggestion.

ANALYSIS AND CONCLUSION:

An electronic questionnaire was conducted for the students of Swami Nanded University, and the number of respondents was 60. From the districts and villages of the city (Antargaon-Bhambari- Janapuri- MoklewadiOmarkhed-), We will analyse the questionnaire according to the parts through which the questionnaire was conducted, as follows:

- **Age group**
  The age groups ranged from 20/25. In varying proportions, as shown in the following figure:

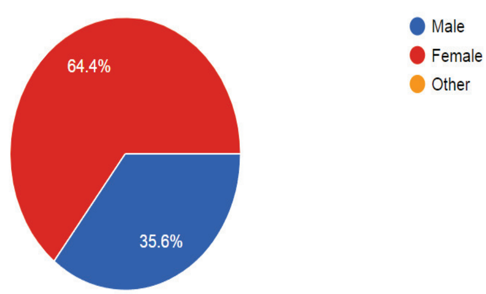
FIGURE 1AGE GROUPS OF RESPONDENTS



- **Gender**

BASED ON THE DATA PROVIDED, IT APPEARS THAT MALES MAKE UP A SIGNIFICANTLY LARGER PORTION OF THE GROUP COMPARED TO FEMALES. SPECIFICALLY, MALES MAKE UP 64.4% OF THE GROUP WHILE FEMALES MAKE UP ONLY 35.6%. THIS INDICATES THAT THERE MAY BE A GENDER IMBALANCE WITHIN THE GROUP. TO FURTHER COMPARE THE TWO GENDERS, WE CAN LOOK AT THE DIFFERENCES IN THEIR RESPECTIVE PERCENTAGES. IN THIS CASE, MALES MAKE UP 28.8% MORE OF THE GROUP THAN FEMALES DO. THIS SUGGESTS THAT THERE MAY BE A DISPARITY IN THE REPRESENTATION OF MALES AND FEMALES WITHIN THE GROUP.

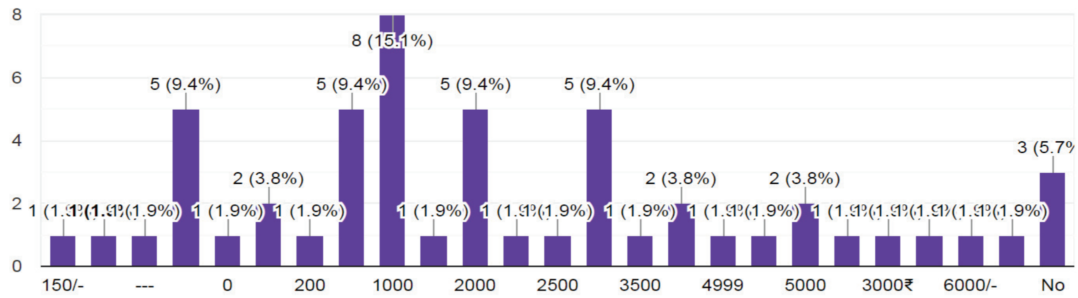
FIGURE 2: A GENDER COMPARISON



- Estimated Monthly Pocket Money

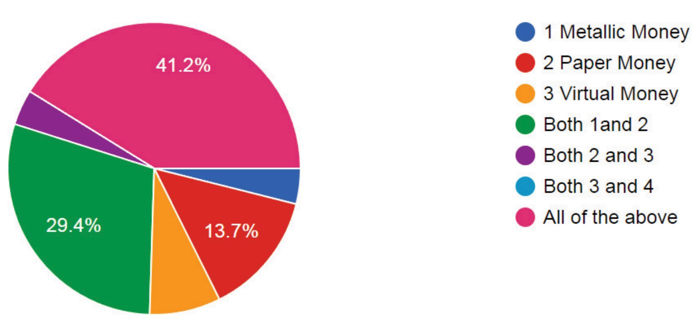
Estimated monthly pocket money. The estimate of monthly pocket money varies among respondents, so the data collected shows that one person in all estimates the monthly expenses in the negative direction. In contrast, two respondents confirm this by estimating the monthly costs with a value of absolute zero, which means the irregularity of the individual income of students. The five people estimated that the expenditure was equal to five hundred rupees. The most numerous category is the one that estimates the monthly payment at only a thousand rupees. So, oppositely, we can say that the denomination of five hundred rupees and two thousand rupees is the average limits. Still, when we analyse, we find that the difference between them is significant, as the second class represents four times the first class.

FIGURE 3:• ESTIMATED MONTHLY POCKET MONEY



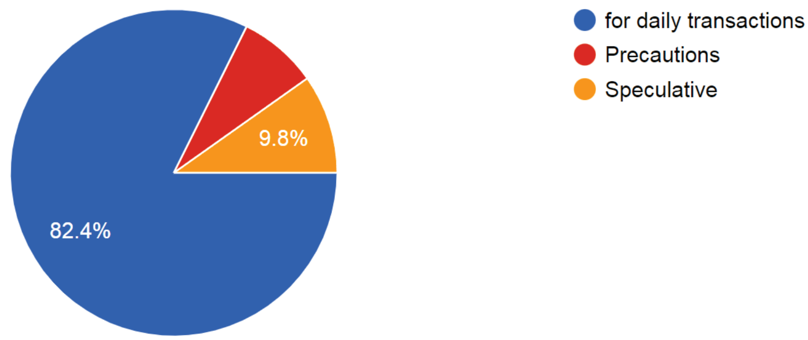
- Are you aware of the following types of Money as Medium of exchange?Based on the data provided, it seems that the most commonly recognized type of money as a medium of exchange is paper money, with a percentage of 13.7%. This is followed by metal money at 3.9% and virtual money at 7.8%. It is worth noting that a significant portion of respondents, 29.4%, selected the option of 1-2, which suggests that they are aware of multiple types of money as a medium of exchange. In comparison, the options of 2-3 and 3-4 had relatively low percentages at 3.9% and 0% respectively. Overall, the proportion of respondents who recognized any type of money as a medium of exchange was 41.2%.

FIGURE 4: COMPARISON OF CONFIDENCE BETWEEN TYPES OF MONEY



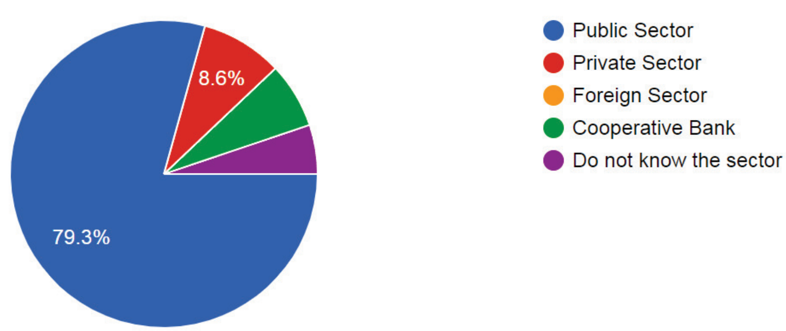
- State the main purpose behind holding money yourself.
  The respondents' answers varied about the main purpose of owning money themselves. The largest category is the main purpose of daily transactions, with 82.4% of the respondents. The second purpose of acquiring money is speculation, at a rate of 9.8%. The third purpose is precautions, at a rate of 7.8% of all respondents, which makes daily transactions the main purpose, which is the same thing that validates and confirms the previous answer about the average monthly income.

FIGURE 5PURPOSE BEHIND HOLDING MONEY



- **Which type of bank do you prefer?**
  Based on the data, it is clear that the majority of respondents prefer the public sector for their banking needs. This is significantly higher than the private sector, which only received 8.6% of the vote. The cooperative sector received a slightly higher percentage at 6.9%, while the foreign sector received no votes at all. It is worth noting that a small percentage of respondents, 5.2%, did not know the types of banks available.

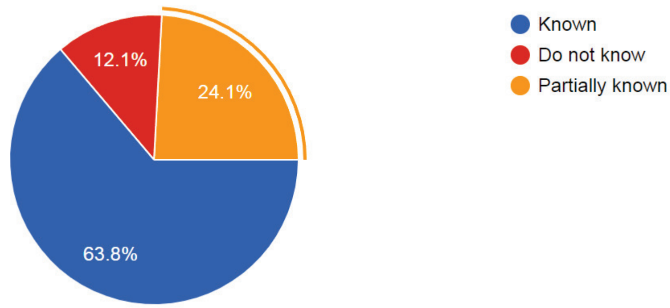
FIGURE 6TYPE OF BANK PREFERNCE



- Do you know what facilities are available for customers in the bank?

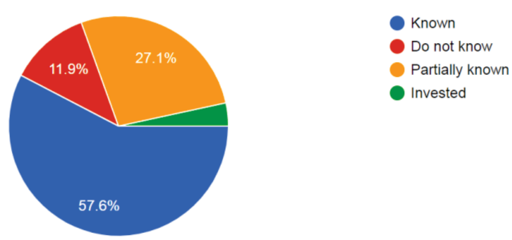
Based on the data, it appears that the majority of customers (63.8%) are aware of the facilities available in the bank. This is a relatively high percentage, indicating that the bank has done a good job of communicating information about its facilities to its customers.However, there is a significant portion of customers (12.1%) who are not aware of the facilities available at the bank. This suggests that there may be a lack of information or communication about these facilities, or that the bank is not effectively promoting them to its customers. Additionally, 24.1% of customers were only partially aware of the facilities available in the bank. This could indicate that there is a gap in knowledge or understanding about certain facilities, or that the bank is not promoting all of its facilities equally. Overall, while the majority of customers are aware of the facilities available in the bank, there is room for improvement in terms of informing and promoting these facilities to all customers.

FIGURE 7FACILITIES AVAILABLE FOR CUSTOMERS IN THE BANK



- Do you know about types of insurance?
  Based on the data provided, it appears that the majority of respondents (57.6%) are familiar with types of insurance. This is significantly higher than the number of respondents who do not know about types of insurance (11.9%) or those who are only partially knowledgeable about it (27.1%). A small percentage (3.4%) of respondents report being invested in insurance.

FIGURE 8: KNOWLEDGE ABOUT THE TYPES OF INSURANCE

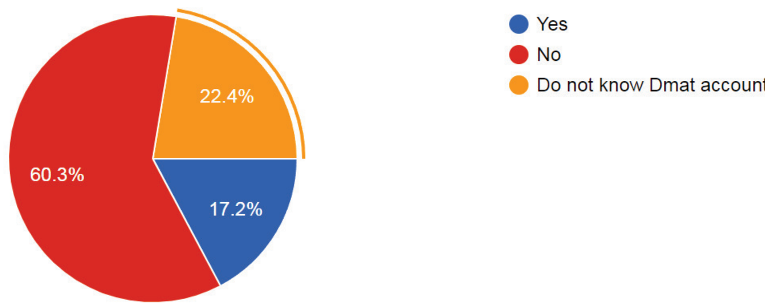


- Do you have a D mat Account?

BASED on the data, a small portion of respondents (1.2%) reported having a D mat account. The majority of respondents (60.3%) indicated that they do not have a D mat account, while a significant portion (22.4%) were unaware of what a D mat account is. It is worth noting that the percentage of respondents who are unaware of D mat accounts (22.4%) is higher than the percentage who do have one (1.2%). This could indicate that D mat accounts are not well known or widely used among the respondent population. Overall, these data indicate that D mat accounts are

not a popular or well-known option among the respondents. It may be beneficial for D mat to increase awareness and understanding of their service in order to increase usage and adoption.

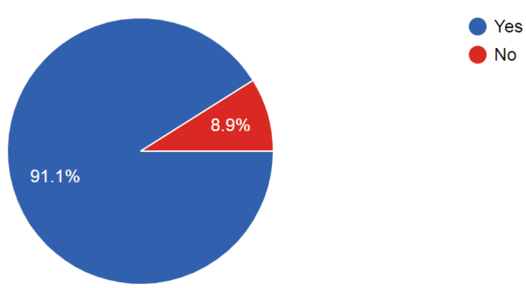
Figure 9: Having D mat Account



- Is there any difference between the concept of saving and investment?

Based on the data, the majority of respondents (91.1%) believe that there is a difference between saving and investment. Saving refers to setting aside a portion of one's income for future use, often for short-term goals such as emergencies or small purchases. Investment, on the other hand, involves putting money into assets with the goal of generating a profit or increasing wealth over the long term. In comparison, only 8.9% of respondents believe that there is no difference between saving and investment. These respondents may view both activities as simply different ways of allocating financial resources, with no distinct difference in their purpose or ultimate goal. Overall, the data suggests that the majority of respondents understand the concept of saving and investment as distinct activities with different goals and objectives.

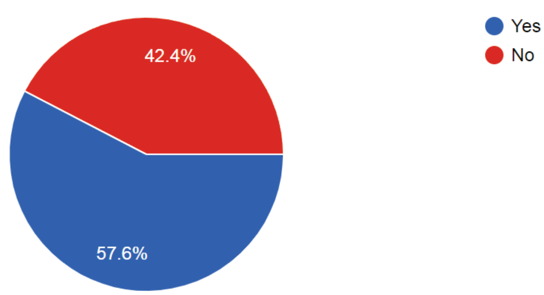
FIGURE 10: KNOWLEDGE ABOUT THE DIFFERENCE BETWEEN THE CONCEPT OF SAVING AND INVESTMENT



- Do you use a mobile banking app for transactions?

According to the data provided, a majority of respondents (57.6%) use a mobile banking app for transactions. This is in contrast to the 42.7% of respondents who do not use a mobile banking app for transactions. This suggests that a significant portion of the population is utilizing the convenience and accessibility of mobile banking apps for their financial transactions.When comparing the two groups, those who use a mobile banking app for transactions may have a greater level of convenience and ease in managing their finances compared to those who do not. Mobile banking apps allow users to access their accounts, view transactions, and make payments from their p hone or other mobile device, which may be more convenient than visiting a physical bank location or logging in to a website. Overall, the data suggests that a majority of respondents are utilizing mobile banking apps for their financial transactions, which may offer them greater convenience and financial management capabilities compared to those who do not use these apps.

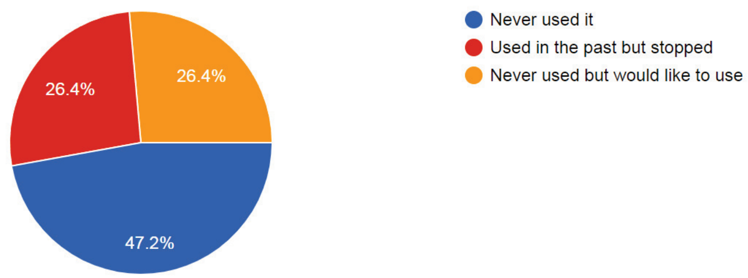
FIGURE 11: USING THE MOBILE BANKING APP



- State the status of digital payment adoption.

According to the data provided, digital payment adoption is not widespread, as 47.2% of respondents have never used it. However, 26.4% of respondents have used it in the past but stopped, and an additional 26.4% have never used it but are interested in doing so. This indicates that there is potential for growth in the use of digital payments, but it also highlights the need for more education and support for those who are hesitant to adopt this method of payment.

FIGURE 12: DIGITAL PAYMENT ADOPTION

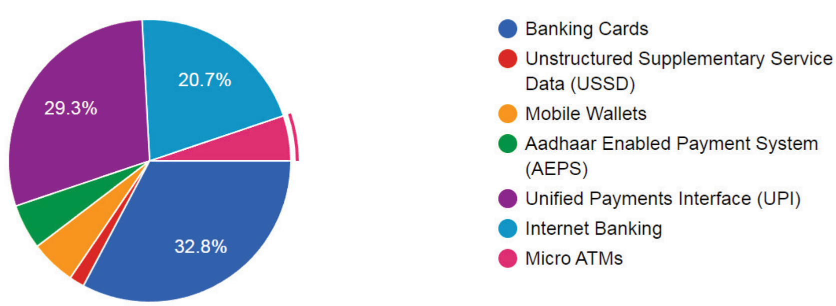


- Which of the following Digital Payment Methods do you use regularly?
  The means through which digital payments are made varied according to the respondents, as follows:

Banking Cards	32.8%
Unstructured Supplementary Service Data (USSD)	1.7%
Mobile Wallets	5.2%`
Aadhaar Enabled Payment System (AEPS)	5.2%
Unified Payments Interface (UPI)	29.3%
Internet Banking	20.7%
Micro ATMs	5.2%

Overall, the most popular digital payment method among respondents was Unified Payments Interface (UPI) at 29.3%. This was followed by banking cards at 32.8% and internet banking at 20.7%. Mobile wallets and Aadhaar Enabled Payment System (AEPS) were used by a relatively small percentage of respondents at 5.2%. Micro ATMs and Unstructured Supplementary Service Data (USSD) were also used by a small percentage of respondents at 5.2% and 1.7%, respectively. It is worth noting that UPI was the second most popular digital payment method, despite being a relatively newer technology compared to the more established methods like banking cards and internet banking.

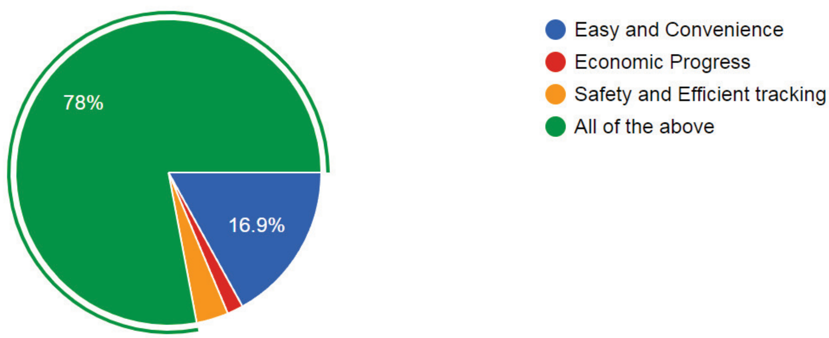
Figure 13; comparing Digital Payment Methods



- What is the reason behind the adoption of digital payment methods?

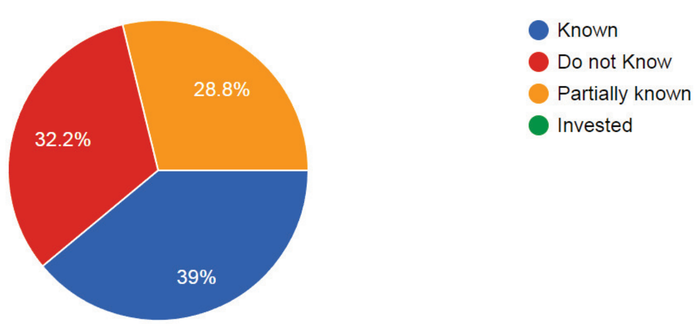
According to the data, the majority of people adopt digital payment methods for all of the above reasons, with 78% selecting this option. The second most popular reason was easy and convenient, with 16.8% choosing this option. Only 1.7% of people cited a developed economy as a reason for adoption, while 3.4% said it was due to safe and effective tracking. These results suggest that most people see digital payment methods as a convenient and secure way to handle their financial transactions.

FIGURE 14: THE REASON BEHIND THE ADOPTION OF THE DIGITAL PAYMENT METHOD



- Are you aware of Bitcoin?
  This data suggests that although a significant number of students are aware of Bitcoin, there is still a large portion that is not familiar with it. Additionally, it is clear that even among those who are aware of Bitcoin, none of them have chosen to invest in it. This could potentially be because of a lack of understanding or concerns about the volatility and risk associated with cryptocurrency. It is also possible that other investment opportunities or personal financial priorities may be taking precedence. Regardless, the data suggests that there is still a need for education and information about Bitcoin and cryptocurrency in general.

FIGURE 15: AWARENESS OF BITCOIN



CONCLUSION

The objective of this survey was to understand the awareness of financial inclusion products and digital payment methods among university students. The survey included 60 respondents from the Swami Nanded University and various districts and villages in the city. The results showed that the majority of respondents were in the 20-25 age range and were male, making up 64.4% of the group. The estimated monthly pocket money of the respondents ranged from negative values to 5,000 rupees, with the most common estimate being 1,000 rupees. When it came to awareness of different types of money as a medium of exchange, paper money was the most recognized at 13.7%, followed by virtual money at 7.8%. The main purpose behind holding money for the respondents was for daily transactions at 82.4%, while speculation and precautions were cited by 9.8% and 7.8% respectively. The majority of respondents preferred the public sector for their banking needs, while the private sector received 8.6% and the cooperative sector received 6.9%. In terms of awareness of financial inclusion products, the majority of respondents were unaware of any financial inclusion products, with 52.6% choosing the option of "I do not know." Among those who were aware, the most common financial inclusion product was a bank account, cited by 24.1% of respondents. Digital payment methods were also not well known among the respondents, with 63.3% choosing "I do not know" as their answer. Among those who were aware, the most common digital payment method was through a mobile phone at 14.6%. Overall, the results of this survey suggest that there is a lack of awareness and understanding of financial inclusion products and digital payment methods among university students. Further education and information about these topics may be necessary in order to increase adoption and usage.

Bibliography

Bansal, S. (2014). Perspective of Technology in Achieving Financial Inclusion in Rural India. *Symbiosis Institute of Management Studies Annual Research Conference* (pp. 273-480). Procedia Economics and Finance.

Bhagwandas, k. (2018). bankers perception on the role of technology in furthering financial inclusion. *G L S universty*, 2-26.

Hamani, L. a. (2020). The contribution of electronic payment to enhancing financial inclusion. *Al Mishkah journal- Al jaeryea*, 42-56.

Kassim, L. D. (2018). Financial Prudence through Financial Education : A Conceptual Framework for Financial Inclusion. *JAKU \islamic economic*.

S.Vasantha. (2019). Impact of Mobile Wallets on Cashless Transaction. *International Journal of Recent Technology and Engineering*.

Sharma, s. s. (2017). development of ITC E Choupal based financial inclusion model. *indian journal of finance*.

Sur, S. A. (2021). Change in the uses pattern of digital banking services by Indian rural MSMEs during demonetisation and Covid-19 pandemic-related restrictions. *Vilakshan - XIMB Journal of*.

Yaday, R. t. (2019). Financial Inclusion In India Through Pradhan Mantri Jan Dhan Yojana: An Empirical Analysis Of Statistical Evidence. *indian journal of finnce*, 42.

Yan Shena, W. H. (2020). Digital Financial Inclusion and Economic Growth: A Cross-country Study. *International Conference on Identification, Information and Knowledge in the internet of Things,* (pp. 218-222). ScienceDirect.