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A STUDY ON AWARENESS OF FINANCIAL PRODUCTS AND DIGITAL PAYMENT METHODS AMONG UNIVERSITY STUDENTS

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ABSTRACT:

Financial inclusion is the major means of connecting individuals to the financial system. Therefore, financial organisations and governments must collect information from societies and individuals to make more informed decisions. The researcher used an analytical descriptive research approach to collect primary data from Swami Ramanand Teerth University Nanded which comes under Maharashtra State in India through an electronic questionnaire. As a result, the researcher reached the following conclusions: According to the respondents, there are no educational programmes in universities and colleges about financial services and most of the students have knowledge of financial products and digital methods for trasactions but not in detail knowledge and not utilizing for day to day transactions.

KEYWORDS: *Financial Inclusion, Bitcoin, Digital Payments, Financial Products.*

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 before nationalisation. 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.

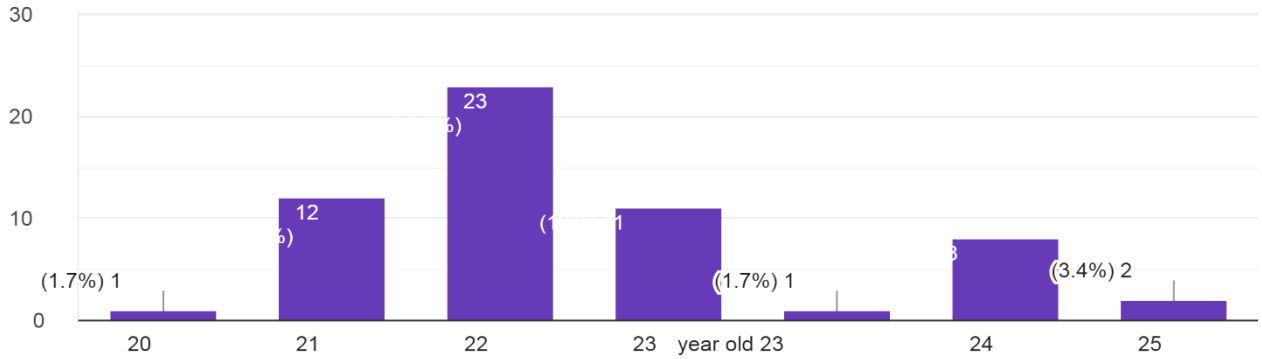
ANALYSIS AND CONCLUSION:

An electronic questionnaire was conducted for the students of Swami Nanded University, and the number of respondents was 60 -students-. 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:

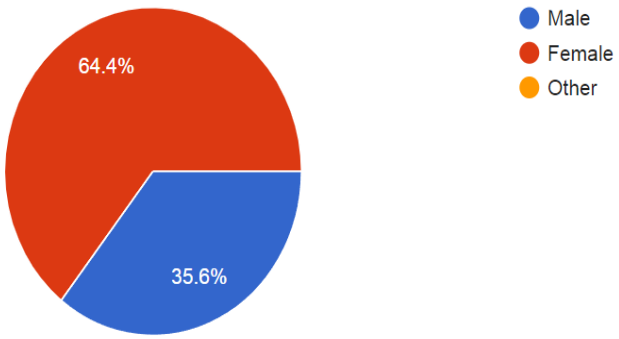
Figure 1 Age groups of respondents



- **Gender**

The different percentages for males and females ranged as follows:
Male = 64.4
Female =35.6

Figure 2: a gender comparison

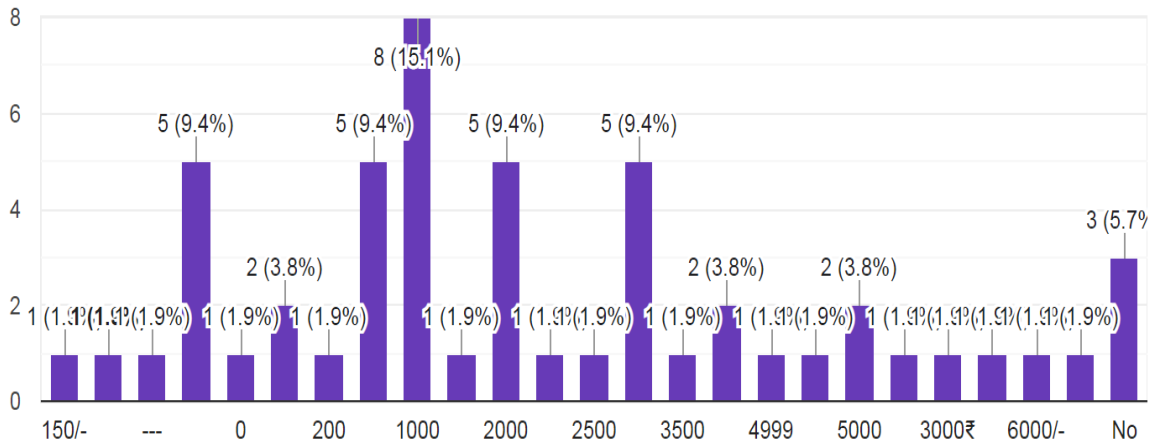


- **Estimated Monthly Pocket Money**

Estimated monthly pocket money. Where the respondents can be divided according to the following categories.

1) total respondents {1} Estimated Monthly pocket Money {negative 150}
2) total respondents {2} Estimated Monthly pocket Money {zero}
3) total respondents {1} Estimated Monthly pocket Money {200}
4) total respondents {5} Estimated Monthly pocket Money {500}
5) total respondents {8} Estimated Monthly pocket Money {1000}
6) total respondents {1} Estimated Monthly pocket Money {1500}
7) total respondents {5} Estimated Monthly pocket Money {2000}
8) total respondents {1} Estimated Monthly pocket Money {2200}
9) total respondents {1} Estimated Monthly pocket Money {2500}
10) total respondents {5} Estimated Monthly pocket Money {3000}
11) The rest ranges from {3000} to {6000}.

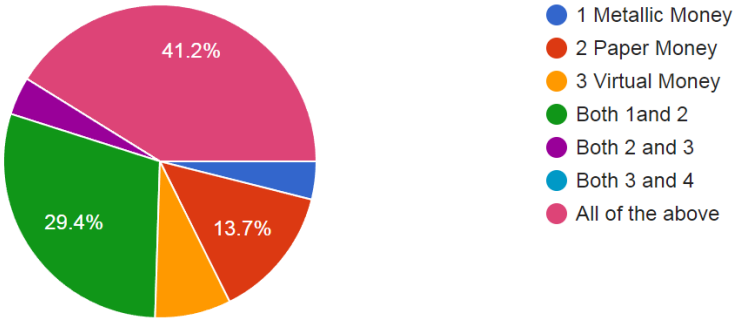
Figure 3:• Estimated Monthly Pocket Money



- **Are you aware of the following types of Money as Medium of exchange?**

The first type was metal money, with a percentage of 3.9%. The second was paper money with 13.7%. and the third was virtual money, with 7.8%. The 4th option was 1-2 with 29.4%. The 5th option is 2-3 with 3.9%. And the ratio for options 3-4. And the proportion of all the previous options was 41.2%.

Figure 4: Comparison of confidence between types of money



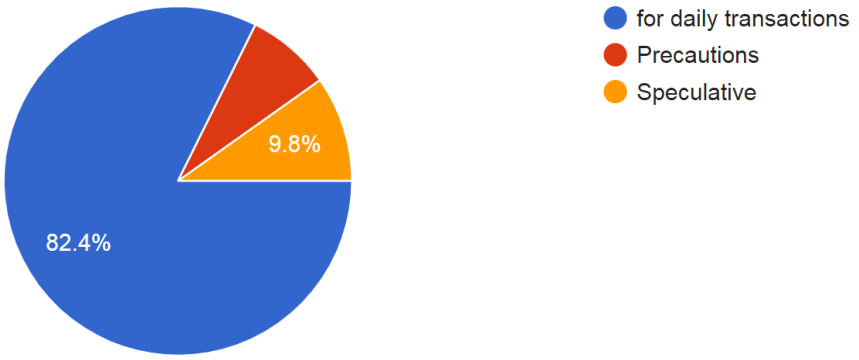
- **State the main purpose behind holding money yourself.**

For daily transactions= 82.4%

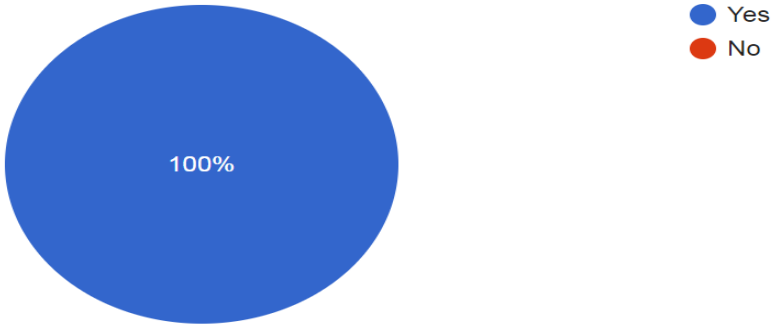
Precautions=7.8%

Speculative= 9.8%

Figure 5 Purpose behind holding money



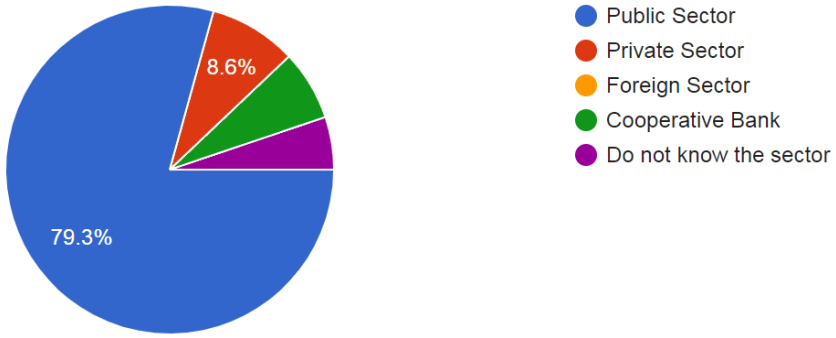
- **Do you have a bank account?**



- **Which type of bank do you prefer?**

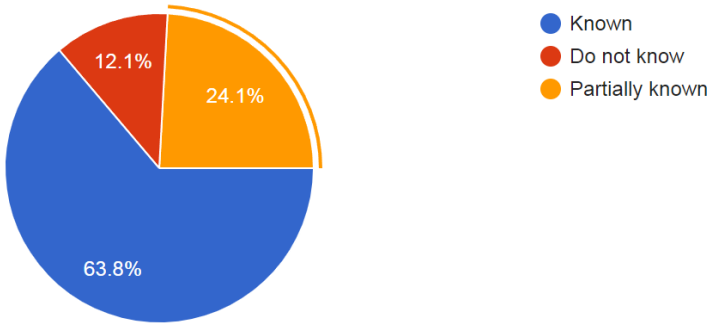
1) Public Sector=79.3%
2) Private Sector= 8.6%
3) Foreign Sector=0
4) Cooperative Bank=6.9%
5) Do not know the sector=5.2%

Figure 6 type of bank prefernce



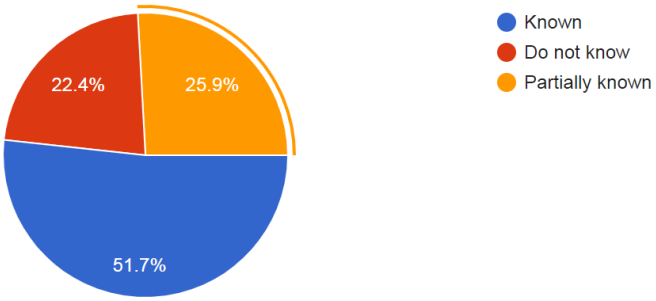
- Do you know what facilities are available for customers in the bank?
  63.8% were known, 12.1% weren't known, and 24.1% were partially known.

Figure 7 facilities available for customers in the bank



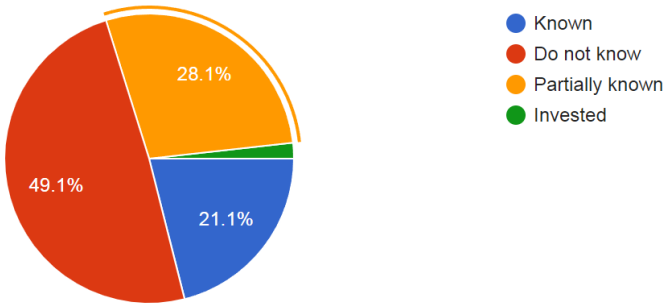
- **Do you know what kind of loan the bank provides to customers?**
  51.7% was known, 22.4% wasn't known, and 25.9% was partially known.

Figure 8: types of Loans provided by the bank to customers



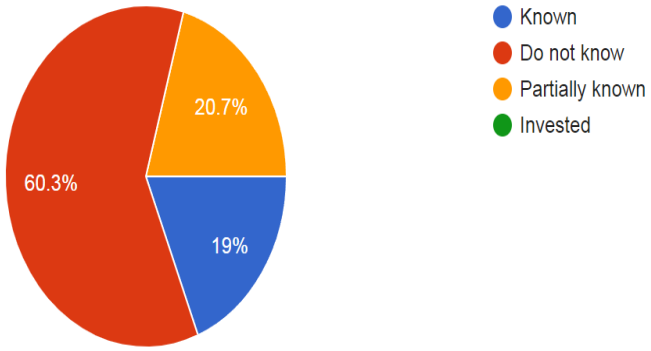
- **Do you know about the equity market?**
  49.1% didn't know, 21.1% was known, 28.1% was partially known, and 1.8% were invested.

Figure 9: Knowledge about the equity market



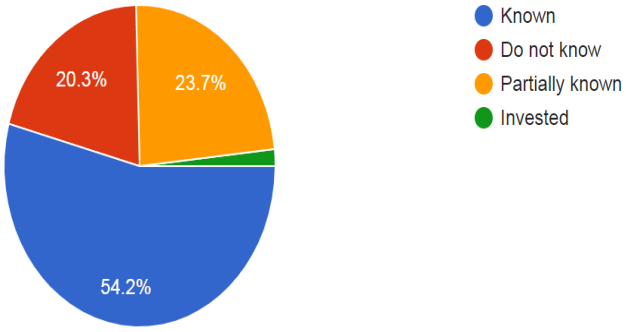
- **Do you know about the commodity market?**
  The percentage of knowledge reached 19%, while the percentage of non-knowledge reached 60.3%, 20.7% partially know, and no one invested.

Figure 10: Knowledge about the commodity market



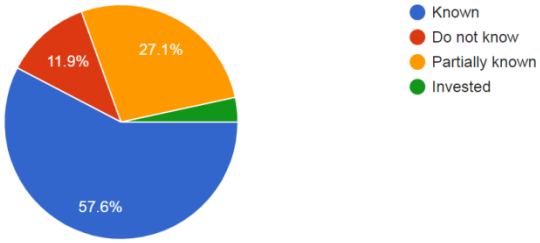
- **Do you know a mutual fund?**
  54.2% Known
  20.3% Do not know
  23.7% Partially known
  1.7% Invested

Figure 11: Knowledge about the mutual fund



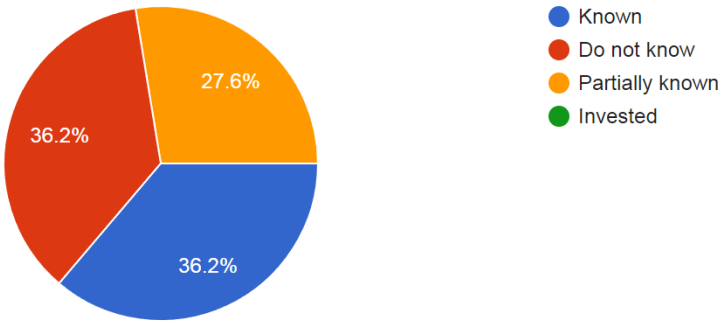
- **Do you know about types of insurance?**
  57.6% Known
  11.9% Do not know
  27.1% Partially known
  3.4% Invested

Figure 12: Knowledge about the types of Insurance



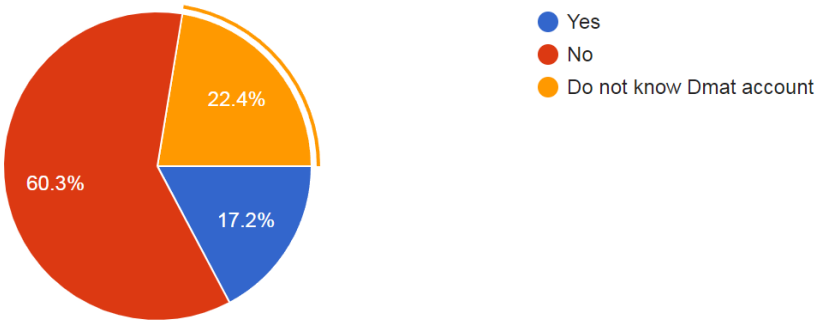
- **Do you know about Real Estate?**
  36.2% Known
  36.2% Do not know
  27.6% Partially known

Figure 13: Knowledge about the Real Estate



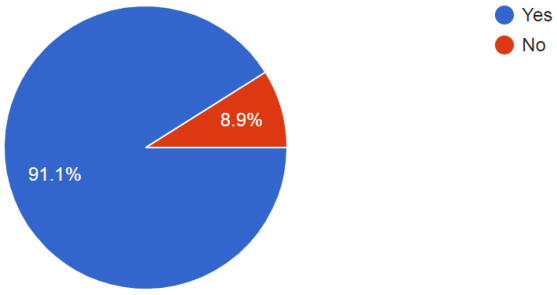
- **Do you have a D mat Account?**
  1.2% says yes. 60.3% say no. 22.4% Do not know Dmat account.

Figure 14: Having D mat Account



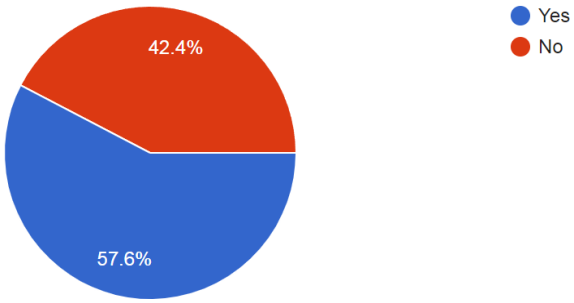
- **Is there any difference between the concept of saving and investment?**
  91.1% Yes. 8.9% No

Figure 15: knowledge about the difference between the concept of saving and investment



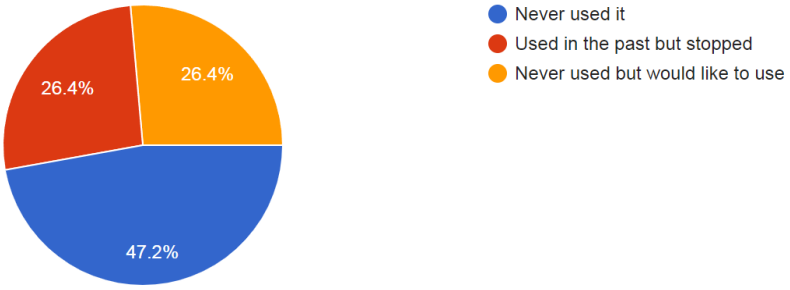
- **Do you use a mobile banking app for transactions?**
  57.6% yes. 42.7% No

Figure 16: using the mobile banking app



- **State the status of digital payment adoption.**

Figure 17: digital payment adoption

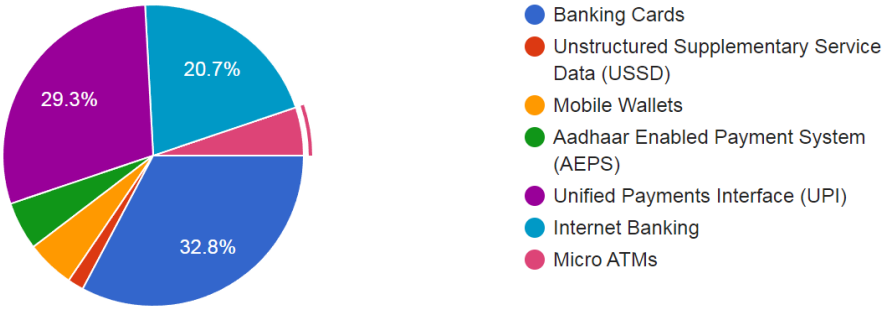


- **Which of the following Digital Payment Methods do you use regularly?**

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%

Figure 18: comparing Digital Payment Methods



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

What is the reason for adopting the digital payment method? Four options were given.

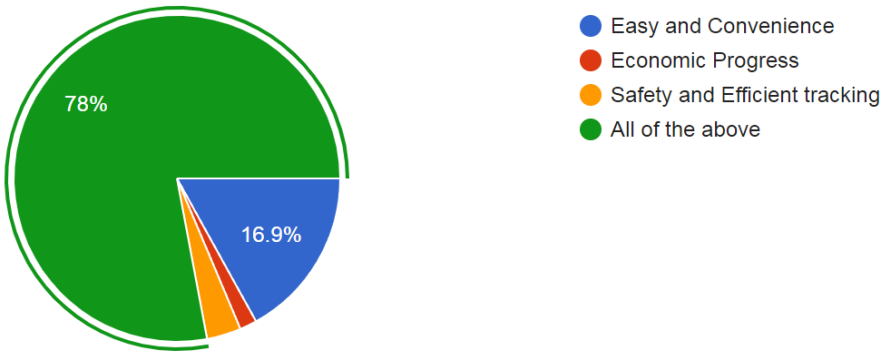
1st: easy and convenient, in proportion=16.8%

2nd: a developed economy, and a percentage of 1.7%

3rd: Safe and effective tracking, and their percentage was 3.4%

4th:All of the above, and their percentage was 78%

Figure 19: the reason behind the adoption of the digital payment method

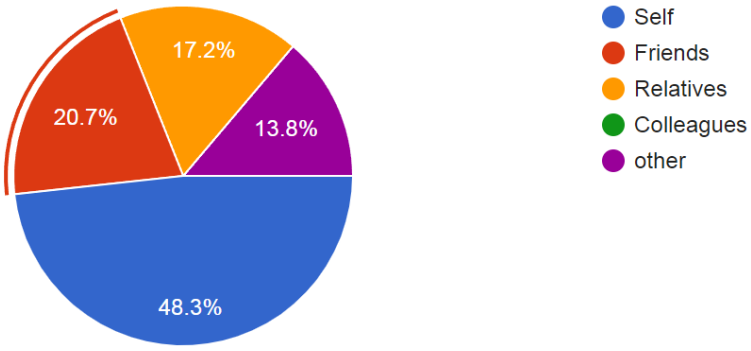


- **By whom have youlearned about using digital payment methods for transactions?**

To answer this question, several options have been developed, which are shown in the following table

Self	48.8%
Friends	20.7%
Colleagues	17.2%
Relatives	0
Other	13.3%

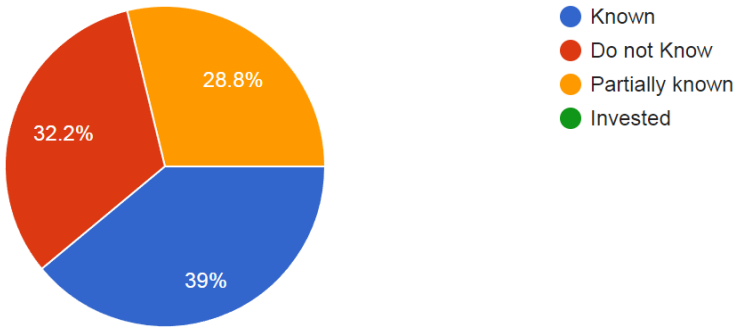
Figure 20: Source of acknowledgement about using digital payment methods for transactions.



- **Are you aware of Bitcoin?**

The data of the answers to this question shows that 39% of the students are familiar with Bitcoin, while 32.2% do not know anything about it.Furthermore, 28% chose moderate knowledge. In contrast, none of the students is invested in BITCOIN.

Figure 21: Awareness of Bitcoin



CONCLUSION

The summary of the previous data and the most important findings are that: all the students in the study have bank accounts, which reflects the extent of the student's financial awareness thanks to the government programmes and continuous awareness. The average portfolio of an individual is between 1500 and 2000. Most students do not have a specific preference for the quality of money, as all types of capital are equally desirable to them. The main purpose of using digital wallets or channels is to make daily transfers more often than others, with prudent use in second place. The measure of knowledge among students shows that most of them are unaware of the stock and commodity markets. The other thing is that most people are familiar with the difference between savings and investment accounts. The critical result of this survey is that only half of the study samples are those who use electronic payment applications. The other side shows the convergence of use between bank cards and UPI applications, with an increase in bank cards of 3%, an increase in usage.

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