

THE STUDY ON DIGITAL INCLUSION IN SMALL SCALE BUSINESS AROUND CHENNAI CITY

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**Master of Business Administration
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

Accredited with Grade A by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600



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SCHOOL OF BUSINESS ADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of MADHUMITA M (40410216) who has done the Project work entitled **THE STUDY ON DIGITAL INCLUSION IN SMALL SCALE BUSINESS AROUND CHENNAI CITY** under my supervision from December 2020 to February 2021.

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DECLARATION

I **MADHUMITA 40410216**, hereby declare that the Project Report entitled **THE STUDY ON DIGITAL INCLUSION IN SMALL SCALE BUSINESS AROUND CHENNAI CITY** done by me under the guidance of **Dr.T R KALAI LASKSHMI., M.A., M.B.A., MPhil ., Ph.D., of the Department, School of Management** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

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ABSTRACT

Financial inclusion may be defined as the process of ensuring access to financial services and adequate credit where needed by vulnerable groups such as weaker sections and low income at an affordable cost. Digital finance is a financial service delivered through mobile phones, personal computers, the internet or cards linked to a reliable digital payment system. Digital finance has the potential to provide affordable, convenient and secure banking service. The major objectives of this study were to determine usage and reasons for preferring digital services by the retailers and their level of satisfaction along with the benefits accrued in digital services. Research design used for the study was descriptive in nature. Simple random sampling technique was used to select the sample size of 150 respondents. Both primary and secondary data was used for the study. Primary data collection technique adopted was well-structured questionnaire. Collected questionnaire was analyzed using statistical tools like percentage analysis, Chi square test and weighted average mean. The percentage analysis showed that majority of the respondents were provision store owners. The findings revealed that very fast/ time saving is the major factor to utilize digital payments. And the reason to upgrade to digital transactions was easy transfer of funds where it provides an easier way to check payment status by just viewing the UPI statements. The major problem behind digital service is that the issue of network in receiving and making payments. The results showed that there is a relationship between (i) monthly sales and bank charges for UPI payments; (ii) monthly income via UPI payments and services charges imposed by banks and (iii) type of UPI payment and its success rate. It was suggested that the banks can offer digital banking services in regional languages so that it is easy to use for all the people. The study can be concluded that all the Digital banking services, play an important role in building satisfaction amongst the customers and increasing their preferences towards the emerging e-channel banking services.

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CHAPTER 1

INTRODUCTION

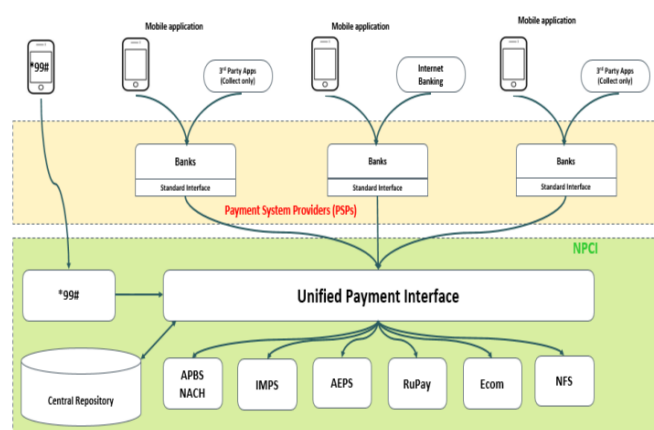
1.1 An overview

Financial inclusion may be defined as the process of ensuring access to financial services and adequate credit where needed by vulnerable groups such as weaker sections and low income at an affordable cost. Financial inclusion includes access to financial products and services like banks accounts, insurance, remittance & payment services, financial advisory services etc. It provides individuals with the possibility to save for future stability, a high level of bank deposit would enable a stable deposit base, opportunities to build savings, make investments and access credit. Now a day, there is an inclusive growth focused on financial inclusion. Collectively, these are achieved with the enabling of new banking technology. Many banks have arrived with new banking technology that took place in the new scenario of banking customers that is called “Digital finance”. Thus, digital finance has given a new shape to the banking industry. Digital finance is a financial service delivered through mobile phones, personal computers, the internet or cards linked to a reliable digital payment system. Digital finance has the potential to provide affordable, convenient and secure banking service. Digital finance provides greater control of customer personal finance, quick financial decision making, and the ability to make and receive finance. An efficient financial system is a prerequisite for a country’s socio-economic development. It acts as a building block for the mobilization of savings and allocating them to the productive resources. Realizing the role of financial inclusion as an enabler of inclusive growth, the Government of India along with Reserve Bank of India have taken a number of policy initiatives to include the large unbanked masses into the financial mainstreams. Recent development in communication technology can be used in a very efficient manner for bringing the financially excluded people under the ambit of digital financial inclusion in a cost-effective manner. Digital financial services have a great capacity to support financial inclusion for inclusive economic development. Financial inclusion is the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low- income groups at an affordable cost. Financial Literacy and financial inclusion have been important policy goals of India for quite some time. Despite policy measures and technological innovations adopted by RBI and banking sector, the extent and penetration of financial

products and services to marginalized sections of the society, the figures are not encouraging. The policy makers are now formulating a comprehensive action plan for financial inclusion as it is believed that financial inclusion is the only hope for financial development. This study is an attempt to integrate the results of existing literature on financial inclusion in India, role played by Government, RBI and the banks in promoting inclusive growth and barriers and challenges on the demand as well as supply aspects of financial inclusion. It has been observed that Government, RBI and banks have adopted various policy measures and innovative tools to ensure access of financial products and services to weaker and under privileged sections of the society. However financial illiteracy, lack of convenience, technological issues and viability has emerged as significant barriers in achieving the goal of inclusive growth.

1.2 INTRODUCTION TO UPI (UNIFIED PAYMENTS INTERFACE)

The following diagram is the architecture of UPI allowing USSD, smartphone, Internet banking and other channel integration onto a common layer at NPCI. This common layer organizes the transactions and ensure settlement across accounts using systems such as IMPS, AEPS, NFS, E-com etc. Usage of existing systems ensure reliability of payment transactions across various channels and also takes full advantage of all the investments so far.



Here, the merchant sites collect the payment through the virtual address avoiding the need to provide the account details or the sensitive information on websites or third-party applications. Within this solution the payment authentication and authorization are always done using the personal mobile.

Every payment has the following core elements

1. The account details of payer and the payee for routing and authentication purpose.
2. Authentication credentials.
3. Transaction amount.
4. Time stamp.

Payment Address

The payment address is unique for every user. It is very flexible and can be changed. This address is linked with our mobile number and the account number. Since it is not our actual payment address but act as the bank account details, it is called as virtual payment address (VPA). Provider is expected to map the payment address to actual account details at appropriate time. Providers who provide virtual addresses should expose the address translation API for converting their virtual addresses to an address that can be used by NPCI. The payment address is unique for every user. It is very flexible and can be changed. This address is linked with our mobile number and the account number. Since it is not our actual payment address but act as the bank account details, it is called as virtual payment address (VPA). Provider is expected to map the payment address to actual account details at appropriate time. Providers who provide virtual addresses should expose the address translation API for converting their virtual addresses to an address that can be used by NPCI.

Authentication

Authentication is the process of recognizing something or someone's identity. In the terms of transaction, the communication takes place between the two parties such that both the parties have to share the required details among themselves so that the identity of each party is known to the other. In UPI a special benefit of single click 2 factor authentication is allowed. It mainly has two levels of security

1. Device fingerprinting acts as the first factor of the security. Here one's bank account is linked to his/her own UPI app. As a result the NPCI servers acquire all the device details of the user. Therefore, the combination of the user's mobile number and device ID is linked to the unique account number. This combination acts as the first factor authentication.

2. The second level of the security is the M-PIN. Here when one linked his bank account with the UPI app, he is asked to generate a MPIN which is only known to him. As a result during every transaction the user is asked to enter his MPIN.

Authorization

Authorization is the process of allowing the user to access the resources. For example, if a user logs into a computer, the system checks what resources that particular user is allowed to access based on the permissions provided to him. These permissions are set by the system administrator. Logically, the authorization is preceded by the authentication.

Supporting Infrastructure

The built facilities that support the unified payment interface is as follows

1. Aadhaar system
2. NPCI mapper

Aadhaar System

Aadhaar is a unique identity for each user and it has become an accepted identity throughout the country for government and non-government agencies. Aadhaar authentication is done by providing the user's Aadhaar number along with his details and biometrics through online to Unique Identification Authority of India (UIDAI) system. Later they are verified on the basis of the information or documents available with it. The payments based on the Aadhaar credentials are done through the Aadhaar enabled payment systems (AEPS). The credentials that are required for this particular transaction are

1. Bank identification of the customer (IIN)
2. Finger print of the customer
3. Aadhaar number

The following are the some of the services offered by the AEPS

1. Finger Detection

2. Cash withdrawal
3. Cash deposit
4. Fund transfer (Aadhaar to Aadhaar)
5. Mini statement
6. Balance enquiry

NPCI Central Mapper

NPCI mapper keeps the track of the Aadhaar numbers which is maintained by the Aadhaar payment bridge system (APBS). These numbers are further used for the purpose of routing the APB transactions to the destination banks. NPCI mapper also contains the IIN of the bank to which the Aadhaar number is linked with. When the mobile number is linked with one or more accounts the NPCI central mapper allows any user to send or receive money from the mobile number without knowing the details of the destination account.

Benefits for the End-users

1. The transaction can be done round the clock by the customers regardless of the Sundays and the public holidays.
2. As the virtual payment address is used during transaction, there is no need to share the sensitive information.
3. The complaints can be given directly through the mobile app.
4. Different bank accounts can be managed through the single mobile application.
5. Single click authentication

Benefits for the Merchants

1. Cash on delivery problem can be solved
2. No risk of storing the customer's virtual address like in the cards.
3. Best suitable for e-commerce and m-commerce transaction.
4. In-app payments can be done.

Applications

UPI apps have changed the way of making payments. Though slowly but they are replacing all other payment options including cash. Google play store is flooded with a lot of UPI apps. we can use any of the UPI apps available in the play store. For example, if we have a bank account in ICICI, we add this account to SBI Pay, Tez or any other UPI app. UPI apps are bank independent so it supports us even if we have an account with multiple banks. The following are some of the prominent UPI apps used by the customers for the payments

Axis Pay

Axis Bank's Axis Pay is a great UPI app. It has the cleanest interface. Developers have placed only two options on its home screen. One for sending money and another for requesting money. All other options are placed in the side panel which can be accessed by swiping from the left. Axis Pay app is secured by an app 6 digits app password. The user experience is good as the app is fast enough to provide us seamless transaction experience. However, the app has more steps than most of the other UPI apps while sending money. We must add an account as a contact within the app before sending money.

SBI Pay

SBI Pay is the standalone UPI app of State Bank of India. The app is secure and easy to use. The user interface of the app is one of the simplest. User experience is also great as transactions can be completed with 3-4 steps only. The icons for almost all main services are placed on its home screen. And other options can be accessed with a single swipe from the left. It has all major UPI services comprising send and request money, balance inquiry and set/change MPIN. Here we can add more than one bank accounts in SBI Pay. We can select the preferred account from added accounts where we need not choose bank account every time.

PhonePe App

The PhonePe app is another UPI app. This app also acts as the mobile wallet. It is the second fastest grown UPI app after BHIM app. The app has all the UPI features as well as mobile wallet features. Regarding its interface, it is one of the nicest looking UPI apps. Developers have chosen a nice colour to design the app and it also contains

important features. All other UPI apps are meant to send money only. But PhonePe is capable of recharging and paying bills using UPI. The app works well on slow network connections also. It is available in 8 languages. we can send and request money, generate and scan QR code, set/change MPIN with the app. we can also check our bank balance.

Google Tez App

The google Tez is a late entrant. However, the main draw of its rapid progress is the Reward program of the Tez. But, the interface of the Tez is also very simple. This app is even simpler than the BHIM app. The Google has powered this app with four big banks. Thus, we can use any of the bank for the back-end transaction. Tez has a unique feature of cash mode. In this mode we can transfer money very easily to person who is nearby. we don't need to input a

ny detail for such transfer. It is just like the Shareit transfer, where we can see the recipients of a limited area. This technology works on sound-waves. If we are not paying in Cash mode, there are more steps for the fund transfer.

BHIM UPI app

The BHIM UPI app is one of the best app. This app is developed and released by NPCI. It is the simplest and fastest UPI app available in the play store. The interface of the app is minimal with blue icons and white background. We can access each of its services with just a single click. Also, we can complete a transaction or change our bank account with three to five clicks only. BHIM UPI app has all the UPI features. These include sending and receiving money, changing or setting MPIN, checking balance and generating QR codes etc. we can send money using virtual payment address, mobile number or QR code of the beneficiary. NPCI has also included IFSC and account number method with the last update.

Bonus app-PNB UPI

PNB UPI is another one of the UPI apps available. This app is developed and released by Punjab National Bank. The interface of the app is pretty good. It allows us to send and request money to our account to another. We can send money using virtual payment address or IFSC code and account number. The speed of the app is also decent. The app sometimes lags due to slow network connection. But if we have good

internet connection then there is no problem. PNB UPI also allows us to pay by scanning a QR code. However, it does not have the option to generate a QR code. All other services are present in the app such as set/change MPIN, balance inquiry, adding more than one account and viewing past transactions etc. If we do not consider the looks or QR codes more, then this app is one of the best apps. But if we prefer an app which should be clean and simple then it is best to choose another app.

1.3 NEED FOR THE STUDY:

Now commercial banks are relying on Information Technology. The persistent pressure in the competitive environment drives the banking companies to reach the client at his door step and meet his or her requirements of product and services in a customized manner. So the technology becomes an integral part of banking business. Younger generation group customers are much more amenable to use electronic delivery channels than visiting physical branches. To establish good relations, for survival with growth and to maintain profit for banks, it should satisfy customers need. Based on the review, this paper attempts to give an insight about the barriers to financial inclusion in our country and to give recommendations to the banks regarding the action that can be taken to promote a more inclusive economy. For this purpose, the customer needs and requirements are to be properly studied and analysed, hence this study studies the relative importance of the indicators of digital financial inclusion.

1.4 SCOPE OF THE STUDY:

- ▶ Scope of the study is limited to merchants in and around Chennai who started using digital services rather than accepting cash transactions
- ▶ The study focuses on the advantages as well as the difficulties being faced by the merchants while using digital services

1.5 OBJECTIVES OF THE STUDY:

1. To determine usage and reasons for preferring digital services.
2. To know age wise and profession wise customers who prefer digital services.
3. To examine the associated risk involved in digital services.
4. To study the retailers' satisfactions towards the digital services rendered by their bank.
5. To analyse the benefit accrue by the retailers while using digital service.
- 6.

1.6 LIMITATIONS OF THE STUDY:

1. The research study has been done from a selective material on the internet.
2. Only selective journals, papers and articles have been put to use because of the time factor.
4. The survey has been conducted only on 150 respondents.
5. The accuracy of the findings of study depends upon the correctness of the responses provided by the respondents.
6. Unwillingness of some respondents to provide information is another limitation.
7. Findings of this study may be influenced by personal bias of the respondents.
8. The inferences apply only to the respondents of Chennai City and are not applicable to any other place and cannot be generalized.

CHAPTER 2

REVIEW OF LITERATURE

- **Yan Shen and Yiping Huang (2016)**, Introduction to the special issue: Internet finance in China. Internet finance, which is often referred to as “digital finance” and “Fintech”. Internet finance refers to the new business model of utilizing the Internet and information communication technologies to accomplish a wide range of financial activities, such as third-party payment, online lending, direct sales of funds, crowdfunding, online insurance, and banking. The Internet can significantly lower transaction costs and reduce information asymmetry, enhance the efficiency of risk-based pricing and risk management, and expand sets of feasible transactions.
- **Agufa Midika Michelle (2016)**, The Effect Of Digital Finance On Financial Inclusion In The Banking Industry In Kenya, The study concluded that digital finance doesn't have any correlation on financial inclusion in banking sector in Kenya since banking institutions adopt digital financial services to lower operating cost associated with opening and operating branches to improve their profitability and financial performance and not to foster financial inclusion.
- **Peterson K Ozili (2018)**, Impact of Digital Finance on Financial Inclusion and Stability, this article provides a discussion on digital finance and its implication for financial inclusion and financial stability. Digital finance through Fintech providers has positive effects for financial inclusion in emerging and advanced economies, and the convenience that digital finance provides to individuals with low and variable income is often more valuable to them than the higher cost they will pay to obtain such services from conventional regulated banks.
- **Huma Haider (2018)**, Innovative financial technologies to support livelihoods and economic outcomes, the study examined the innovative financial technologies support livelihoods of people. Access to digital technologies, in particular mobile phones, internet connectivity and biometric authentication, allows for a wider range of financial services, such as online banking, mobile phone banking, and digital credit for the unbanked. Digital financial services can be more convenient and affordable than traditional banking services, enabling low-income and poor people in developing countries to save and

borrow in the formal financial system, earn a financial return and smooth their consumption.

- **Dr. Tabitha Durai (2019)** the researcher intends to identify the impact of digital finance in bringing about financial inclusion among people. Digital finance includes Internet banking, Mobile banking, Mobile Wallets (apps), Credit card and debit card. Financial inclusion is taken for the study are Convenience, Adaptability, affordability, Security, User-friendly, Low Service charge, Accurate timing, Online Monthly statement, Quick financial decision making, Easy interbank account facility, Internet Connectivity, and Usability. A well-structured questionnaire was carefully prepared for the collection of primary data. Multiple choices and Likert scale questions were carefully framed to study the impact of digital finance in financial inclusion. The Cronbach's alpha is 0.976, proving its reliability and validity. Data were entered into the Statistical Package of Social Sciences (SPSS) ver. 20.0 for analysis. The statistical techniques used for analyzing the data are One way ANOVA and Reliability test. The findings of the study found that Usability, Convenience, Accurate timing, and easy interbank account facility has positive impacts on Mobile banking, Low service charge and accurate timing has significant impacts on mobile wallets (apps) even Low service charge has positively impacted on the credit card. Hence the study concludes that the digital finance (Internet banking, mobile banking, mobile wallets (apps), credit card and debit card has a significant impact on financial inclusion. Though digital finance has many negative on an issue like affordability, security, adaptability etc. Every human being intends to avail the facility of digital finance in their lives.
- **Monyoncho (2015)** inspected the relationship between E-Banking advances and money related execution of business banks in Kenya utilizing optional information for a time of five years. The discoveries of the study uncovered that ATM developments, Mastercard's, portable managing an account and web keeping money offer the comfort of directing a large portion of the saving money exchanges at the time that suits the client. The study presumed that selection of E-Banking advances affected the execution of business banks in Kenya and prescribed that business banks ought to keep putting resources into saving money innovations.

- **Muiruri and Ngari (2014)** inspected the impact of monetary advancements on the money related execution of business banks in Kenya with spotlight on Mastercard's, portable keeping money, web managing an account and organization saving money. The study utilized a specimen of sixteen banks and gathered information from four individuals from the administration group utilizing surveys. The study confirmed that a few banks in Kenya had received some monetary advancements, for example, charge cards, versatile, web and organization managing an account. The concentrate likewise found that budgetary advancements greatly affected the money related execution of the business banks.
- **Ngungi (2013)** researched the effect of internet depending on money related execution of business banks in Kenya. The study did an enumeration of the 43 business banks in Kenya and gathered essential information through surveys. The study reasoned that web saving money affected the monetary execution of business banks in Kenya. The study recommended that banks should rally more clients to use internet banking as based on the results of the study, internet banking services were very useful in addressing lowering costs to the bank and customers, security and accessibility by users.
- **Dabla-Norris, Yan and Filiz (2015)** examined three measurements of money related incorporation to be specific access, profundity and intermediation productivity. The study utilized firm-level information from the World Bank Enterprise Survey for six nations at different degrees of financial improvement—three low-wage nations (Uganda, Kenya, Mozambique), and three developing business sector nations (Malaysia, the Philippines, and Egypt). The study discoveries built up that lightening diverse monetary contacts have a differential effect crosswise over nations, with nation particular attributes assuming a focal part in deciding the linkages and tradeoffs between consideration, GDP, imbalance, and the dispersion of additions and misfortunes.
- **Akhisar, Tunay and Tunay (2015)** researched the impacts of the bank's productivity execution of electronic-based managing an account administrations in 23 created and building up nations' electronic keeping money administrations through 2005 utilizing dynamic board information techniques. The discoveries of the study set up that bank productivity of created and

creating nations was influenced by the proportion of the quantity of branches to the quantity of ATMs and were profoundly critical and electronic managing an account administration in huge. The concentrate likewise found that a few variables had a negative relationship, due to differing qualities in the level of advancement of the nations, the socio-social structure and electronic managing an account base.

- **Niranjan JN (2017)** research paper will attempt to enumerate the demand and supply barriers to digital transactions amongst the auto rickshaw drivers in Viman Nagar. The use of cash is still high in India, despite the increase in digital transactions and financial inclusion. To accommodate the informal sector, certain measures need to be taken by the government and the banks. Safety is high priority and so is the financial capability to purchase electronic devices like smart phones that most of the platforms require. Internet data services are expensive which several workers, particularly from the informal sector, are unable to afford. For a smooth transition from cash-dependent to cashless economy, the government would need to ensure the large informal sector in India is inculcated into the system. Through the use of mobile phones, last mile banking problems are expected to disappear. But unless smart phones and internet connectivity are affordable. Awareness of financial services is present, suitable financial products are available for the low-income earning individual, and adults are financial capable to avail these services, digital financial inclusion and a cashless India would not be possible in the near future. Though 'Digital India' and a cashless India could help push the Indian economy to become more transparent, the infrastructure needs to be in place and institutions need to make the option of going cashless more economically viable to the average Indian. Considering that the Per Capita Income of India in 2015-16 was merely 94,178 and that over 90% of the total workforce depends on cash transactions, the task of removing barriers to digital financial inclusion cannot be undermined.
- The technological and related developments coined the concept of Digital Financial Inclusion and it got significance after the execution of digital means and technologies as a part of the Digital India Initiatives (**Mas & Porteous, 2017**).

- The various so-called initiatives of central government, such as Digital India initiative, Aadhar card, Direct benefit transfer, Retail banking, PMJBY, Mudra Bank, PMBY etc. played effective role in attainment of digital financial inclusion objectives (**Srinivas, 2017**).
- **Atrole, et al., 2015** The banks are also playing a better role in further financial inclusion with the help of digital technologies. The government, the central bank and related organization are taking a lot of initiatives for the popularization of digital financial inclusion. The concept of digital financial inclusion is getting that much important in India and recently India has been identified as the 3rd among 55 countries in the world having the most enabling environment for digital financial inclusion.
- India is on the path of a technological transformation, and we are on the way to a cashless system of economy. The development of various technologically assisted tools for financial inclusion adds to the scope of digital financial inclusion. The digitalization also increases the transparency and security. But still, it is a fact that the actual knowledge about the measures and tools determines the success of these initiatives. Digital transformation initiatives like the digital India initiatives, ICT solutions, Aadhar card, Jan Dan Schemes, E-governance, BHIM App, and Skill India initiatives (PMI, 2017) helps in the transformation in different dimensions and in the transformation of the economy. (**SIDBI, 2017**).
- **ASIAN DEVELOPMENT BANK (2017)** study focuses on four Southeast Asian markets—Indonesia, the Philippines, Cambodia, and Myanmar. It is informed by more than 80 stakeholder interviews across the four markets, extensive secondary research, and economic analysis and seeks to better understand and quantify the nature of the impact of digital finance on accelerating financial inclusion. The research focuses on financial exclusion in three segments: base of pyramid; women; and micro, small, and medium enterprises (MSMEs). It is estimated that addressing this opportunity could increase gross domestic product (GDP) by between 9% and 14%, even in relatively large economies such as Indonesia and the Philippines. The potential boost to GDP is as high as 32% in Cambodia. Making the most of this opportunity could also help influence the future shape of the financial services industry, particularly in

smaller markets such as Cambodia and Myanmar, where only a small percentage of the current needs for financial services are met by formal providers. While digital finance alone cannot entirely close the gaps in financial inclusion, the estimated cumulative effect of digitally driven acceleration in financial inclusion could boost GDP by 2% to 3% in markets like Indonesia and the Philippines, and 6% in Cambodia. For the population earning less than \$2 a day, that would translate to a 10% increase in income in Indonesia and the Philippines, and an increase of around 30% in Cambodia.

CHAPTER 3

RESEARCH METHODOLOGY

Research is the systematic and objective search for the analysis of the information relevant to the identification and solution of many problems.

The research is the basic framework or a plan for the study that guides collection of data and analysis of data. The information is collected from the individuals and analysed with the help of various statistical tools.

3.1 DATA COLLECTION:

Data collection is a process of preparing and collecting data. The purpose of data collection is to obtain information to keep on record, to make decisions about important issues or to pass information on to others.

3.2 METHOD OF DATA COLLECTION:

Primary Data:

Primary data are those collected by the investigator himself for the first time and thus they are original in character, they are collected for particular purpose. A well-structured questionnaire was personally administered to the selected samples to collect the primary data.

Secondary Data:

Secondary data are those, which have been already collected by some other persons for their purpose and published. Generally, they are from journals, magazines, articles, websites etc.

3.3 RESEARCH INSTRUMENTS:

Questionnaire:

A well-structured questionnaire was prepared and used to collect the information from the respondents. The majority of questions are close ended questionnaire is distributed to people to know about their satisfaction and awareness toward digital financial inclusion and e-banking services of their bank. This is one of the easiest methods of collecting information.

Sampling Techniques:

Sampling is a technique or method of selection of samples. Convenient sampling method is used.

Sample Size:

The sample size of the study is collected from 150 respondents.

Sampling Area:

This study has covered the certain part of Chennai city.

Period of study:

The study was carried out for the period of two months i.e., February 2022-March w022

Tools used:

The tools used in this study are

- Percentage analysis
- Chi square analysis
- Weighted average mean

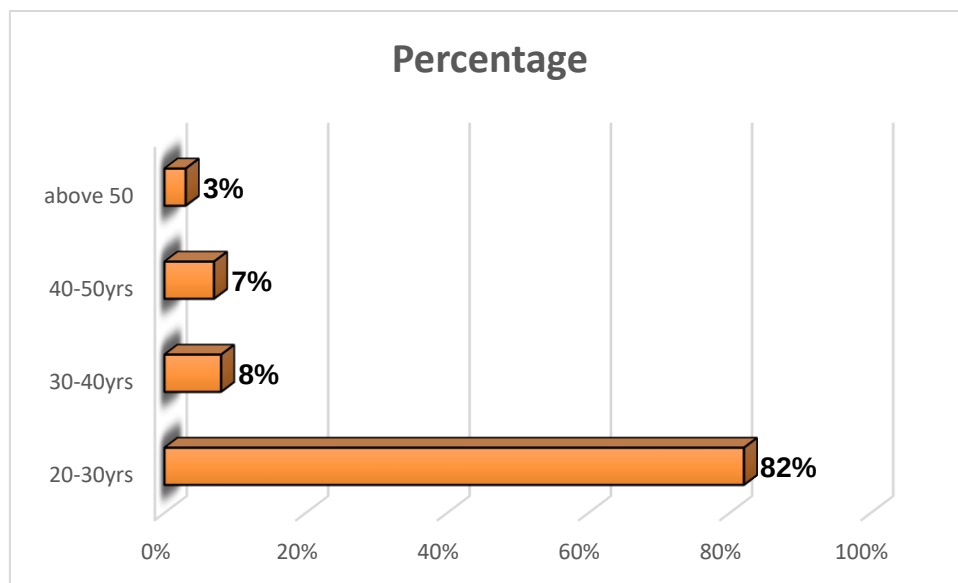
CHAPTER 4

4.1 DATA ANALYSIS AND INTERPRETATION

TABLE NO.1: AGE WISE CALCULATIONS OF THE RESPONDENTS

Age	Frequency	Percentage
20-30yrs	123	82%
30-40yrs	12	8%
40-50yrs	10	7%
above 50	5	3%
Total	150	100%

CHART NO.1: AGE WISE CALCULATIONS OF THE RESPONDENTS



INTERPRETATION:

From the above table it is interpreted that 82% of the respondents belongs to 20-30 years category, 8% of the respondents belongs to 30-40 years category, 7% of the respondents belongs to 40-50 years of respondents, and 3% of the respondents belongs to above 50 years category.

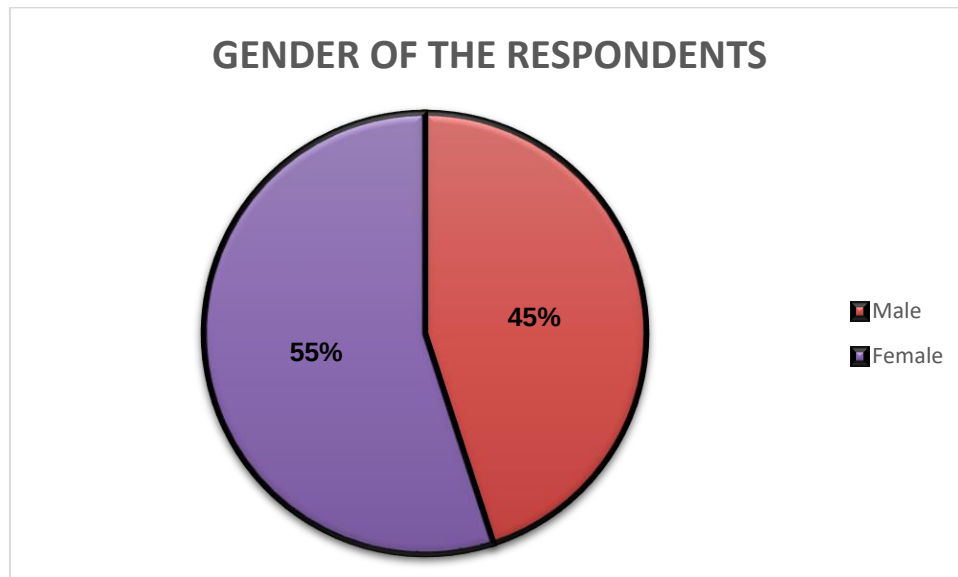
INFERENCE:

Majority (82%) of the respondents belongs to 20-30 years category.

TABLE NO.2: GENDER WISE CALCULATIONS OF THE RESPONDENTS

Gender	Frequency	Percentage
Male	67	45%
Female	83	55%
Total	150	100%

CHART NO.2: GENDER WISE CALCULATIONS OF THE RESPONDENTS



INTERPRETATION:

From the above table, it is interpreted that 45% of the respondents belongs to male category and 55% of the respondents belongs to female category

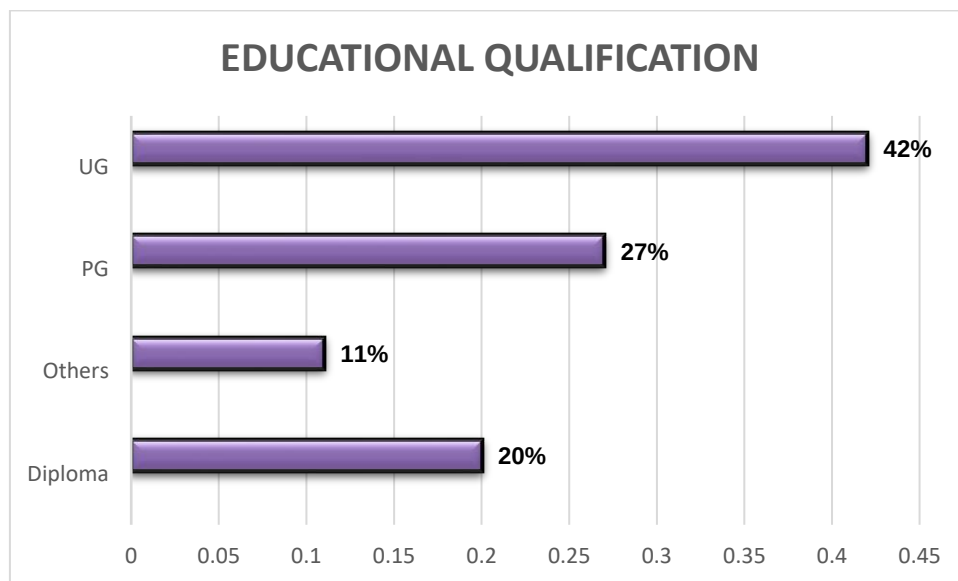
INFERENCE:

Majority (55%) of the respondents belongs to female category

TABLE NO.3: EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

Educational Qualification	Frequency	Percentage
Diploma	30	20%
Others	16	11%
PG	40	27%
UG	64	42%
Total	150	100%

CHART NO.3: EDUCATIONAL QUALIFICATION OF THE RESPONDENTS



INTERPRETATION:

From the above table, it is interpreted that 20% of the respondents belongs to Diploma category, 11% of the respondents belongs to others category, 27% of the respondents belongs to PG category and 42% of the respondents belongs to UG category.

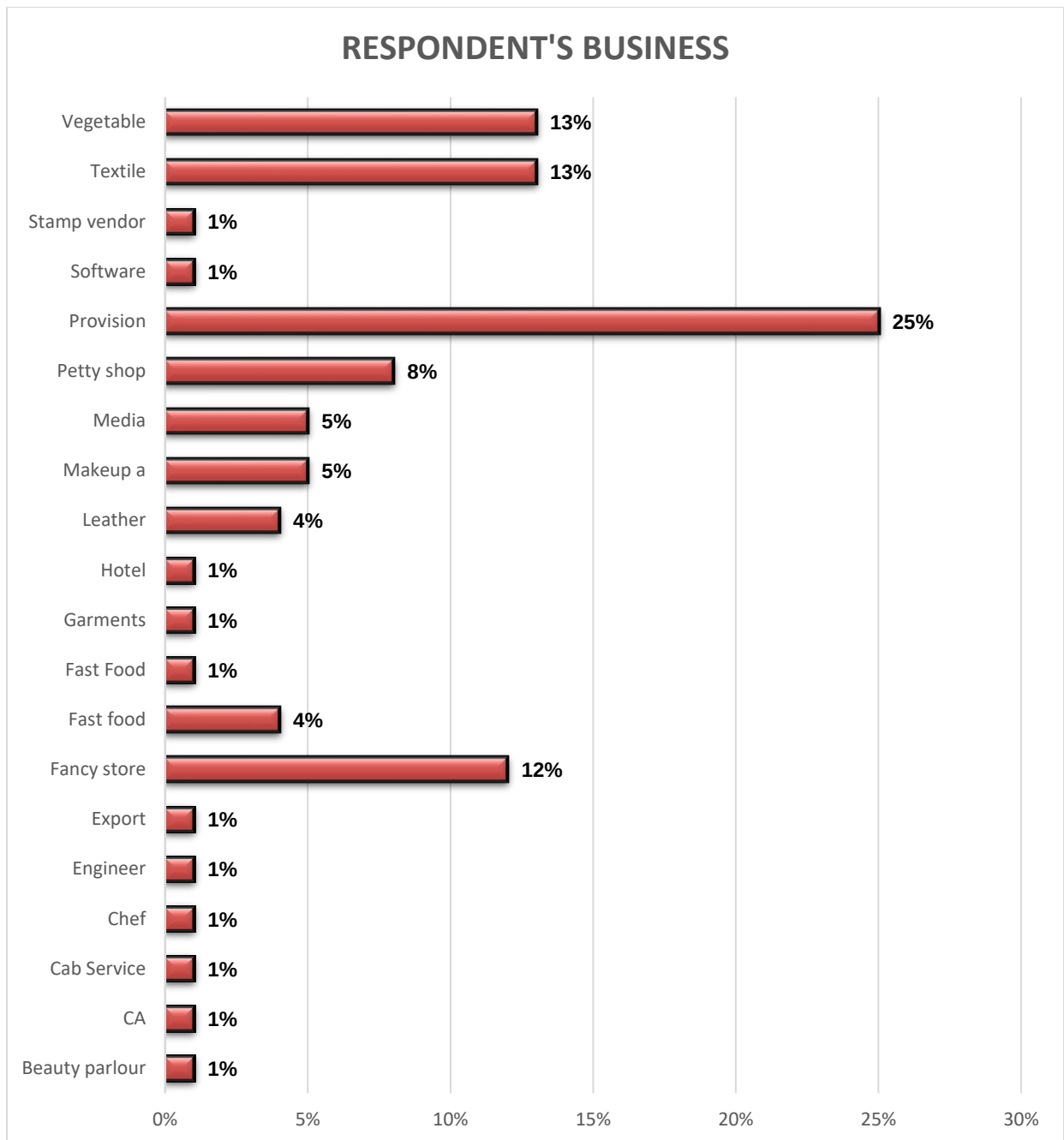
INFERENCE:

Majority (42%) of the respondents belongs to UG category.

TABLE NO.4: PERCENTAGE ANALYSIS

Business	Frequency	Percentage
Beauty parlour	2	1%
CA	1	1%
Cab Service	2	1%
Chef	1	1%
Engineer	2	1%
Export	2	1%
Fancy store	18	12%
Fast food	6	4%
Fast Food	2	1%
Garments	1	1%
Hotel	2	1%
Leather	6	4%
Makeup a	8	5%
Media	7	5%
Petty shop	12	8%
Provision	37	25%
Software	2	1%
Stamp vendor	1	1%
Textile	19	13%
Vegetable	19	13%
Total	150	100%

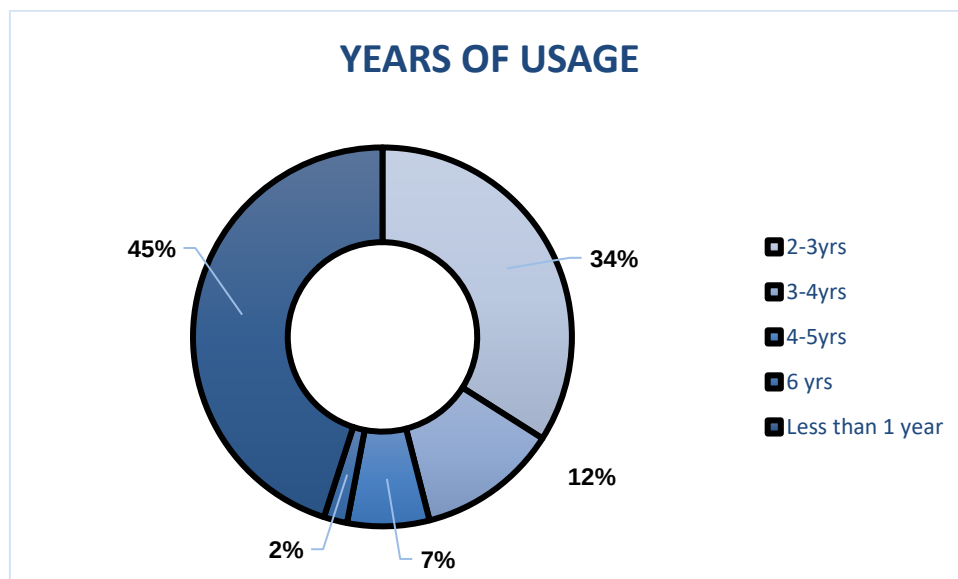
CHART NO.4: PERCENTAGE ANALYSIS



**TABLE NO.5: NO OF YEARS THE RESPONDENTS HAVE BEEN GIVING UPI
PAYMENT SERVICES TO THE CUSTOMERS**

Years of usage	Frequency	Percentage
2-3yrs	51	34%
3-4yrs	18	12%
4-5yrs	11	7%
6 yrs.	2	2%
Less than 1 year	68	45%
Total	150	100%

**CHART NO.5: NO OF YEARS THE RESPONDENTS HAVE BEEN GIVING UPI
PAYMENT SERVICES TO THE CUSTOMERS**



INTERPRETATION:

From the above table, it is interpreted that 34% of the respondents belongs to 2-3 years category, 12% of the respondents belongs to 3-4 years category, 7% of the respondents belongs to 4-5 years category, 2% of the respondents belongs to 6 years category and 45% of the respondents belongs to less than 1 year category

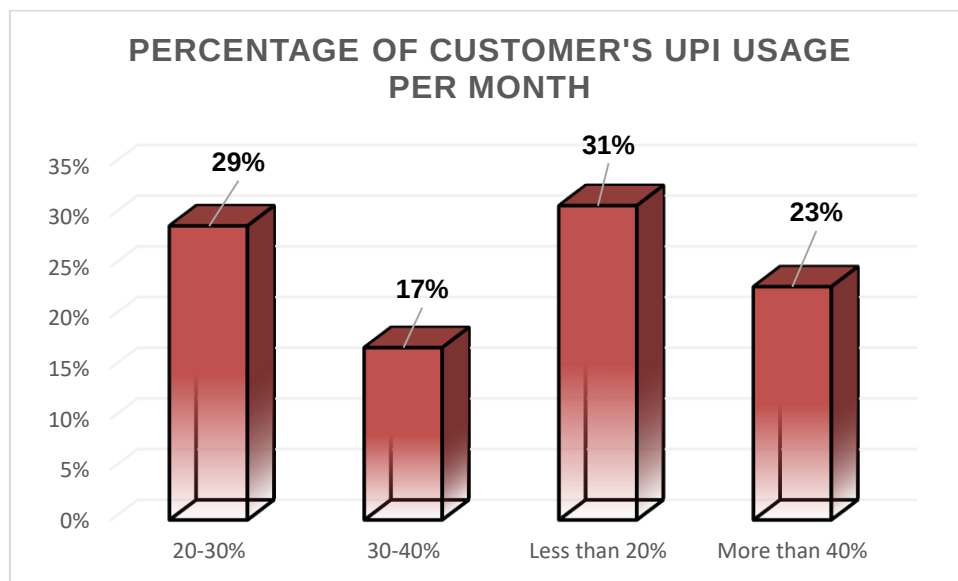
INFERENCE:

Majority (45%) of the respondents belongs to less than 1 year category

TABLE NO.6: PERCENTAGE OF CUSTOMER'S UPI USAGE PER MONTH

Customer usage	Frequency	Percentage
20-30%	50	29%
30-40%	29	17%
Less than 20%	53	31%
More than 40%	39	23%
Total	150	100%

CHART NO.6: PERCENTAGE OF CUSTOMER'S UPI USAGE PER MONTH



INTERPRETATION:

From the above table, it is interpreted that 29% of the respondents belongs to 20-30% category, 17% of the respondents belongs to 30-40% category of the respondents, 31% of the respondents belongs to less than 20% category and 23% of the respondents belongs to more than 40% category

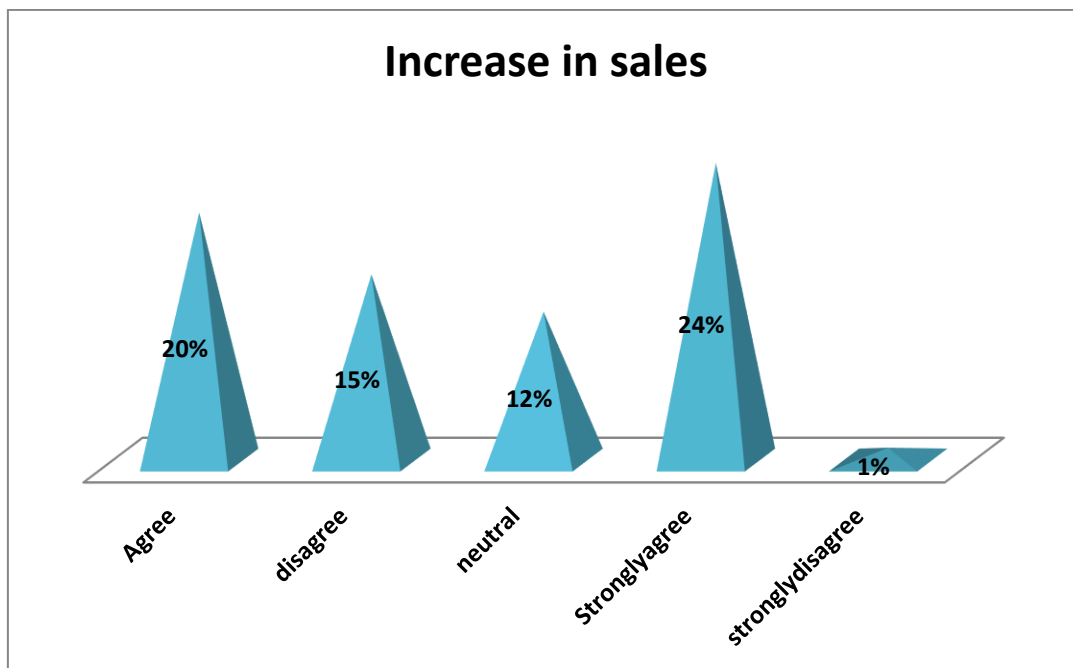
INFERENCE:

Majority (31%) of the respondents belongs to less than 20% category

TABLE NO.7: INCREASE IN SALES USING UPI PAYMENTS

Agreement	Frequency	Percentage
Agree	51	20%
disagree	4	15%
neutral	31	12%
Strongly agree	62	24%
Strongly disagree	2	1%
Total	150	100%

CHART NO.7: INCREASE IN SALES USING UPI PAYMENTS



INTERPRETATION:

From the above table, it is interpreted that 24% of the respondents chose strongly agree category, 20% of the respondents chose agree category, 12% of the respondents chose neutral category, 15% of the respondents chose disagree category, and 1% of the respondents belongs to strongly disagree category.

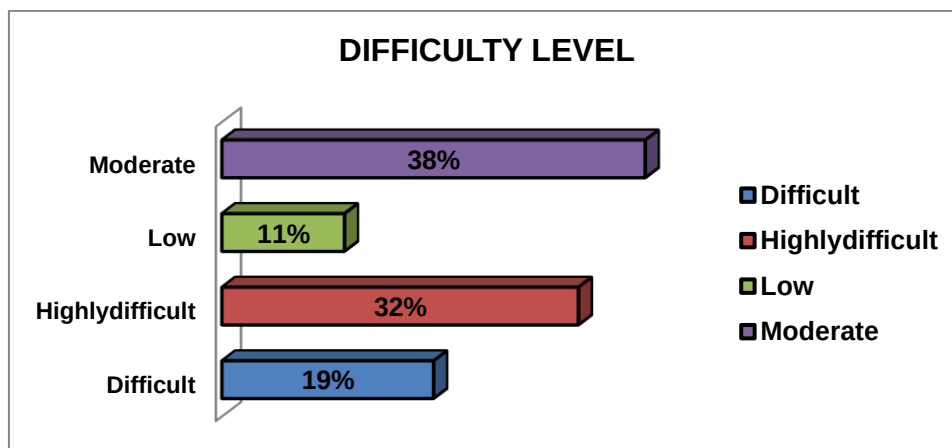
INFERENCE:

Majority (24%) of the respondents chose strongly agree category.

**TABLE NO.8: DIFFICULTY IN MAINTAINING RECORDS OF UPI
TRANSACTIONS AND LIQUID CASH**

Difficulty level	Frequency	Percentage
Difficult	28	19%
Highly difficult	48	32%
Low	16	11%
Moderate	58	38%
Total	150	100%

**CHART NO.8: DIFFICULTY IN MAINTAINING RECORDS OF UPI
TRANSACTIONS AND LIQUID CASH**



INTERPRETATION:

From the above table, it is interpreted that 38% of the respondents chose moderate category, 11% of the respondents chose low category, 32% of the respondents chose highly difficult category and 19% of the respondents belongs to difficult category

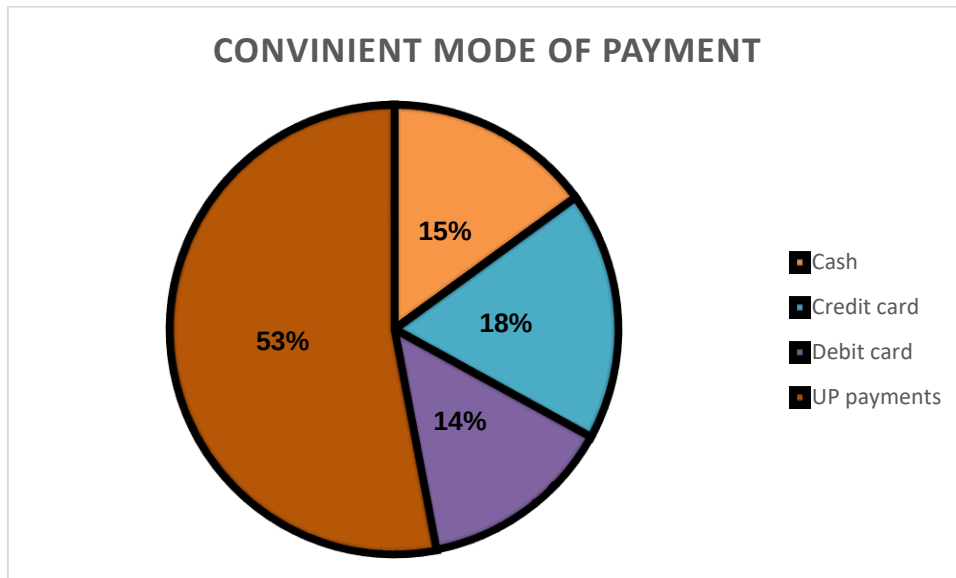
INFERENCE:

Majority (38%) of the respondents chose moderate category.

TABLE NO.9: WHICH MODE OF PAYMENT IS CONVINIENT AND SIMPLE?

Convenient mode	Frequency	Percentage
Cash	22	15%
Credit card	28	18%
Debit card	21	14%
UPI payments	79	53%
Total	150	100%

CHART NO.9: WHICH MODE OF PAYMENT IS CONVINIENT AND SIMPLE?



INTERPRETATION:

From the above table, it is interpreted that 15% of the respondents chose cash category, 18% of the respondents chose credit card category, 14% of the respondents chose debit card category and 53% of the respondents chose UPI payments category

INFERENCE :

Majority (53%) of the respondents chose UPI payments

4.2 WEIGHTED AVERAGE MEAN

TABLE NO.1: BENEFITS YOU ACQUIRE USING UPI PAYMENTS

Particulars	SA	A	N	DA	SDA	Total
safe and secure	97	36	13	0	4	150
Sustainability of customers	57	72	21	0	0	150
easy to operate	91	41	17	1	0	150
no need to wait in queue	82	50	14	2	2	150
very fast/ time saving	104	34	10	0	2	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
safe and secure	485	144	39	0	4	672	44.80	2.5
Sustainability of customers	285	288	63	0	0	636	42.40	5
easy to operate	455	164	51	2	0	672	44.80	2.5
no need to wait in queue	410	200	42	4	2	658	43.87	4
very fast/ time saving	520	136	30	0	2	688	45.87	1

TABLE NO.2: REASON TO UPGRADE

Particulars	SA	A	N	DA	SDA	Total
To increase sales	72	51	20	5	2	150
To adapt to digital inclusion	68	54	28	0	0	150
To sustain your customers	64	57	25	0	4	150
Easy transfer	89	48	13	0	0	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
To increase sales	360	204	60	10	2	636	42.40	3
To adapt to digital inclusion	340	216	84	0	0	640	42.67	2
To sustain your customers	320	228	75	0	4	627	41.80	4
Easy transfer	445	192	39	0	0	676	45.07	1

TABLE NO.3: CHECKING OF PAYMENT STATUS

Particulars	SA	A	N	DA	SDA	Total
Automated voice machine	87	24	25	10	4	150
SMS	77	44	21	4	4	150
Bank statement	62	47	32	5	4	150
UPI statement	81	49	14	5	1	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
Automated voice machine	435	96	75	20	4	630	42.00	3
SMS	385	176	63	8	4	636	42.40	2
Bank statement	310	188	96	10	4	608	40.53	4
UPI statement	405	196	42	10	1	654	43.60	1

TABLE NO.4: PROBLEMS IN DIGITAL SERVICES

Particulars	SA	A	N	DA	SDA	Total
taking more time in fund transfer	52	40	33	17	8	150
not easy for non-educated person	49	62	28	5	6	150
adapting for new digital platform	47	49	40	10	4	150
network issue	67	56	18	9	0	150
leaving the process unfinished	59	58	24	8	1	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
taking more time in fund transfer	260	160	99	34	8	561	37.40	5
not easy for non-educated person	245	248	84	10	6	593	39.53	3
adapting for new digital platform	235	196	120	20	4	575	38.33	4
network issue	335	224	54	18	0	631	42.07	1
leaving the process unfinished	295	232	72	16	1	616	41.07	2

4.3 CHI SQUARE TEST

Monthly sales of the shops * Bank charges for using UPI transactions for retailers

Null Hypothesis (H₀): There is no relationship between monthly sales and bank charges for UPI payments

Alternate Hypothesis (H₁): There is a relationship between monthly sales and bank charges for UPI payments

MONTHLYSALES * CHARGES Crosstabulation

Count

		CHARGES				Total
		1000-2000	2000-3000	Less than 1000	More than 3000	
MONTHLYSALES	50,000-60,000	8	4	5	1	18
	60,000-70,000	6	6	6	1	19
	70,000 above	5	4	4	3	16
	Less than 50,000	18	6	71	2	97
Total		37	20	86	7	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.503(a)	9	.000
Likelihood Ratio	34.058	9	.000
N of Valid Cases	150		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .75.

INFERENCE:

Since the computed value (**0.000**) is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between monthly sales and bank charges for UPI payments.

Monthly income through UPI Payments * Service charges collected by bank for online transactions

Null Hypothesis (H₀): There is no relationship between monthly income via UPI payments and services charges imposed by banks

Alternate Hypothesis (H₁): There is a relationship between monthly income via UPI payments and services charges imposed by banks

income * servicecharge Crosstabulation

Count

		servicecharge			Total
		5-10%	less than 5%	more than 10%	
income	20,000-30,000	11	33	4	48
	30,000-40,000	4	10	1	15
	Less than 20,000	11	64	2	77
	More than 40,000	7	2	1	10
Total		33	109	8	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.221(a)	6	.003
Likelihood Ratio	18.196	6	.006
N of Valid Cases	150		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .53.

INFERENCE:

Since the computed value (**0.003**) is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between monthly income via UPI payments and services charges imposed by banks

4.4 ONE WAY ANOVA TEST:

Type of UPI payments facilitated for customers * Success ratio of payment made at first time

Null Hypothesis (H_0): There is no relationship between type of UPI payment and its success rate.

Alternate Hypothesis (H_1): There is a relationship type of UPI payment and its success rate.

typeofUPI * Successrate Crosstabulation

Count

		Successrate				Total
		50-70%	70-90%	Less than 50%	More than 90%	
typeofUPI	Google Tez	0	0	1	0	1
	Gpay	6	10	32	2	50
	Gpay;Google Tez	0	1	0	0	1
	Gpay;Phonepe	2	3	7	2	14
	Gpay;Phonepe;Other	0	0	0	1	1
	Other	2	0	5	0	7
	Paytm	2	2	7	0	11
	Paytm;Gpay	4	3	3	2	12
	Paytm;Gpay;Other	0	2	0	0	2
	Paytm;Gpay;Phonepe	8	6	5	3	22
	Paytm;Gpay;Phonepe;G	3	4	3	5	15
	Paytm;Gpay;Phonepe;O	3	1	0	0	4
	Paytm;Phonepe	2	0	0	0	2
	Phonepe	4	0	2	2	8
Total		36	32	65	17	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.597(a)	39	.001
Likelihood Ratio	69.298	39	.002
N of Valid Cases	150		

a. 47 cells (83.9%) have expected count less than 5. The minimum expected count is .11.

INFERENCE:

Since the computed value **(0.001)** is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between type of UPI payment and its success rate.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS:

- Majority (82%) of the respondents belongs to 20-30 years category.
- Majority (55%) of the respondents belongs to female category
- Majority (42%) of the respondents belongs to UG category.
- Majority (45%) of the respondents belongs to less than 1 year category
- Majority (31%) of the respondents belongs to less than 20% category
- Majority (24%) of the respondents chose strongly agree category.
- Majority (38%) of the respondents chose moderate category.
- Majority (53%) of the respondents chose UPI payments
- Since the computed value **(0.000)** is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between monthly sales and bank charges for UPI payments.
- Since the computed value **(0.003)** is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between monthly income via UPI payments and services charges imposed by banks
- Since the computed value **(0.001)** is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between type of UPI payment and its success rate.

SUGGESTIONS:

- Banks can offer digital banking services in regional languages so that it is easy to use for all the people.
- Educate the customer about the usage of digital banking channels and also about their advantages. This would prompt the customers to move from traditional brick to modern Digital banking channel.
- Bank should develop new strategies and policies to make the customer more comfortable with the e-channels.
- Banks should be transparent about the charges and interest rates of the e-channels.
- Almost all the customers were satisfied with the services provided by the bank like Digital banking .Therefore; the bank should encourage more customers to adopt Digital banking.
- Ensure the security and confidentiality of customer information.
- Banks must try to provide their Digital banking services in rural areas in wide manner.

CONCLUSION:

Digital banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. With the time, the concept of internet banking has got attention in the Indian context. Most of the banks have already implemented the Digital banking facilities, as these facilities are beneficial to both i.e. banks as well as consumers. The main factors which persuade people to use online banking are comfort & convenience & the facility which attracts them most is quality& quantity of information. Therefore the implementation of quality initiatives should begin with defining customer's need & preferences & their related quality dimensions.

As the Indian banking is in transition phase from direct banking to the virtual banking two things stand out –

- Using Less Paper
- Doing Transaction Wirelessly

By designing and offering simple, safe and secure technology, banks reach at the doorsteps of the customers with an objective of “delight customer satisfaction”.

Studying the project we came to know that Digital banking is clearly the way forward for the Banks of India. It provides comfort to reetailers at the same time it provides cost cutting by eliminating physical documentation to the banks. Digital banking saves time of bank as well as those of customers. This study states that Digital banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Customer loyalty can be gain. Personal attention can be given by bank to customer also quality service can be served. It can be easily conclude that technological development in banking industry positively improves their services, competitiveness, branding and also loyalty. Considering the challenges and risk related to Digital banking, the Government of India along with various government agencies is making an effort to make Digital banking more safe, secure and reliable.

From this survey, it is concluded that all the Digital banking services, play an important role in building satisfaction amongst the customers and increasing their preferences towards the emerging e-channel banking services.

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ANNEXURE

1. NAME:
2. AGE:
 - a. 20-30
 - b. 30-40
 - c. 40-50
 - d. Above 50
3. GENDER:
 - a. Male
 - b. Female
4. EDUCATIONAL QUALIFICATION:
 - a. Diploma
 - b. Undergraduate
 - c. Postgraduate
 - d. Others
5. TYPES OF BUSINESS:
 - a. Petty shops
 - b. Vegetables/ Fruit shops
 - c. Fancy store/ Stationery
 - d. Provisional stores
 - e. Textile stores
 - f. Others
6. MONTHLY SALES OF YOUR SHOP
 - a. Less than 50
 - b. 50-60
 - c. 60-70
 - d. 70 above
7. WHICH TYPE OF UPI PAYMENTS DO YOU HAVE TO FACILITATE ONLINE PAYMENTS FOR YOUR CUSTOMER?
 - a. Paytm
 - b. Gpay
 - c. Phonepe
 - d. Others

8. HOW LONG HAVE YOU BEEN GIVING UPI PAYMENTS SERVICE TO YOUR CUSTOMERS?
- a. Less than 1 year
 - b. 2-3
 - c. 3-4
 - d. 4-5
 - e. 6 years
9. MONTHLY INCOME THROUGH UPI PAYMENTS
- a. Less than 20000
 - b. 20000-30000
 - c. 30000-40000
 - d. More than 40000
10. PERCENTAGE OF CUSTOMERS USING UPI SERVICES PER MONTH
- a. Less than 20
 - b. 20-30
 - c. 30-40
 - d. More than 40
11. DO YOU THINK YOUR SALES INCREASE THROUGH UPI PAYMENTS
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly agree

12.

BENEFITS YOU ACQUIRE USING UPI PAYMENTS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
SAFE AND SECURE					
SUSTAINABILITY OF CUSTOMERS					
EASY TO OPERATE					
NO NEED TO WAIT IN QUEUE					
VERY FAST/ TIME SAVING					

13.

BENEFITS YOU ACQUIRE USING UPI PAYMENTS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
TO INCREASE SALES					
TO ADAPT TO DIGITAL INCLUSION					
TO SUSTAIN YOUR CUSTOMERS					
EASY TRANSFER					

14.

BENEFITS YOU ACQUIRE USING UPI PAYMENTS	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
TAKING MORE TIME TO FUND TRANSFER					
NOT EASY FOR NON- EDUCATED PERSON					
ADAPTING FOR NEW DIGITAL PLATFORM					
NETWORK ISSUE					
LEAVING THE PROCESS UNFINISHED					

15. BANK CHARGES FOR USING UPI TRANSACTIONS FOR RETAILERS IN RS.

- a. Less than 1000
- b. 1000-2000
- c. 2000-3000
- d. More than 3000

16. SERVICE CHARGES COLLECTED BY BANK FOR ONLINE TRANSACTIONS

- a. Less than 5%
- b. 5-10%
- c. More than 10%

17. SUCCESS RATIO OF PAYMENT MADE AT FIRST TIME

- a. Less than 50%
- b. 50-70%
- c. 70-90%
- d. More than 90%

18. DIFFICULTY IN MAINTAINING RECORDS OF UPI TRANSACTIONS AND LIQUID CASH

- a. Highly difficult
- b. Difficult
- c. Moderate
- d. Low

19. WHICH MODE OF PAYMENT IS CONVENIENT AND SIMPLE?

- a. Credit card
- b. Debit card
- c. UPI Payments
- d. Cash

20. ANY SUGGESTION YOU WOULD LIKE TO GIVE TO IMPROVE DIGITAL PAYMENTS?

ANNEXURE 2 – ARTICLE

THE STUDY ON DIGITAL INCLUSION IN SMALL SCALE AROUND CHENNAI CITY

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ABSTRACT

Financial inclusion may be defined as the process of ensuring access to financial services and adequate credit where needed by vulnerable groups such as weaker sections and low income at an affordable cost. Digital finance is a financial service delivered through mobile phones, personal computers, the internet or cards linked to a reliable digital payment system. Digital finance has the potential to provide affordable, convenient and secure banking service. The major objectives of this study were to determine usage and reasons for preferring digital services by the retailers and their level of satisfaction along with the benefits accrued in digital services. Research design used for the study was descriptive in nature. Simple random sampling technique was used to select the sample size of 150 respondents. Both primary and secondary data was used for the study. Primary data collection technique adopted was well-structured questionnaire. Collected questionnaire was analyzed using statistical tools like percentage analysis, Chi square test and weighted average mean. The percentage analysis showed that majority of the respondents were provision store owners. The findings revealed that very fast/ time saving is the

major factor to utilize digital payments. And the reason to upgrade to digital transactions was easy transfer of funds where it provides an easier way to check payment status by just viewing the UPI statements. The major problem behind digital service is that the issue of network in receiving and making payments. The results showed that there is a relationship between (i) monthly sales and bank charges for UPI payments; (ii) monthly income via UPI payments and services charges imposed by banks and (iii) type of UPI payment and its success rate. It was suggested that the banks can offer digital banking services in regional languages so that it is easy to use for all the people. The study can be concluded that all the Digital banking services, play an important role in building satisfaction amongst the customers and increasing their preferences towards the emerging e-channel banking services.

I. INTRODUCTION

Financial inclusion may be defined as the process of ensuring access to financial services and adequate credit where needed by vulnerable groups such as weaker sections and low income at an affordable cost. Financial inclusion includes access to financial products and services like banks accounts, insurance, remittance & payment services, financial advisory services etc. It provides individuals with the possibility to save for future stability, a high level of bank deposit would enable a stable deposit base, opportunities to build savings, make investments and access credit. Now a day, there is an inclusive growth focused on financial inclusion. Collectively, these are achieved with the enabling of new banking technology. Many banks have arrived with new banking technology that took place in the new scenario of banking customers that is called “Digital finance”. Thus, digital finance has given a new shape to the banking industry. Digital finance is a financial service delivered through mobile phones,

personal computers, the internet or cards linked to a reliable digital payment system Digital finance has the potential to provide affordable, convenient and secure banking service. Digital finance provides greater control of customer personal finance, quick financial decision making, and the ability to make and receive finance. An efficient financial system is a prerequisite for a country's socio-economic development. It acts as a building block for the mobilization of savings and allocating them to the productive resources.

II. OBJECTIVE OF THE STUDY

1. To determine usage and reasons for preferring digital services.
2. To know age wise and profession wise customers who prefer digital services.
3. To examine the associated risk involved in digital services.
4. To study the retailers' satisfactions towards the digital services rendered by their bank.
5. To analyse the benefit, accrue by the retailers while using digital service.

III. REVIEW OF LITERATURE

1. **Yan Shen and Yiping Huang (2016)**, Introduction to the special issue: Internet finance in China Internet finance, which is often referred to as "digital finance" and "Fintech". Internet finance refers to the new business model of utilizing the Internet and information communication technologies to accomplish a wide range of financial activities, such as third-party payment, online lending, direct sales of funds, crowdfunding, online insurance, and banking. The Internet can significantly lower transaction costs and reduce information asymmetry, enhance the efficiency of risk-based pricing and risk management, and expand sets of feasible transactions.
2. **Agufa Midika Michelle (2016)**, The Effect Of Digital Finance On Financial Inclusion In The Banking Industry In Kenya, The study concluded that digital finance doesn't have any correlation on financial inclusion in banking sector in Kenya since banking institutions adopt digital financial services to lower operating cost associated with opening and operating branches to improve their profitability and financial performance and not to foster financial inclusion.
3. **Peterson K Ozili (2018)**, Impact of Digital Finance on Financial Inclusion and Stability, this article provides a discussion on digital finance and its implication for financial inclusion and financial stability. Digital finance through Fintech providers has positive effects for financial inclusion in emerging and advanced economies, and the convenience that digital finance provides to individuals with low and variable income is often more valuable to them than the higher cost they will pay to obtain such services from conventional regulated banks.
4. **Huma Haider (2018)**, Innovative financial technologies to support livelihoods and economic outcomes, the study examined the innovative financial technologies support livelihoods of people. Access to digital technologies, in particular mobile phones, internet connectivity and biometric authentication, allows for a wider range of financial services, such as online banking, mobile phone banking, and digital credit for the unbanked. Digital financial services can be more convenient and affordable than traditional banking services, enabling low-income and poor people in developing countries to save and borrow in the formal financial system, earn a financial return and smooth their consumption.

5. **Dr. Tabitha Durai (2019)** the researcher intends to identify the impact of digital finance in bringing about financial inclusion among people. Digital finance includes Internet banking, Mobile banking, Mobile Wallets (apps), Credit card and debit card. Financial inclusion is taken for the study are Convenience, Adaptability, affordability, Security, User-friendly, Low Service charge, Accurate timing, Online Monthly statement, Quick financial decision making, Easy interbank account facility, Internet Connectivity, and Usability. A well-structured questionnaire was carefully prepared for the collection of primary data. Multiple choices and Likert scale questions were carefully framed to study the impact of digital finance in financial inclusion. The Cronbach's alpha is 0.976, proving its reliability and validity. Data were entered into the Statistical Package of Social Sciences (SPSS) ver. 20.0 for analysis. The statistical techniques used for analyzing the data are One way ANOVA and Reliability test. The findings of the study found that Usability, Convenience, Accurate timing, and easy interbank account facility has positive impacts on Mobile banking, Low service charge and accurate timing has significant impacts on mobile wallets (apps) even Low service charge has positively impacted on the credit card. Hence the study concludes that the digital finance (Internet banking, mobile banking, mobile wallets (apps), credit card and debit card has a significant impact on financial inclusion. Though digital finance has many negative on an issue like affordability, security, adaptability etc. Every human being intends to avail the facility of digital finance in their lives.

IV. RESEARCH METHODOLOGY

Research is the systematic and objective search for the analysis of the information relevant to the identification and solution of many problems.

The research is the basic framework or a plan for the study that guides collection of data and analysis of data. The information is collected from the individuals and analysed with the help of various statistical tools.

DATA COLLECTION:

Data collection is a process of preparing and collecting data. The purpose of data collection is to obtain information to keep on record, to make decisions about important issues or to pass information on to others.

METHOD OF DATA COLLECTION:

Primary Data:

Primary data are those collected by the investigator himself for the first time and thus they are original in character, they are collected for particular purpose. A well-structured questionnaire was personally administered to the selected samples to collect the primary data.

Secondary Data:

Secondary data are those, which have been already collected by some other persons for their purpose and published. Generally, they are from journals, magazines, articles, websites etc.

1. WEIGHTED AVERAGE MEAN

TABLE NO.1: BENEFITS YOU ACQUIRE USING UPI PAYMENTS

Particulars	SA	A	N	DA	SDA	Total
safe and secure	97	36	13	0	4	150
Sustainability of customers	57	72	21	0	0	150
easy to operate	91	41	17	1	0	150
no need to wait in queue	82	50	14	2	2	150
very fast/ time saving	104	34	10	0	2	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
safe and secure	485	144	39	0	4	672	44.80	2.5
Sustainability of customers	285	288	63	0	0	636	42.40	5
easy to operate	455	164	51	2	0	672	44.80	2.5
no need to wait in queue	410	200	42	4	2	658	43.87	4
very fast/ time saving	520	136	30	0	2	688	45.87	1

TABLE NO.2: REASON TO UPGRADE

Particulars	SA	A	N	DA	SDA	Total
To increase sales	72	51	20	5	2	150
To adapt to digital inclusion	68	54	28	0	0	150
To sustain your customers	64	57	25	0	4	150
Easy transfer	89	48	13	0	0	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
To increase sales	360	204	60	10	2	636	42.40	3
To adapt to digital inclusion	340	216	84	0	0	640	42.67	2
To sustain your customers	320	228	75	0	4	627	41.80	4
Easy transfer	445	192	39	0	0	676	45.07	1

TABLE NO.3: CHECKING OF PAYMENT STATUS

Particulars	SA	A	N	DA	SDA	Total
Automated voice machine	87	24	25	10	4	150
SMS	77	44	21	4	4	150
Bank statement	62	47	32	5	4	150
UPI statement	81	49	14	5	1	150

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
Automated voice machine	435	96	75	20	4	630	42.00	3
SMS	385	176	63	8	4	636	42.40	2
Bank statement	310	188	96	10	4	608	40.53	4
UPI statement	405	196	42	10	1	654	43.60	1

2. CHI- SQUARE TEST

Monthly sales of the shops * Bank charges for using UPI transactions for retailers

Null Hypothesis (H₀): There is no relationship between monthly sales and bank charges for UPI payments

Alternate Hypothesis (H₁): There is a relationship between monthly sales and bank charges for UPI payments

MONTHLYSALES * CHARGES Crosstabulation

		CHARGES				Total
		1000-2000	2000-3000	Less than 1000	More than 3000	
MONTHLYSALES	50,000-60,000	8	4	5	1	18
	60,000-70,000	6	6	6	1	19
	70,000 above	5	4	4	3	16
	Less than 50,000	18	6	71	2	97
Total		37	20	86	7	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.503(a)	9	.000
Likelihood Ratio	34.058	9	.000
N of Valid Cases	150		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .75.

INFERENCE:

Since the computed value (**0.000**) is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between monthly sales and bank charges for UPI payments.

3. ONE- WAY ANOVA

Type of UPI payments facilitated for customers * Success ratio of payment made at first time

Null Hypothesis (H₀): There is no relationship between type of UPI payment and its success rate.

Alternate Hypothesis (H₁): There is a relationship type of UPI payment and its success rate.

typeofUPI * Success-rate Crosstabulation

Count

		Successrate				Total
		50-70%	70-90%	Less than 50%	More than 90%	
typeofUPI	Google Tez	0	0	1	0	1
	Gpay	6	10	32	2	50
	Gpay;Google Tez	0	1	0	0	1
	Gpay;Phonepe	2	3	7	2	14
	Gpay;Phonepe;Other	0	0	0	1	1
	Other	2	0	5	0	7
	Paytm	2	2	7	0	11
	Paytm;Gpay	4	3	3	2	12
	Paytm;Gpay;Other	0	2	0	0	2
	Paytm;Gpay;Phonepe	8	6	5	3	22
	Paytm;Gpay;Phonepe;G	3	4	3	5	15
	Paytm;Gpay;Phonepe;O	3	1	0	0	4
	Paytm;Phonepe	2	0	0	0	2
	Phonepe	4	0	2	2	8
Total		36	32	65	17	150

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.597(a)	39	.001
Likelihood Ratio	69.298	39	.002
N of Valid Cases	150		

a. 47 cells (83.9%) have expected count less than 5. The minimum expected count is .11.

INFERENCE:

Since the computed value (0.001) is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between type of UPI payment and its success rate.

VI. SUGGESTIONS:

- Banks can offer digital banking services in regional languages so that it is easy to use for all the people.
- Educate the customer about the usage of digital banking channels and also about their advantages. This would prompt the customers to move from traditional brick to modern Digital banking channel.
- Bank should develop new strategies and policies to make the customer more comfortable with the e-channels.
- Banks should be transparent about the charges and interest rates of the e-channels.
- Almost all the customers were satisfied with the services provided by the bank like Digital

banking. Therefore; the bank should encourage more customers to adopt Digital banking.

- Ensure the security and confidentiality of customer information.
- Banks must try to provide their Digital banking services in rural areas in wide manner.

VII. CONCLUSION:

- Digital banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. With the time, the concept of internet banking has got attention in the Indian context. Most of the banks have already implemented the Digital banking facilities, as these facilities are beneficial to both i.e., banks as well as consumers. The main factors which persuade people to use online banking are comfort & convenience & the facility which attracts them most is quality & quantity of information. Therefore, the implementation of quality initiatives should begin with defining customer 's need & preferences & their related quality dimensions.

- As the Indian banking is in transition phase from direct banking to the virtual banking two things stand out –
- Using Less Paper
- Doing Transaction Wirelessly
- By designing and offering simple, safe and secure technology, banks reach at the doorsteps of the customers with an objective of “delight customer satisfaction”.
- Studying the project, we came to know that Digital banking is clearly the way forward for the Banks of India. It provides comfort to retailers at the same time it provides cost cutting by eliminating physical documentation to the banks. Digital banking saves time of bank as

well as those of customers. This study states that Digital banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Customer loyalty can be gain. Personal attention can be given by bank to customer also quality service can be served. It can be easily concluded that technological development in banking industry positively improves their services, competitiveness, branding and also loyalty. Considering the challenges and risk related to Digital banking, the Government of India along with various government agencies is making an effort to make Digital banking more safe, secure and reliable.

- From this survey, it is concluded that all the Digital banking services, play an important role in building satisfaction amongst the customers and increasing their preferences towards the emerging e-channel banking services.

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