

Assessing Digital Financial Service Awareness, Usage and Impact on Tribal socio-economic Condition

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Abstract: Digital financial services (DFS) as services that are delivered and made available to customers through digital technology. Tribal communities in the digital age are embracing the transformative potential of digital financial inclusion in addition to maintaining their traditional practices. They are creating new avenues for economic development while preserving their cultural legacy through creative technology and inclusive approaches. The main purpose of the study are, to assess the level of awareness of the scheduled tribes about digital financial services and to identify the factors influencing scheduled tribes to use digital financial services towards the socio-economic transformation. Purposive sample strategy has been used to gather data. A well-organized interview schedule has been gathered from the Coimbatore district's indigenous respondents. Four hundred tribe respondents make up the study's sample size. The gathered data has been analyzed using frequency, percentages, mean, and PLS software. The findings revealed that, the highest awareness is associated with ATMs, which received a mean score of 4.95, indicating that most respondents are extremely aware of this service. SEM result revealed, several relationships are statistically significant and demonstrate strong positive effects. Notably, Attitude towards Use significantly influences Behavioral Intention to Use, and Actual Use has a strong impact on Socio-economic Transformation, suggesting that usage directly contributes to socio-economic changes. DFS has aided in the socioeconomic change of tribal tribes by facilitating banking access. But the socioeconomic transition is clear since tribes now have better access to government subsidies, loans, and savings, raising their standard of living.

Key words: Digital Financial Services, Tribes, Socio – Economic Development.

INTRODUCTION

The banking industry is crucial to the global economy because it facilitates financial intermediation, transfers savings to borrowers, offers necessary financial services, and promotes economic expansion. Businesses and families can invest, save, and mitigate risk thanks to financial services. Digital financial services (DFS) are services that are provided and utilized by clients via digital technology, according to the World Bank. Through mobile phones, electronic money models, and cardinal expense structures, DFS makes fundamental financial services accessible to the underprivileged. Earlier monetary development and added notable declines in disparity besides deficiency breaks are observed in nations with more technologically sophisticated financial systems. (Pazarbasioglu et al. 2020).

By improving transaction speed, security, and transparency, DFS lowers transaction costs and makes it possible for more individualized financial services to help the underprivileged. Additionally, many governments are expanding their comprehensive investment, which helps to reduce poverty and may be a way to lessen communal elimination, as a result of the rapid growth of DFSs and significant technological advancements. The Indian populace has now switched to digital financial services from traditional payment methods. Rural India was also able to receive these digital services thanks to banks and microfinance organizations that provided the necessary infrastructure. (Ramesh kumar & Vishwanathan, 2022).

With unprecedented potential to improve admittance to financial services for both persons and businesses, especially in underprivileged and marginalized groups, digital financial inclusion has become a disruptive force in the global financial environment. Digital financial inclusion is fundamentally about utilizing technical innovations like digital wallets, online payment platforms, and mobile banking to offer a variety of customers safe, convenient, and reasonably priced financial services. By opening up new avenues for savings, investment, and entrepreneurship, this paradigm shift propels economic growth in addition to empowering individuals by empowering them to handle their money more skillfully. (Ozili, 2018). Tribal communities in the digital age are embracing the transformative potential of digital financial inclusion in addition to maintaining their traditional practices. They are creating new avenues for economic development while preserving their cultural legacy through creative technology and inclusive approaches. The path to digital financial inclusion for tribal societies is a means of achieving self-reliance and releasing unrealized potential, not merely gaining access to banking services.

Statement of the Problem

The development of digital technology has caused major developments in the banking industry in the last several years. The objective of financial inclusion, made feasible by these developments, is to make financial services accessible and reasonably priced for all facets of society. In order to reach the unbanked, the Indian banking industry started working toward financial inclusion in the middle of 1969 by nationalizing 14 institutions, which made it possible for the bank network to grow quickly.

Even with the nationalization of numerous Indian banks and initiatives to bring banking services closer to the general public, almost half of the Indian population—particularly the poor, weaker segments, and marginalized groups—may still not have access to basic banking services.

Because of cultural restrictions that prevent them from accessing infrastructure, financial services, healthcare, and education, tribes are severely underdeveloped.

By tackling these important problems, the study hopes to make a substantial contribution to our knowledge of how digital financial services are actually used and what motivates socioeconomic change in tribal communities.

Research Questions

- ◆ Are the tribes aware of digital financial services?
- ◆ What are the crucial features persuading the actual use of digital financial services among tribal group?
- ◆ What are the socio-economic impacts of digital financial inclusion on tribal communities in Coimbatore?

Research Purposes

1. To know the level of awareness of the scheduled tribes about digital financial services.
2. To identify the factors influencing scheduled tribes to use digital financial services towards the socio-economic transformation.

REVIEW OF LITERATURE

Doaa Mohamed Ayman Mostafa Ismael et.al., (2021) identified the factors influencing consumer intent to use digital financial services in Egypt. The outcomes showed that users' intent to practice digital financial services is definitely and meaningfully stuck by perceived usefulness and trust, but not by perceived ease of use, perceived risk, or perceived cost. In addition, there was no consequence on users' inclination to use government support (GS), rendering to the results. Setiawan B.et.al., (2023) specified that among Indonesian women, behavioural intention to embrace fintech is considerably favourably impacted by many aspects of TAM. Poppy Dian Indira Kusuma et.al, (2022) considered the influence of perceived advantage and perceived ease of use on Muslims' intent to approve digital financial services, based on the Technology Acceptance Model. Marakarkandy B.et.al. (2017) determined the impact of the following antecedents on the current theories of the technology acceptance model: trust, perceived risk, trialability, government support, banks' effort, internet banking self-efficacy, internet usage efficacy, and subjective norm.

Anane, I., & Nie, F., (2022) investigated the factors of cardinal monetary amenities uptake by means of a characteristic state dataset from Ghana. The study controlled four socio-demographic parameters and enumerated the character of each of the six including elements. Amelia and Ronald, (2017) conducted a study on the impact of the

technology adoption model (TAM) on authentic custom over interactive purpose in a genuine exertion to growth Indonesia's internet banking user base. Reddy, C. V. K., et.al., (2024) inspected the connection between behavioral intentions influence the acceptance of fintech services, considering factors like trust, usability, and social influence. The findings showed that fintech efforts have a substantial impact on the progression of financial consideration, particularly in the working class. Meisya Nurahmasari et al., (2023) carried out a study using the Technology Acceptance Model (TAM) to observe Gen Z's purpose to custom digital banking services in Indonesia. In order to content the contemporary stresses, banks must adjust as information technology develops and social demands rise in tandem with the sophistication and functionality of smartphones. Since cash is still used by many Indonesians, digital banking will be the next big thing.

METHODOLOGY

This investigation's research methodology makes use of descriptive methodologies. The study used a purposive sample strategy to schedule interviews and gather data. Data collected using a five-point Likert scale, which goes from strongly disagree to strongly agree. A well-organized interview schedule has been collected from the Coimbatore district's indigenous respondents. Four hundred tribe respondents make up the study's sample size. Yamane's formula was utilized to ascertain the sample size. Using partial least square equation modeling, the facts was analyzed using Smart PLS software. The gathered facts have been analyzed using frequency, percentages, mean, and PLS SEM. Tables and figures are used to present the analysis.

RESULTS

Table 1. Socio-Economic Profile of the Respondents

Factors	Classification	n=400	Percent
Gender	Male	215	53.8
	Female	185	46.2
	Total	400	100
Age	Upto 25 years	108	27
	26 – 35 years	128	32
	36 – 50 years	104	26
	above 50 years	60	15
	Total	400	100
Marital Status	Married	306	76.5
	Unmarried	94	23.5
	Total	400	100
Educational Status	Up to school level	237	59.2
	Diploma	41	10.2
	Degree	108	27
	Professional Courses	14	3.5
	Total	400	100
Occupation	Farmer/ agricultural labour	172	43
	Self Employed	29	7.2
	Govt Employed	42	10.5
	Pvt Employed	155	38.8
	Others	2	0.5
	Total	400	100
Monthly Income	Upto Rs.10000	186	46.5
	Rs.10,001 –20000	110	27.5
	Rs.20001- 30000	101	25.2
	Rs.30,000 & above	3	0.8
	Total	400	100
Nature of the Family	Joint	120	30
	Nuclear	280	70
	Total	400	100
Size of the Family	Upto 4	276	69
	5 to 6	119	29.8
	above 6	5	1.2
	Total	400	100
Earners	One	118	29.5
	Two	274	68.5
	Three and above	8	2
	Total	400	100

Source: Primary data

Of the four hundred tribal responses, forty-two percent are women and fifty-three percent are men. 27 percent of the respondents in this study are under 25 years old, 32 percent of the respondents are between 26 and 35 years old, making this the largest age group. Next in line are 26 percent of the respondents who are between 36 and 50 years old, and 15.3 percent of the respondents who are over 50. Seventy-six percent of the tribal respondents were married, while 23.5% were single. This is a sizable majority.

The educational qualification of the respondents shows that the majority 59.2 percent of the respondents have studied up to the school level and 27 percent of the respondents hold a degree. Of the total responses 10.2 percent of the respondents were holding a diploma course and only 3.5 percent of the respondents have completed professional courses.

With regard to the Occupation, 43 percent of the respondents are involved in farming or agricultural labour, 38.8 percent of the respondents were employed in private sectors, 10.5 percent of the respondents employed in government jobs and only 7.2 percent of the respondents are self-employed. Only 0.5 percent fall under other category which include home makers and retired employees. Regarding monthly income of the respondents, 46.5 percent of the respondents earn up to Rs. 10,000 per month. 27.5 percent of the respondents have an income level of Rs. 10,001 to 20,000. 25.2 percent of the respondents earned a monthly income of Rs. 20,001 to 30,000, and only 0.8 percent of the respondents were earning more than Rs. 30,000.

While considering the family type, most of the respondents (70%) belong to nuclear families, while 30% are part of joint families. In terms of family size, most of the respondent's 69 percent belong to the family comprising of up to four members. Likewise, the total number of respondents living in a family of five to six members constitute 29.8 percent and only 1.2 percent have more than six members. Majority of the respondents, 68.5 percent have two earners in a family. 29.5 percent of the respondents have one earning member in a family and, and two percent of the respondents have three or more earning members in a family.

Table 2. Level of Awareness of Digital Financial Services

Digital Financial Services	Mean	SD	Rank
Internet Banking	4.71	0.63	4
Mobile Banking	4.72	0.65	3
ATM	4.95	0.30	1
Debit and Credit card	4.80	0.62	2
Google Pay	4.60	0.88	5
Phone Pay	4.55	0.95	5
Paytm	4.37	1.12	7
Point of Sale Terminals	3.47	1.45	8
E- Wallets	2.91	1.47	10
NEFT/RTGS/EFT	2.91	1.51	9
Digital Loans	2.59	1.45	11
Online Insurance	2.55	1.48	12
E -Cheque	2.48	1.46	14
Digi locker	2.49	1.44	13
Online crowd funding	2.42	1.47	15
E - Remittance	2.39	1.47	16

Source: Computed Data

The highest awareness is associated with ATMs, which acknowledged a mean score of 4.95, demonstrating that most respondents (388 out of 400) are extremely aware of this service. Close behind is mobile banking, with a mean score of 4.72, suggesting that a significant portion of the population, 79.2 percentage of the respondents, are familiar with this service. Similarly, internet banking has a mean score

of 4.71, showing that many people understand online banking options. Debit and credit cards also demonstrate strong awareness, scoring 4.80, indicating a solid understanding among 88 percentage of the respondents.

Awareness of digital payment platforms like Google Pay, PhonePe, and Paytm is also plays a great awareness among the tribes with mean scores of 4.60 and 4.55 and 70.90 percentage of the respondents are extremely aware of paytm respectively. Point-of-sale terminals (36.2% only extremely aware) have a mean score of 3.47, indicating a information gap among many respondents, suggesting the need for educational efforts.

E-wallets and electronic fund transfer services show relatively low awareness, with mean scores of 2.91. Moreover, digital loans and online insurance reveal even lower awareness levels, scoring 2.59 and 2.55, while e-cheques, 37.5 percentage of the respondents are not at all aware. Digi Locker with the mean score of 2.49 shown less awareness. 39.5 percentage of the respondents do not have aware of online crowdfunding with the mean score of 2.42 and e-remittances consume the lowermost mean scores of 2.39.

Table 3: Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Attitude towards use	0.822	0.825	0.882	0.652
Actual Use	0.841	0.877	0.904	0.759
Behavioural intention to use	0.807	0.822	0.873	0.634
Facilitating condition	0.900	0.914	0.930	0.769
Financial literacy	0.848	0.857	0.907	0.765
Government support	0.933	0.961	0.951	0.830
Perceived ease of use	0.910	0.950	0.932	0.35
Perceived usefulness	0.907	0.909	0.931	0.729
Security	0.919	0.947	0.944	0.808
Subjective norms	0.916	0.920	0.941	0.801
Socio-economic transformation	0.879	0.898	0.904	0.68

Source : Computed data

Many item scales were tested for internal consistency using Cronbach alpha. For the multiple-item scales, it computes the average of all split-half reliabilities that could be discovered. One denotes the highest level of internal consistency, and the alpha coefficient can range from zero to one (Chawla and Sondhi, 2016). Cronbach, L.J. (1951) states that measuring items with a coefficient alpha value of 0.80 or more are deemed reliable for use in social science research. According to Nunnally (1978), basic research can be conducted with an alpha value of at least 0.70.

The results show the reliability and validity of the study's constructs, which have sufficient convergent validity and excellent internal consistency. Enormously high consistency and validity are demonstrated by constructs such as "Government Support," "Facilitating Condition," and "Security," highlighting their crucial relevance in the setting of the study.

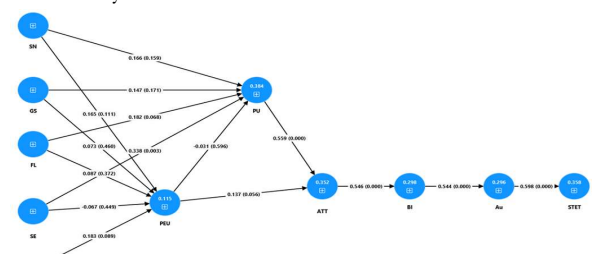


Figure 1. Measurement of Model – Result

Table 4: Path Coefficients, T-statistics, and P-values

Model	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Accepted/ Rejected
SN->PU	0.037	0.041	0.184	0.201	0.841	Rejected
SN->PEU	0.299	0.295	0.115	2.606	0.009	Accepted
GS->PU	0.592	0.610	0.073	8.010	0.000	Accepted
GS->PEU	0.377	0.362	0.123	3.063	0.002	Accepted
DFL->PU	0.241	0.223	0.073	3.313	0.001	Accepted
DFL->PEU	0.338	0.343	0.114	2.952	0.003	Accepted
FC->PU	0.410	0.462	0.104	2.895	0.003	Accepted
FC->PEU	-0.068	-0.067	0.075	0.911	0.362	Rejected
SE->PU	0.116	0.071	0.250	0.466	0.641	Rejected
SE->PEU	0.241	0.264	0.147	1.637	0.102	Rejected
PEU->PU	0.579	0.619	0.275	2.105	0.036	Accepted
PU->ATT	0.559	0.565	0.105	5.339	0.000	Accepted
PEU->ATT	0.410	0.462	0.104	2.895	0.003	Accepted
ATT->BI	0.546	0.559	0.095	5.771	0.000	Accepted
BI->Au	0.544	0.560	0.099	5.502	0.000	Accepted
Au->STET	0.598	0.618	0.074	8.110	0.000	Accepted

Source : Computed data

The PLS SEM analysis results for the factors impacting scheduled tribes' use of digital financial services in relation to socioeconomic transformation are displayed in the above table. It was discovered that a number of factors affected the tribe's DFS utilization level, and few of them rejected it.

DISCUSSION

The highest awareness is associated with ATMs, which established a mean score of 4.95, demonstrating that most respondents (388 out of 400) are extremely aware of this service. Close behind is mobile banking, with a mean score of 4.72, suggesting that a significant portion of the population, 79.2 percentage of the respondents, are familiar with this service.

Digi Locker with the mean score of 2.49 shown less awareness. 39.5 percentage of the respondents do not have aware of online crowdfunding with the mean score of 2.42 and e-remittances have the lowest mean scores of 2.39. The structural model analysis reveals key insights into the relationships among various constructs. Several relationships are statistically significant and demonstrate strong optimistic effects. Remarkably, Attitude towards Use significantly influences Behavioral Intention to Use, and Actual Use has a strong impact on Socio-economic Transformation, suggesting that usage directly contributes to socio-economic changes.

Additionally, Digital Financial Literacy positively influences both Perceived Ease of Use and Perceived Usefulness, while Government Support similarly impacts both perceptions. The connection between attitudes toward use and perceived ease of use, as well as perceived Usefulness, shows significant positive effects, indicating that these perceptions are crucial in shaping attitudes and usage behavior.

However, several relationships were found to be non-significant. Facilitating Conditions had a marginal effect on Perceived Ease of Use, which was ultimately rejected due to its weak impact. Socio-economic Transformation and

Subjective Norms also showed no significant influence on Perceived Ease of Use and Perceived Usefulness, suggesting they may not be as impactful in this model.

CONCLUSION

Grounded on the discussion, the study on digital financial services among tribes emphasizes the increasing use and knowledge of these services in the local communities. Although popularity is clearly on the rise, usage differs depending on a number of factors. DFS has aided in the socioeconomic change of tribal tribes by facilitating banking access. But the socioeconomic transition is clear since tribes now have better access to government subsidies, loans, and savings, raising their standard of living. Target-ed literacy initiatives and infrastructure development are vital for addressing difficulties and guaranteeing long-term progress.

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