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DIGITAL FINANCIAL TRANSACTION USAGE AND DEMOGRAPHICS OF CUSTOMERS: EVIDENCE FROM GUJARAT

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ABSTRACT:

The digital payments are promoted with the objective of to make seamless digital payments available to for customers in a way that is accessible, easy, affordable, rapid, and secure. Therefor this study is an attempt to know the use of digital financial transaction by customers of Gujarat state. The data is collected from primary sources through digital questionnaire and analyzed using IBM SPSS statistical software. This study concludes that majority of customers use digital transactions but still there are some customers who didn't prefer to use it, therefore it is suggested that the digital payment platforms or banks or researchers should identify the reasons for not using the digital financial transaction.

Keywords: digital payment, financial transaction, customers, demographics

INTRODUCTION:

A digital transaction is one that takes place from start to finish without the use of cash or paper. It may involve a single party or several participants, as well as different kinds of payment. Fintech businesses have revolutionized how financial transactions appear in today's society, making currency more obsolete.

Digital transactions are those in which the consumer authorises the transfer of funds using electronic means and the monies flow straight from one account to another. These accounts might be kept in banks or with third-party entities/providers. Cards (debit/credit), mobile wallets, mobile applications, online banking, Electronic Clearing Service (ECS), National Electronic Fund Transfer (NEFT), Immediate Payment Service (IMPS), pre-paid instruments, and other similar methods might be used to make these transfers.

The Union Cabinet has approved the implementation of actions to promote payments using cards and digital methods. The measure is intended to reduce cash transactions. Numerous short-term (to be implemented within a year) and medium-term (to be implemented within two years) actions have been approved for implementation by government ministries, departments, and organisations.

Types of digital transactions

As the several examples above suggest, there are numerous forms of digital transactions available. When it comes to digital payment methods, they are:

1. Direct Debit
2. Wire transfers
3. Online card payments
4. Contactless card payments
5. Digital wallets
6. Peer-to-peer apps

There are several sorts of cashless payment systems to select from, each with its own set of advantages. All function on the basic principle of automatically moving payments from one bank account to another.

Many of these payment kinds have transaction sub-groups. Some smart wallets, for example, can save electronic tickets and coupons for you as well as your credit card information. A digital transaction involves presenting an

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e-ticket for a performance, as does touching your mobile device on a contactless card reader to complete a purchase.

Benefits of using digital transactions

Everyone who has used these services can see the benefits of digital transactions. Digital payments are quick and easy. When you make a cash payment, it must be tallied and saved, and the change must be returned to the consumer. The cash deposit must be physically guarded before being delivered to the bank. Digital transactions, on the other hand, are more speedier. They also make foreign payments easier to accept online, providing quick currency exchange at cheaper rates.

They're also more secure. Cashless establishments do not keep monies, which deters minor criminals. Digital transactions leave an online trace that secure banking systems can follow, making it easier for security specialists to detect fraudulent behaviour.

One of the primary benefits of digital transactions from a company standpoint is the ability to monitor cash flow in real time. Crowd funding, for example, makes it simple for firms to obtain money via the use of technology.

Limitations of using digital transactions

While there are countless positives to consider, there are a few drawbacks to digital transactions that we would be negligent not to mention. Digital financial transactions may not provide the same level of privacy as cash transactions, which may be unattractive to some customers. Individuals who are concerned about the security of their data may want to utilise cold, hard cash instead.

Digital payments are extremely secure when the proper security measures are in place. Yet, failing to deploy fundamental levels of encryption exposes client data to hackers.

Lastly, there are certain expenses associated with online payment processing, so if you wish to facilitate these digital transactions, you should carefully research choices to avoid overpaying.

LITERATURE REVIEW:

(Shah & Bhatt, 2023) studied the digital payments in rural Gujarat provided empirical support for atmanirbhar bharat. They discovered that qualities of digital payment in relation to user opinion are extensively explored in this research, and it has been discovered that greater education level leads to more positive user impression of digital payment modalities. They also discovered that simplicity of use is the most important factor in rural Gujarat's digital payment user attitude, followed by perceived advantages, security, and dependability.

(Tripathi and Dixit, 2020) studied the adoption of digital payment via mobile payment application in Gujarat state. They came to the conclusion that older persons are not at all interested in using mobile payment applications for digital payments, but undergraduate and postgraduate students are. They also discovered that customer opinions regarding mobile payment applications are influenced by aspects such as time savings, cash back and discounts, convenience, detailed records, reduced theft risk, tracking your spendings, and building a paperless economy. They mentioned that various problems such as transaction fees, not knowing how to use, Digital Payments are not accepted everywhere, transparency, habit, and trust are hurdles to consumers using mobile payment applications. According to them, this study will assist India in developing effective strategies for growing the usage of mobile payment applications and in building stronger relationships with customers.

(Shah & Zala, 2018) studied the awareness and perception about digital payments among women in Gujarat. They discovered that while most women are aware of digital payment systems, they do not use them. Respondents claimed that most demographic characteristics, such as money and career, have no effect on their opinion, but age and education do. They also mentioned that their research will assist firms in developing various awareness initiatives for women regarding various digital payment choices in order to increase their adoption.

(Thaker and Patel, 2017) studied the consumer's adoption of online financial service in north Gujarat region. They discovered that consumers in north Gujarat are simple and positively connected with perceived utility while using online financial services, and that perceived usefulness can considerably predict who is more likely to use such services. They recommended that, in order to boost perceived usefulness, online financial services websites should offer all relevant and in-depth information content; enable personalised services, such as personalized messages and recommended lists of financial services based on consumer personal profiles; respond to consumer inquiries and complaints promptly; and provide their financial services to clients as promised.

RESEARCH METHODOLOGY:

The main objective of this study is to know the use of digital financial transactions among customers of Gujarat. The sub-objective of the study is to identify the association between demographics and use of digital financial transaction by customers. To meet this objective the descriptive research design has been used and the 90 respondents' samples are selected randomly from the Gujarat state. The data has been collected from primary

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sources i.e. through digital questionnaire. The period of this study is ranging from November 2022 to January 2023.

HYPOTHESES OF THE STUDY

Sr. No.	Null Hypotheses
H_{01}	There is no significant association between gender and use of digital financial transaction system.
H_{02}	There is no significant association between family type and use of digital financial transaction system.
H_{03}	There is no significant association between age and use of digital financial transaction system.

STATISTICAL TOOLS

1. Cross-tabulation
2. Chi-Square Test

LIMITATION OF THE STUDY

This study is limited to very small size of sample respondents and the data collection and analysis tools, techniques, and method used in this study have certain limitations and the same are applicable to this study.

DATA ANALYSIS:

Demographic Profile

Table 1: Demographic profile of respondents

Variable	Frequency	Percentage %
Gender		
Male	59	65%
Female	31	35%
Family Type		
Joint Family	49	54%
Nuclear Family	41	46%
Age		
Up to 19 years	27	29%
20 to 35 years	24	27%
36 to 55 years	37	42%
More than 55 years	2	2%
Total	90	100%

The above table presents the demographic profile of the variables considered under this study. The data shows that from total respondents 65% are male and 35% are female. The 54% respondents are from joint family while 46% respondents are from nuclear family. There are 29% respondents up to 19 years age, 27% respondents between 20 to 35 years age, 42% respondents between 36 to 55 years age, and 2% respondents with more than 55 years age.

Association between Gender and Usage of Digital Financial Transactions

Table 2: Gender * Use digital financial transaction Cross tabulation

			Use digital financial transaction		
			Yes	No	Total
Gender	Male	Count	45	14	59
		% within Gender	76.3%	23.7%	100.0%
	Female	Count	17	14	31
		% within Gender	54.8%	45.2%	100.0%
Total		Count	62	28	90
		% within Gender	68.9%	31.1%	100.0%

Table 3: Chi-Square Tests

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	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.356[a]	1	.037		
Continuity Correction[b]	3.413	1	.065		
Likelihood Ratio	4.257	1	.039		
Fisher's Exact Test				.055	.033
Linear-by-Linear Association	4.307	1	.038		
N of Valid Cases	90				

Table 4: Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.220	.037
	Cramer's V	.220	.037
N of Valid Cases		90	

Table 2 presents the cross tabulation of gender and Use of financial transaction by customers of Gujarat state. The cross-tabulation shows that 76.3% male use the digital payment system while 23.7% male didn't use digital financial transaction system. The cross-tabulation also shows that 54.8% female use the digital financial transaction system while 45.2% female didn't use digital financial transaction system. In total the cross-tabulation shows that 68.9% customers use the digital financial transaction system while 31.1% customers didn't use digital financial transaction system.

Table 3 presents the results of chi-square test for identifying the association between gender and usage of digital financial transaction by customers of Gujarat state. The p-value for the chi-square test is 0.033, which is less than 0.05. This indicates that null hypothesis is rejected. This means there is a significant association between gender and use of digital financial transaction by customers of Gujarat state.

Association between Family Type and Usage of Digital Financial Transactions

Table 5: Family type * Use digital financial transaction Cross tabulation

			Use digital financial transaction		
			Yes	No	Total
Family type	Joint family	Count	30	19	49
		% within Family type	61.2%	38.8%	100.0%
	Nuclear family	Count	32	9	41
		% within Family type	78.0%	22.0%	100.0%
Total		Count	62	28	90
		% within Family type	68.9%	31.1%	100.0%

Table 6: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.948[a]	1	.086		
Continuity Correction[b]	2.215	1	.137		
Likelihood Ratio	3.004	1	.083		
Fisher's Exact Test				.111	.068
Linear-by-Linear Association	2.915	1	.088		
N of Valid Cases	90				

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Table 7: Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.181	.086
	Cramer's V	.181	.086
N of Valid Cases		90	

Table 5 presents the cross tabulation of gender and Use of financial transaction by customers of Gujarat state. The cross-tabulation shows that 61.2% joint family uses the digital financial transactions while 38.8% didn't use the digital financial transactions. The cross-tabulation also shows that 78% nuclear family uses the digital financial transactions while 22% nuclear family didn't use digital financial transaction system. In total the cross-tabulation shows that 68.9% customers use the digital financial transaction system while 31.1% customers didn't use digital financial transaction system.

Table 6 presents the results of chi-square test for identifying the association between family type and use of digital financial transaction by customers of Gujarat state. The p-value for the chi-square test is 0.068, which is more than 0.05. This indicates that null hypothesis cannot be rejected. This means there no significant association between family type and use of digital financial transaction by customers of Gujarat state.

Association between Age and Usage of Digital Financial Transactions

Table 8: Age * Use digital financial transaction Cross tabulation

			Use digital financial transaction		
			Yes	No	Total
Age	Up to 19 years	Count	14	13	27
		% within Age	51.9%	48.1%	100.0%
	20 – 35 years	Count	18	6	24
		% within Age	75.0%	25.0%	100.0%
	36 – 55 years	Count	29	8	37
		% within Age	78.4%	21.6%	100.0%
	More than 55 years	Count	1	1	2
		% within Age	50.0%	50.0%	100.0%
Total		Count	62	28	90
		% within Age	68.9%	31.1%	100.0%

Table 9: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.962[a]	3	.113
Likelihood Ratio	5.806	3	.121
Linear-by-Linear Association	3.575	1	.059
N of Valid Cases	90		

Table 10: Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.257	.113
	Cramer's V	.257	.113
N of Valid Cases		90	

Table 8 presents the cross tabulation of age and use of digital financial transactions by customers of Gujarat state. The cross-tabulation shows that 51.9% of up to 19 years age customers use the digital financial transactions while 48.1% of up to 19 years age customers didn't use digital financial transactions. The cross-tabulation also shows that 75% of between 20 to 35 years age customers use the digital financial transactions while 25% of between 20 to 35 years age customers didn't use digital financial transactions. The cross-tabulation also shows that 78.4% of between 36 to 55 years age customers use the digital financial transactions while 21.6% of between 36 to 55 years age customers didn't use digital financial transactions. The cross-tabulation also shows that 50% of more than 55

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years age customers use the digital financial transactions while 50% of more than 55 years age customers didn't use digital financial transactions.

Table 9 presents the results of chi-square test for identifying the association between age and use of digital financial transaction by customers of Gujarat state. The p-value for the chi-square test is 0.113, which is more than 0.05. This indicates that null hypothesis cannot be rejected. This means there is no significant association between age and use of digital financial transaction by customers of Gujarat state.

MAJOR FINDINGS:

- This study found that from total respondents 68.9% customers use the digital financial transaction system while remaining 31.1% customers didn't use the digital financial transaction system.
- This study also found that there is a significant association between gender and customers use of digital financial transaction.
- This study also found that there is no significant association between family type and customers' use of digital financial transaction.
- This study also found that there is no significant association between age and customers use of digital financial transaction.

CONCLUSION

The main objective of this study is to know the digital financial transaction use of customers of Gujarat state. This study found that majority of customers use the digital financial transaction. The study also found that there is a significant association of gender of customers with use of digital financial transaction while there is no significant association of family type and age of customers with use of digital financial transaction. This study concludes that majority of customers use digital transactions but still there are some customers who didn't prefer to use it, therefore it is suggested that the digital payment platforms or banks or researchers should identify the reasons for not using the digital financial transaction.

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