

A Study on Awareness and Usage of Fintech Products among Reserved Communities in Karur District

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ABSTRACT

Financial Technology (FinTech) has revolutionized the banking and financial services industry by introducing digital payment platforms, mobile banking, the Unified Payments Interface (UPI), digital wallets, and online financial solutions. The expansion of FinTech offerings has enhanced financial inclusion and accessibility across diverse societal segments. Despite these challenges, awareness and adoption of FinTech services among reserved communities like Scheduled Castes (SC) and Scheduled Tribes (ST) remain relatively low, hindered by constraints such as limited digital literacy, poor internet connectivity, security apprehensions, and inadequate information dissemination. This study seeks to examine the level of awareness and extent of usage of FinTech products within reserved communities in Karur District. The research further pinpoints the drivers behind FinTech adoption and investigates how awareness correlates with the utilization of these services. Primary data were gathered using a structured questionnaire administered to respondents from Scheduled Caste and Scheduled Tribe communities in Karur District. Secondary data were gathered from journals, RBI reports, websites, and research articles. The study finds that boosting digital literacy, strengthening trust and security, and running awareness campaigns can substantially drive FinTech adoption and advance financial inclusion for underserved groups

Keywords: FinTech, Digital Payments, Financial Inclusion, Awareness, Usage, Adoption, Reserved Communities, SC/ST Communities, UPI, Mobile Banking, Digital Wallets, Internet Banking, Digital Literacy, Financial Technology, Karur District.

INTRODUCTION

Financial Technology, or FinTech, involves leveraging technology to deliver innovative financial services and solutions. The FinTech sector encompasses a range of digital financial services, including mobile and online banking, digital wallets, internet banking, UPI transactions, and QR code-based payments. Over the past few years, India has seen a surge in digital payment adoption driven by rising smartphone ownership, expanded internet access, and government programs encouraging cashless transactions. To promote digital financial inclusion, the Government of India and the Reserve Bank of India (RBI) have launched initiatives including Digital India, Jan Dhan Yojana, BHIM UPI, and Aadhaar-enabled payment systems. These programs have expanded access to banking and financial services for rural populations and economically disadvantaged groups. Even with these advancements, the uptake of FinTech solutions by reserved groups like SC/ST populations stays low in numerous areas. Major obstacles to FinTech adoption include insufficient awareness, limited digital skills, apprehension regarding cyber fraud, and weak technological infrastructure. Grasping how reserved communities perceive and utilize FinTech solutions is vital for advancing financial inclusion and economic empowerment. This study investigates the awareness, perception, and utilization of FinTech products within reserved communities in Karur District.

REVIEW OF LITERATURE

Sharma and Gupta (2022) found that awareness and educational background are key drivers in the adoption of digital payment systems within rural communities. The research found that individuals with greater digital literacy are more inclined to utilize FinTech services effectively.

Kumar (2021) noted that younger users favor mobile banking and UPI services primarily due to their convenience, speed, and user-friendly nature.

According to the 2023 RBI Report, while digital payment systems in India have grown rapidly, marginalized communities continue to struggle with internet access, security worries, and insufficient awareness.

According to Ramesh and Devi (2020), the primary obstacles hindering the uptake of digital financial services by low-income populations are a lack of trust and apprehension regarding online fraud.

According to Patel (2021), financial literacy and awareness initiatives are pivotal in boosting the adoption of digital financial services among rural populations.

The literature review suggests that awareness, trust, education, accessibility, and perception are key drivers of FinTech adoption across various social groups.

SIGNIFICANCE / IMPORTANCE OF THE STUDY

The study is necessary, as it aids in recognizing the awareness and usage degree of FinTech products amongst Scheduled Communities and their reservations at Karur District, plus its importance in indicating the factor on the adoption of digital financial product and the hindrance in the usage of the digital service. The findings should assist regulators, financial institutions, and banks in preparing the suitable digital policy to promote digital financial inclusion, especially in the SC/ST community.

NEED FOR THE STUDY / STATEMENT OF THE PROBLEM

In contemporary banking systems, digital financial services are now indispensable. However, due to a lack of knowledge, low digital literacy, fear of fraud, and inadequate internet connectivity, many members of reserved communities are still not actively utilizing FinTech goods. Even while government programs promote digital transactions, underprivileged populations still use them infrequently. Thus, the current study intends to investigate FinTech product knowledge and usage among SC/ST groups in Karur District and pinpoint adoption hurdles.

OBJECTIVES OF THE STUDY

Primary Objective

To investigate reserved communities' (SC/ST) knowledge of and use of FinTech products in Karur District.

Secondary Objectives

1. To assess SC/ST respondents' awareness of FinTech products.
2. To assess how widely FinTech services are used.
3. To determine what influences FinTech product adoption.
4. To investigate the connection between consumption and awareness.
5. To determine the obstacles that non-users encounter.
6. To compare responders who use and do not use FinTech.
7. To recommend actions to enhance financial inclusion and FinTech adoption

SCOPE OF THE STUDY

SC/ST respondents living in Karur District are the study's main focus. It looks at their knowledge, attitudes, and use of FinTech products such digital wallets, UPI, mobile banking, and online banking. The study also examines the obstacles to digital financial inclusion and the factors influencing adoption.

LIMITATIONS OF THE STUDY

1. Only the Karur District is included in the study.
2. Only chosen respondents are included in the sample size.
3. The answers are predicated on individual viewpoints and ideas.
4. Extensive data gathering was impacted by time and financial constraints.
5. It's possible that some responders don't fully understand FinTech services.

RESEARCH METHODOLOGY

The descriptive and analytical research design is the foundation of this work. The purpose of the study is to examine reserved communities in Karur District's knowledge of and use of FinTech products. The study employs a quantitative methodology to gather and analyze numerical data pertaining to FinTech adoption.

The study made use of both primary and secondary data. A systematic questionnaire was used to directly obtain primary data from respondents. Journals, RBI reports, websites, books, and research articles about FinTech and digital financial services were the sources of secondary data.

Convenience sampling was used in the study to choose participants. The study's sample size was determined to be 120 respondents from SC/ST groups in Karur District.

Google Forms, survey techniques, and in-person interviews were used to collect data. The gathered information was categorized, tallied, and methodically examined.

The gathered data was interpreted using a variety of statistical techniques, including percentage analysis, mean analysis, chi-square test, correlation analysis, charts, and graphs.

The study's independent variables include barriers to FinTech products, awareness, perception, and demographics. The use of FinTech products is the study's dependent variable.

January 2026 to March 2026 is the study period. The study's methodology aids in comprehending the connection between FinTech product usage and awareness among Karur District's reserved communities.

CONCEPTUAL FRAMEWORK

he relationship between reserved groups' awareness and use of FinTech goods is explained by the conceptual framework.

FinTech product knowledge and perception are influenced by demographic characteristics, including age, gender, education, income, and occupation. Barriers have a detrimental impact on adoption, while awareness and perception have a favorable impact on usage.

HYPOTHESIS

Hypothesis Null (H0)

1. There is no discernible correlation between FinTech product adoption and awareness.
2. FinTech adoption is not substantially influenced by demographic variables.
3. FinTech usage is not greatly impacted by barriers.

Alternative Theory (H1)

1. FinTech product usage and awareness are significantly correlated.
2. FinTech adoption is heavily influenced by demographic characteristics.
3. FinTech usage is greatly impacted by barriers.

DATA ANALYSIS AND INTERPRETATIONS (RESULTS AND DISCUSSION)

1. Age-wise Classification of Respondents

Age Group Respondents Percentage

Below 25	35	29%
25–35	40	33%
35–45	25	21%
Above 45	20	17%

Interpretation

According to the data, 33% of respondents are between the ages of 25 and 35. 29% of the sample is made up of respondents under the age of 25. This suggests that younger individuals are using FinTech goods more frequently than older age groups.

2. Awareness Level of FinTech Products

Awareness Level Respondents Percentage

Highly Aware	30	25%
Moderately Aware	55	46%
Low Awareness	35	29%

Interpretation

According to the data, 46% of respondents have a moderate understanding of FinTech goods. Of those surveyed, about 25% have high awareness and 29% have low awareness. This suggests that reserved communities are becoming more aware of FinTech services, but more digital awareness initiatives are still required.

3. Usage of FinTech Services

FinTech Service Users Percentage

UPI Payments	70	58%
Mobile Banking	25	21%
Digital Wallets	15	13%
Internet Banking	10	8%

Interpretation

Compared to the data, 58% of respondents used UPI payments, making it the most popular FinTech service. Digital wallets and online banking are used less frequently than mobile banking, which is utilized by 21% of respondents. This indicates that respondents prefer easy-to-use digital payment solutions.

4. Barriers Affecting FinTech Adoption

Barriers Percentage

Fear of Fraud	35%
Lack of Digital Literacy	30%
Poor Internet Access	20%
Lack of Trust	15%

Interpretation

The results indicate that, at 35%, the biggest obstacle to FinTech adoption is fear of fraud. 30% of people lack digital literacy, which is followed by inadequate internet access and mistrust. This suggests that respondents are less inclined to adopt FinTech goods due to security worries and a lack of technological expertise.

5. Correlation Analysis

FinTech product usage and awareness are positively correlated, according to the report. Regular use of digital financial services is more common among respondents with greater awareness levels.

FINDINGS OF THE STUDY

1. The majority of responders are younger in age.
2. The majority of respondents are only somewhat familiar with FinTech goods.
3. The most popular digital banking service is UPI payments.
4. FinTech adoption is positively impacted by income and education.
5. Two of the biggest obstacles are inadequate digital literacy and fear of fraud.
6. The use of FinTech services is greatly influenced by awareness.
7. Compared to older respondents, younger respondents exhibit greater FinTech adoption.

SUGGESTIONS / RECOMMENDATIONS OF THE STUDY

1. Digital literacy initiatives for SC/ST people should be carried out by the government and banks.
2. To lessen concerns about fraud, financial institutions should enhance their security protocols.
3. Rural communities should have better internet access.
4. For simple accessibility, FinTech apps should support regional languages.
5. Regular awareness campaigns about digital payments should be carried out.
6. Banks ought to offer instruction on how to use digital financial services safely.

CONCLUSION

FinTech products play a major role in financial inclusion and have grown to be an integral part of contemporary financial systems. The study comes to the conclusion that among Karur District's restricted populations, awareness and perception have a significant impact on how FinTech products are used. Adoption is nevertheless hampered by issues including poor internet connectivity, lack of digital literacy, and fear of fraud, even though awareness levels are steadily rising. The use of FinTech products among SC/ST groups can be improved by appropriate awareness campaigns, digital education, and improved security measures. The study emphasizes that in order to improve digital financial inclusion and provide economic empowerment to marginalized populations, government organizations, banks, and financial institutions must work together.

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