

A Study on Awareness of Digital Currencies on Digital ERA in Reference with Nagercoil Town

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ABSTRACT

Digital currency and digital payment mode is so vital and inevitable in this computerized era. It emphasizes the usage of internet and reduces the burden of the users. This paper aims at knowing the awareness of digital currencies and digital payment system and lays efforts to highlight the advantages of digital currencies and to bring out the problems in the adoption of digital payment system. The study reveals that more concentration should be laid on the awareness of digital money and its payment mode since it also has its own cons too. It is the responsibility of the media, researchers, banking and government authorities to create a proper awareness on frauds and change breaks and also on the vulnerability of cyber criminals. This will protect the users and induce them to utilize the services rather more than ever.

Key Words: Digital Currencies, Digital Era, Digital Payment System

I. INTRODUCTION

In today's world, an emerging business revolutionary has starts to rule over the people. The famous quote 'mind makes a person' has gone out and replaced as 'money makes a person'. Thus money takes an important role in daily life of human. Money takes a different form from barter system to card system but in digitalized period, it pronounced as digital money .Digital money is anyways as electronic money stand as a medium of exchange

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for goods and commodities like traditional money. It allows faster transaction and limitless transfer of ownership. In overall, people moving to digital format of handling money to ultimate-speed currency or peer to peer currency. This helps to safeguard them from theft on hackers and it allows better convenience. But still in some point of view, digital era didn't attract many people to assure about the benefits of digital money.

In 2017, India spent Rs 636 crores (\$88 million) to print currency notes. The Reserve Bank of India (RBI) wants to bring those costs down, so it's thinking of introducing a form of fiat digital currency instead of paper. To explore the feasibility of that idea, the central body has formed an interdepartmental group. A lot of the printing cost was due to the introduction of the new designs after the demonetization announcement in 2016. In the past few years, the RBI has spent millions on obtaining printing paper on currency notes.

In its annual report, RBI opines that even if digital money don't pose a systematic risk, its increasing popularity leading to price bubbles raises serious concerns for consumer and investor protection and market integrity. It has also consulted with the Bank of International Settlements (BIS) on the matter. In addition, the banking body has reportedly set up a unit to understand technologies like artificial intelligence of bitcoin, litecoin, ripple, and block chain better.

India's stance on digital money hasn't been overwhelmingly positive. In April, RBI sent out a directive to financial institutions to halt all dealings in digital money. Later in July, the Supreme Court of India upheld that ban causing India's largest digital money exchange system.

Last year, Dubai introduced a state-backed crypto currency called emCash. Meanwhile, Venezuela's crypto plans have been going through troubles. India has just started to take baby steps into the crypto world. Right now, there are no solid details on how India might want to implement its state-backed digital money.

It's worth pointing out that contrary to the popular digital money is not the silver bullet. Tons of big corporations have planned to slip out from the digital money based business because of the infidelity. Crypto currency and virtual currencies can be thought of as, types of digital currencies. It is both a payment system and a currency. This study focuses on the awareness of electronic money and its importance of digital payment system occurred among the people.

II. REVIEW OF LITERATURE

Malav shah (2017) has point out in his paper entitles digital currency, " Digital currency is one of the hottest topics in the world right now. This is more so in India due to the recent demonetization schemes by the government. Due to that, many people have started using online banking, digital wallets, digital currency among others. Although there is knowledge out there about the digital wallets and online banking, the knowledge about digital currencies like Bitcoin is either minimal or next to none. This paper intends to give an overview of the various digital currencies. That includes explaining what Digital Currency really is, its processing, the real life working and the factors affecting the adoption of such currencies. How the various transactions that include digital currencies take place is one of the major points of focus of the paper. The various risks involved in such transactions are also listed in the paper."

Shamsher singh (2017) has stated that in his study about the customer perception of digital money as “The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment. The consumer perception of digital payment has a significant and positive impact on adoption of digital payment. The structured questionnaire was used as research tool for understanding consumer perception of digital payment. Primary data was collected from 150 respondents in Delhi. ANOVA and frequency analysis was used to analyze the responses. ANOVA indicate that there is no significant variance in consumer perception based on the demographic factors such as gender, age, profession and annual income of the patients. However education was found to significant influence for adoption of digital payment”.

A comprehensive model ‘Payment Mode Influencing Consumer Purchase Model’ was proposed by Braga and Mazzon. This model considered factors such as temporal orientation and separation, self-control and pain of payment constructs for digital wallet as a new payment mode. Consumer perspective of mobile payments and mobile payment technologies are two most important factors of mobile payments research [7]. Mallat [17] studied consumer adoption of mobile payments in Finland. Study found that mobile payment is dynamic and its adoption depends on lack of other payments methods and certain situational factors.

III. OBJECTIVES

1. To know the awareness of digital currencies and digital payment system.
2. To highlight the advantages of digital currencies
3. To bring out the problems in the adoption of digital payment system
- 4.

Primary Data

The primary data were collected from 50 people who were from the field of business, banking, and online marketers from Nagercoil town. All the respondents were users and non-users of digital money.

Secondary Data

Secondary data has been collected from books, journals, magazines, dissertations, various published data and unpublished sources.

Sampling Method

Convenience sampling method has been adopted for this study.

Tools Applied

Fried man test and percentage tool has been applied in this study.

Limitations of the Study

- The study is limited to Nagercoil town only.

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- Some of the findings applicable only to the selected study period.

Awareness of Digital Currency

Digital Currencies took its own place in the modern computerized era. There are different types of digital currencies, out of which bitcoins, ripples,dash, bitshares, monero, litecoin and EOS are frequently moving. Hence the awareness of these digital currencies are analysed in Nagercoil town.

Table 1
Awareness of Digital Currency

Digital currency	Aware	Rank	Not aware	Rank
bitcoin	3.5	5	5.7	2
ripple	4.7	3	1.3	7
dash	2.0	6	3.0	6
bitshares	5.9	1	4.2	5
monero	3.6	4	4.3	4
litecoin	1.9	7	6.1	1
EOS	4.8	2	5.1	3

Source: Calculated data.

The above table shows that the top currencies in digital money and its awareness among selected people. The table depicts that bitcoin is most using digital currencies around the business people confronts the average mean of 3.5 with unawareness to be 5.7 , still it stand as most using digital currency. The respondents were opted for bitshares and EOS as it has mean value of 5.9 and 4.8.

Perception of digital Payment Mode

The perception of Digital Payment Mode has been analyzed by analyzing few variable like Purchase of Products, Wide range of banking services and payment options, Trust in Service Providers and Efficacy in decision making of products.

Table 2
Perception of digital Payment Mode

Uses	Strongly agree	agree	average	disagree	Strongly disagree
Purchases of products	42	3	4	1	0
Wide range of banking services and payment option	36	10	3	0	1
Trust in service providers	23	13	12	0	1
Efficiency of decision-making of products	27	12	0	8	3

Source: Primary Data.

The above given table: 2 show the attributes of digital payment mode and how partially people viewing. Majority of the respondents agree that mobile wallet/digital payment provides benefits to individual for purchase of products, improve the quality of decision, helpful in buying products as compared to traditional methods, they offer a wide range of banking services and payment options. They also agree that interaction with mobile wallet is helpful and that they trust the service providers.

Problems Face During Digital Payment Mode

Few problems faced by the users of digital payment mode includes fraud and charge breaks, cross- border transaction, lack of security, high service fees, technical problems and vulnerability to cybercriminal. These problems are ranked as per the opinion of the respondents and thus the problems that the respondents frequently overcome with are identified.

Table 3
Problems Face During Digital Payment Mode

Problem	Mean value	Rank
Fraud and charge breaks	5.03	1
Cross-border transaction	1.07	5
Lack of security	3.80	4
High service fees	4.28	3
Technical problems	1.09	6
Vulnerability to cybercriminal	4.96	2

Source: Calculated data

The above given table shows that the problems faced through digital payment mode were list out and fried man analysis is applied. The table illustrate that the fraud and charge breaks during payments placed as first rank in order which enumerates the lack of security during the processing as well as the transaction time and technical problems, accusing of cybercriminals were the most critical problems of using digital payment mode.

IV. FINDINGS

1. Bit coin is most using digital currencies around the business people confronts the average mean of 3.5 with unawareness to be 5.7 , still it stand as most using digital currency. The respondents were opted for bit shares and EOS as it has mean value of 5.9 and 4.8.
2. The attributes of digital payment mode and how partially people viewing reveals that majority of the respondents agree that mobile wallet/digital payment provides benefits to individual for purchase of products, improve the quality of decision, helpful in buying products as compared to traditional methods, they offer a wide range of banking services and payment options. They also agree that interaction with mobile wallet is helpful and that they trust the service providers.

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V. SUGGESTIONS

- More awareness programs should be arranged by banking and Government authorities.
- Media should make people aware of the frauds and change breaks and vulnerability of cyber criminals in digital payment mode.
- The service fee is too high which reduces the affordability and usage.

VI. CONCLUSION

Digital currency and digital payment mode is so vital and inevitable in this computerized era. It emphasizes the usage of internet and reduces the burden of the users. Yet more concentration should be laid on the awareness of digital money and its payment mode since it also has its own cons too. It is the responsibility of the media, researchers, banking and government authorities to create a proper awareness on frauds and change breaks and also on the vulnerability of cyber criminals. This will protect the users and induce them to utilize the services rather more than ever.

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