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INTERNATIONAL JOURNAL OF
MULTIDISCIPLINARY RESEARCH & REVIEWS

journal homepage: www.ijmrr.online/index.php/home

AN EXPLORATORY STUDY ON CHALLENGES FACED BY INDIVIDUALS IN ADOPTION OF DIGITAL FINANCIAL LITERACY

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How to Cite the Article: Dandekar, Prasad Arun & Mishra, Satish (2024). An Exploratory Study On Challenges Faced By Individuals In Adoption Of Digital Financial Literacy, *International Journal of Multidisciplinary Research & Reviews*, 3(3), 139-147.

 <https://doi.org/10.56815/IJMRR.V3I3.2024/139-147>

Keywords	Abstract
NVIVO, Text Mining, Word Cloud, Digital Financial Literacy, DFL.	The knowledge and abilities needed to use digital financial tools and services in an efficient and secure manner are included in digital financial literacy. It is critical to comprehend and overcome the challenges to digital financial literacy as digital financial services, like online payment methods, digital wallets, and mobile banking, become more and more essential to contemporary financial management. Text mining technique using qualitative tool NVIVO 12 has been used to explore the challenges faced by individuals in adoption of digital financial literacy. The findings of the study indicated that the challenges faced by individuals in adoption digital literacy are Lack of Trust, Cost of Internet, Lack of Technology, Security concern, no digital skill training and Lack of Community support can be described as major challenges. Whereas, Low education level, Fear of Fraud, Language Barrier and Resistance to change as minor challenges.



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1. Introduction

As India uses digital financial services like online payment platforms, digital wallets, and mobile banking more frequently, digital financial literacy is crucial. People may use these services safely, successfully, and efficiently thanks to this literacy. Having a good understanding of digital finance empowers people to compare products, manage their money wisely, and plan their saves and investments. Digital financial literacy has become essential for handling personal finances and making wise judgements in India's quickly changing economic environment. India, whose economy is among the fastest-growing in the world, has seen significant progress in digital financial services, from online investment platforms to digital payment systems and mobile banking. Even with this advancement, a number of obstacles remain in the way of the general acceptance and efficient application of these digital financial services. The lack of knowledge about digital financial services and their advantages is one of the main problems. The lack of access to digital infrastructure in rural areas makes this problem especially severe, as many people are unaware of the benefits and features of digital financial tools. This problem is made worse by the underdeveloped digital infrastructure, which keeps a sizable portion of the populace from using digital financial services. Examples of this infrastructure include cellphones, dependable internet connectivity, and digital payment systems. (Marvaniya, 2023).

The fact that many Indians have inadequate levels of general financial literacy increases these issues. Making sense of digital financial services requires an understanding of basic financial concepts like interest rates, credit ratings, and savings—concepts that many people find difficult to grasp. Inadequate financial literacy can result in making unwise decisions and making oneself more susceptible to financial dangers. Adoption of digital financial services is hampered in large part by security concerns. Concerns like identity theft, fraud, and cybercrime cause anxiety, especially in people who are not as comfortable with digital technologies and safety precautions. Non-English speakers become even more alienated due to the lack of full language assistance, which makes it difficult for them to use and comprehend digital financial services. (Marvaniya, 2023).

Furthermore, a widespread mistrust of financial institutions may prevent people from adopting digital financial services. A lot of people have doubts about the dependability and motives of financial institutions, and this mistrust may be made worse by the impression that these institutions dominate digital financial platforms. In general, these difficulties pose major obstacles to India's efforts to increase its level of digital financial literacy. In order to improve access to digital financial services and equip people with the information and abilities necessary to use these services securely and effectively, government agencies, financial institutions, and other stakeholders must work together to address these concerns. (Marvaniya, 2023).



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2. Review of Literature

1. Babu, P. V., et al. (2024). The purpose of the study was to look at the dangers and difficulties users in India felt when adopting financial technology, or FinTech. According to the article, when utilising FinTech services, Indian users are more worried about data security and privacy. Fears of cyberattacks and data breaches, the complexity of the services, reluctance to depart from conventional banking methods, and unclear regulations are some of the main barriers to the adoption of fintech.
2. Ahmed, M., et al. (2023). The goal of the study was to investigate, from a sociotechnical viewpoint, the potential and problems associated with the adoption and expansion of digital payments in India. The study found a number of obstacles to the adoption of digital payments in India, such as the digital gap, worries about security and trust, complicated regulations, and societal perceptions of currency. It drew attention to the intricate interactions between these elements and underlined the necessity of focused interventions to address these issues. The article also highlighted ways that digital payments may promote financial inclusion, give people more power, and spur economic growth.
3. Mithilesh, & Urja. (2023). The purpose of the study was to evaluate the state of data security in financial markets, the difficulties in preserving data security, the part artificial intelligence (AI) plays in data breaches, and the approaches currently employed in data protection. The study discovered that customer trust in financial systems is severely weakened by data leaks and improper treatment. Consumers must exchange personal information due to rising digitalization, which creates concerns about data misuse and privacy violations. The analysis made clear that problems like overmarketing and big data price discrimination increase the likelihood of data misuse. It also mentioned how a lack of organised data security plans causes monetary losses, mental anguish, a lack of faith in government transparency, and social inequality.
4. Rana, N. P., et al. (2020). The study's objectives were to list the difficulties that Digital Financial Services (DFS) encounter in developing nations and to create a conceptual framework for these difficulties. The study found that DFS had a lot of adoption issues. It determined the main obstacles at different levels by applying the Interpretive Structural



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Modelling (ISM) paradigm. The main issue of high cost and little return is included in the ISM model's bottom level. Other DFS-related difficulties are brought on by this core problem. The model identified two major obstacles at the highest levels: the lack of trust and the danger associated with adopting digital services. The study underscores how important it is to address the high cost and low return issue because it affects other dependent challenges with DFS adoption.

5. Singh, V., & Pushkar, B. (2019). The study focused on the difficulties and advancements in offering financial services to underserved people in India in order to investigate the role that financial inclusion plays in attaining sustainable and inclusive development. According to the study, financial inclusion is essential for offering low-income and marginalised people accessible financial services, which promotes overall national development. Through a number of programmes, the Indian government has worked hard to improve financial inclusion. In addition to demonstrating how digital technologies may increase access to financial services including savings, payments, credit, and insurance, the study also proposed the idea of digital financial inclusion. Even though financial inclusion is increasing in India, more work is still required to fully realise its potential and solve any remaining issues.
6. Niharika, Srivastava. (2019). The study's objectives were to outline how digital financial services made cashless transactions possible in India's liberalised economy, investigate the public advantages of these services, and draw attention to the difficulties in establishing a cashless society. The study discovered that advancements in digital payment technologies had a favourable impact on the trends of growth in digital payments. However, obstacles include limited awareness among rural clients, inadequate banking infrastructure, low internet connectivity in rural areas, low digital literacy, and an unorganised indigenous market made it difficult for people to use digital financial services.

3. Objectives of the Study

1. To explore the challenges faced by individuals in adoption of digital financial literacy.



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2. To give appropriate suggestions towards overcoming challenges faced by the individuals in adoption of digital financial literacy.

4. Materials and Methods:

Table No: 1 Research Methodology	
Research Design	Qualitative and Exploratory
Research Approach	Inductive approach
Sample Size	Face to face interview was conducted of 50 Individuals
Sampling Technique	inductive approach
Statistical Tool	NVIVO 12
Statistical Technique	Text mining Viz. Mind map, word frequency and word cloud.

5. Data Analysis:

Table No: 2 Summary table			
Word	Length	Count	Weighted Percentage (%)
Lack of Trust	5	40	17.02
Cost of Internet	8	33	14.04
Lack of Technology	10	28	11.91
Security concern	8	24	10.21
No digital skill training	13	23	9.79
Lack of Community	9	22	9.36



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support			
Low education level	9	19	8.09
Fear of Fraud	5	18	7.66
Language Barrier	7	15	6.38
Resistance to change	10	13	5.53

As per table no: 1 the most frequent keywords generated towards evaluating **challenges faced by individuals in Adoption of Digital financial literacy** are Lack of Trust with 40 counts and 17.02 weighted percentage, Cost of Internet with 33 counts and 14.04 weighted percentage, Lack of Technology with 28 counts and 11.91 weighted percentage, Security concern with 24 counts and 10.21 weighted percentage, No digital skill training with 23 counts and 9.79 weighted percentage, Lack of Community support with 22 counts and 9.36 weighted percentage, Low education level with 19 counts and 8.09 weighted percentage, Fear of Fraud with 18 counts and 7.66 weighted percentage, Language Barrier with 15 counts and 6.38 weighted percentage and Resistance to change with 13 counts and 5.53 weighted percentage.

Figure 1 - Word cloud



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As per table no: 1 the most frequent keywords generated towards evaluating **challenges faced by individuals in Adoption of Digital financial literacy** is Lack of Trust, Cost of Internet, Lack of Technology, Security concern, no digital skill training and Lack of Community support can be described as major challenges. Whereas, Low education level, Fear of Fraud, Language Barrier and Resistance to change as minor challenges. A word cloud is a visual representation of text data where words are sorted and their sizes change based on how frequently they occur in the given text. It provides a quick and easy way to identify the terms or themes that appear most frequently in the text, giving insights into significant topics or concepts.

6. Conclusion:

The study's conclusions underscore the difficulties people encounter when attempting to acquire digital financial literacy and the difficulty of incorporating digital technologies into financial habits. The absence of thorough digital skill training, expensive internet fees, restricted access to technology, serious security issues, and a lack of community support are among the main challenges. These obstacles make it more difficult for people to use digital financial services effectively, which affects their capacity to manage their money wisely and make wise judgements. Minor challenges including low educational attainment, a fear of fraud, communication difficulties, and aversion to change also contribute to the adoption of digital financial literacy. The study's conclusion emphasises the major obstacles to digital financial literacy's acceptance as well as its vital necessity in today's digital economy. Through the resolution of both significant and minor challenges, stakeholders can assist individuals in realising the complete potential of digital financial instruments, resulting in better financial decision-making, better financial administration, and an overall improvement in financial well-being. Research and initiatives must go on in order to close the digital financial literacy gap and advance a more diverse financial landscape.

7. Suggestions

- Strong security procedures and transparent business practices should be adopted and supported by financial institutions and tech companies in order to build and maintain trust in digital financial services.



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- Governments and private companies should work together to reduce the cost of internet connections.
- Increasing the number of public Wi-Fi connection points that are free or inexpensive and giving low-income homes subsidies are two ways that we might make digital financial instruments more accessible to everyone.
- Give disadvantaged people access to schemes that offer low-cost or subsidised digital devices, like computers and telephones.
- Establishing community facilities with internet access and digital tool access is another strategy to narrow the technological gap.
- Develop and offer comprehensive digital literacy training sessions, both online and off, to help people become proficient users of digital financial tools.
- Create and support community-based initiatives that provide peer-to-peer learning opportunities, mentorship, and support to individuals acquiring digital financial services skills.
- Offer educational materials and digital tools in multiple languages to cater to diverse populations.
- By providing information in the languages that members of the community speak, we can help people communicate with each other more easily and get more people digitally literate.

8. Author(s) Contribution

The writers affirm that they have no connections to, or engagement with, any group or body that provides financial or non-financial assistance for the topics or resources covered in this manuscript.

9. Conflicts of Interest

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

10. Plagiarism Policy

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11. Sources of Funding

The authors received no financial aid to support for the research.

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