

# Role Of Digital Platforms in Promoting Financial Inclusion: A Consumer Study in Bhavnagar City

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**Abstract**—Digital Platform has changed the entire process for an individual by promoting financial inclusion in terms of expanding access, lowering costs, saving time and energy, encouraging innovation, promoting financial literacy, etc. We are a citizen of Developing India and Fintech is a modern world example suitable for today's generation. Fintech is an innovation where Financial and Technology both works hand-in-hand. Enhancing transparency led to rise in Trustability. Digital Platform has changed the table for the middle intermediaries. Now, the consumer can directly access through themselves without involving any third party or intermediaries in between. Not only this, but now-a-days there is no necessity to carry cash. Digital Platform has moulded a new shape to Finance and Technology Sector. Only implementing new technology does not mean it is perfect! Rather it comes with equal challenges as well. Cyber Fraud, Data breaches, and what not has created a question for its trustworthiness. Even its only limited urban populations. The reason behind is limited internet access and low smartphone penetration. Without having proper knowledge or being illiterate may lead you in a problem. The consequences may arise like misuse of services or you may fall into debt traps. That's the reason why still each and every individual is not completely having faith.

Adding a combination of Finance and Technology accessibility to rural and urban areas will totally drive more reach to each and every individual.

**Index Terms**—Finance, Technology, Fintech, Expansion

## I. INTRODUCTION:

India is an independent country. We are proud citizen of Developing India. Ancient India is considered as one of the most influential and world's earliest civilizations, where the Vedic Age, Indus Valley cities,

and also powerful empires like Mauryan and Gupta are highlighted. It has achieved growth and development in each and every sector or field like mathematics, science, art, philosophy, etc. Ancient India wasn't just a regional power – it was a cradle of civilization whose ideas still shape the Modern World.

Modern India refers to the period from the 19<sup>th</sup> century to the present, shaped by British Colonial rule, the independence struggle of 1947, and the Nation's Journey as a democratic republic with rapid social, cultural, and economic transformations. India has transformed from being an agriculture based to a mixed economy with strong IT and Service sectors. Talking about Innovation in the field of Science and Technology, Space Missions (ISRO's Chandrayaan, Mangalyaan), nuclear energy and digital innovations. Moving forward with culture, it introduced Bollywood cinema, Modern Literature, and fusion of traditional and contemporary arts. Talking about social change, education reforms, caste equality, movement for women's rights, etc has emerged India in all areas of aspects.

The challenges which we have already faced and still are facing even today are:

- Partition Violence left lasting scars on India – Pakistan relations.
- Social issues regarding caste, religion, and gender are still faced sometimes.
- Economic inequality persists despite growth.
- Environmental pressures from rapid industrializations demand sustainable solutions.

To overcome such situations, India is called and developing country. Referring the term "Developing"

we can say that right after Independence, India has developed in each and every area:

1) AGRICULTURE:

- The Green Revolution introduced high-yields crop, irrigation and fertilizers.
- India became self-sufficient in food grains and now is a food exporter.
- Now, India is following ORGANIC FARMING process where the food is chemical, fertilizer free.

2) DEFENCE:

- Development of Indigenous weapons, aircraft and missiles. Eg: Agni, Prithvi
- India is now one of the top military powers globally.

3) ECONOMY:

- Transformed from a colonial agrarian economy to one of the world's fastest growing economies.
- Economic liberalization in 1991 opened markets, boosted trade and attracted foreign investment.
- In today's world, India is known as a hub for IT services, manufacturing, and startups.

4) HEALTHCARE:

- Life Expectancy increased from 32 years in 1947 to over 70 years today.
- Eradication of diseases like smallpox and polio.
- Growth of pharmaceutical industry, making India the "pharmacy of the world"

5) SCIENCE & TECHNOLOGY:

- Breakthroughs in space exploration: ISRO's Chandrayaan (moon mission) and Mangalyaan (Mars mission).
- Advances in Nuclear Energy, biotechnology, and digital infrastructure.

6) EDUCATION:

- Expansion of schools, universities and technical institutes like IITs and IIMs.
- Literacy rate rose from 18% in 1947 to 77% today.
- India is now a global leader in higher education and research talent.

7) DIGITAL INNOVATIONS:

- Launch of Digital India transformed governance and services.
- India leads in digital payments, fintech and mobile connectivity.
- World's largest biometric ID system: Aadhaar.

In Summary, India's development after Independence has been multidimensional, where India has transformed from being a poor, agrarian nation into rising a global power with strengths in technology, agriculture, defence, and digital innovation.

Digital Platform has changed the entire process for an individual by promoting financial inclusion in terms of expanding access, lowering costs, saving time and energy, encouraging innovation, promoting financial literacy, etc. that's the reason for India's growth and development in regards to Digital Fintech.

We are a citizen of Developing India and Fintech is a modern world example suitable for today's generation. Fintech is an innovation where Financial and Technology both works hand-in-hand. It is a mixture of both finance where accounting, data, records, etc and technology where Artificial Intelligence (AI), cyber security, etc both operates together rising a level up in the field of Digital Finance. It also enhances transparency which led to rise in Trust ability. Digital Platform has changed the table for the middle intermediaries. Now, the consumer can directly access through themselves without involving any third party or intermediaries in between. Not only this, but now-a-days there is no necessity to carry cash, which has reduced the theft of robbery, thief, etc. which provides a relaxation but also has given a platform to digital platform have its own benefits and also limitations like cyber fraud, data leaks and etc. Digital Platform has moulded a new shape to Finance and Technology Sector.

Only implementing new technology does not mean it is perfect! One cannot sit relaxed or mind free just by launching or inventing these Fintech but Rather it comes with equal challenges as well. Cyber Fraud, Data breaches, and what not has created a question for its trustworthiness. That's the reason why it is not completely trustable. Even its only limited to urban populations, it does not have reach to rural areas. The reason behind is limited internet access and low smartphone penetration. Without having proper

knowledge or being illiterate may lead you in a problem. The consequences may arise like misuse of services or you may fall into debt traps. That's the reason why still each and every individual is not completely having faith.

Adding a combination of Finance and Technology accessibility to rural and urban areas will totally drive more reach to each and every individual.

## II. DIGITAL INNOVATION UNDERTAKEN BY GOVERNMENT OF INDIA:

The Government of India has launched major digital innovations referred as Digital India Program, where Aadhar, UPI, DigiLocker, BharatNet, and E-Governance platforms has totally transmitted the public services, mode of payment, and also the citizens access to the technology.

### NOW LET'S UNDERSTAND THE DIGITAL INNOVATION IN DETAIL:

- 1) DIGITAL IDENTITY AND AUTHENTICATION
  - Aadhar: It is considered as world's largest biometric ID system, providing unique identity to more and about 1.3 billion citizens.
  - Jan Parichay (National Single Sign-On): It's a system which helps the citizens to enable multiple government services with just one login.
- 2) DIGITAL PAYMENT AND FINANCIAL INCLUSION:
  - Unified Payments Interface (UPI): India is considered a global leader in digital transactions due to invention of revolutionized instant mobile payments.
  - PM Jan Dhan Yojana: The main motto is to link millions of citizens to banking services, integrated with Aadhar and mobile payments.
  - Innovations like RUGR's award-winning banking platforms highlight India's leadership in digital banking.
- 3) DIGITAL INFRASTRUCTURE AND DATA INNOVATION:
  - BharatNet project connects rural areas with high-speed broadband, aiming to enhance digital divide.

- Expansion of AI Research Centres, cloud services, and cybersecurity framework enables development of trust globally. It also helps with the data security and privacy.
- India is securing data embassies and data cities to host sovereign digital assets of other nations, positioning itself as one of the most trusted global-hub widely.

### 4) EMERGING TECHNOLOGIES:

- Cryptocurrency and Blockchain: Though it has regulatory challenges, but India is the world's largest market for crypto adoption, despite regulatory challenges.
- AI and Machine Learning: It is widely used in agriculture, healthcare, and governance for predictive analysis and also for services provided to our citizens globally.

### 5) CITIZEN – CENTRIC PROGRAM:

- API Setu: It ensures enabling data exchange between the government and the private applications very securely.
- MyGov: It mainly aims for Crowdsourcing and feedback from citizens for the changes for governance.
- DigiLocker: It helps to secure cloud storage for government - issued documents.

Now let's look at Digital Finance Innovations in India:

#### UNIFIED PAYMENTS INTERFACE:

It was officially launched by 21 banks coordinated with the National Payment Corporation of India (NPCI) on 11<sup>th</sup> April, 2016 along with Reserve Bank of India Governor Dr. Raghuram Rajan in Mumbai. The main objective is to generate a real – time; interoperable payment system that allows seamless funds transfer using your mobile devices between bank accounts. It is also recognised as Pilot Launch. Its infrastructure is designed as IMPS (Immediate Payment Service). It does not use any account number or IFSC Code but instead it is unique UPI IDs. It enables transaction instantly with peer-to-peer (P2P) and person-to-merchant (P2M) transactions. The challenges which were faced at the time of Launch was:

- Lack of Awareness: they had to educate citizens about the concept, usage of digital payments and UPI IDs.
- Bank Readiness: it needed integration with IMPS and mobile apps in which we had to agree bank.
- Security concerns: to ensure trust in transactions which were mobile-based.

**AADHAR-ENABLED PAYMENTS SYSTEM:** It drives to use biometric authentication for enabling any financial transaction. It mainly facilitates direct benefit transfer ensuring that subsidies and welfare reach beneficiaries securely. Services available is cash deposit, cash withdrawal, Fund transfer between Aadhar linked account, Mini Statement, Balance enquiry, etc. It mainly helps the citizen to operate through micro-ATMs operated by banking correspondents in villages. In short, any bank customer can use Aadhar – Enabled Payment System at any other bank's micro-ATM. It enables banking access to the people who are either not having cards or the people who does not have knowledge about it. Due to the option of Direct Benefit Transfer, Government subsidies, pensions and welfare schemes are directly credited to Aadhar – linked accounts. The customer does not need to visit bank branch and can operate solely. In correspondence to trust and identity, the option of Biometric authentication reduces fraud or any identity theft. The challenges faced are:

- Poor connectivity in rural areas can disrupt transactions in between.
- Due to poor sensors, biometric failures may arise.
- No awareness regarding usage of Aadhar – Enabled payment system.

**ACCOUNT AGGREGATOR (AA) FRAMEWORK:** It is a type of Non – Banking Financial Company which is licensed by RBI. It majorly plays a role to act as a data intermediary, collecting financial information from institutions such as banks, insurers, mutual funds, etc and shares it with other institutions only with the customer's explicit consent. No data can be shared without the user's approval. This benefits the small businesses or individuals to access loans by securely sharing their financial history. It simplifies the process for loan application, wealth management, and insurance underwriting. It has an environment of transparency, where the user knows exactly what data

is shared, for what period, and with whom. The challenges faced are:

- Many citizens are still not aware about this framework.
- All the banks and financial institutions need to fully integrate.
- Privacy of the data should be taken utmost care and safe so that misuse can be prevented.

**DIGITAL KYC AND CKYC:** Central KYC Registry simplifies the financial institutions with the customer's verification. As a reason, duplication or fraud can be eliminated and can help to drive speed while onboarding.

Now let's talk about the future of Digital Financial Inclusion:

Digital finance is evolving into a trillion-dollar eco system by 2026, which is driven by AI, blockchain, embedded services, and inclusive growth.

**ARTIFICIAL INTELLIGENCE:** AI is becoming the backbone of financial services, powering fraud identification, personalised advice for finance, and automated trading. It will help the citizens where AI will automatically manage portfolios and will optimize financial decisions.

**BLOCKCHAIN & DECENTRALISED FINANCE:** Blockchain ensures transparency and trust, while DeFi platforms allow peer-to-peer lending, borrowing, and investing without traditional intermediaries. Central Bank Digital Currencies are expected to roll out more widely, reshaping monetary policy and cross-border payments.

**QUANTUM COMPUTING & CYBERSECURITY:** It promises breakthroughs in risk modelling and portfolio optimisation. At the same time, cybersecurity will be critical as digital finance expands, requiring stronger encryption and fraud prevention.

**GREEN & INCLUSIVE FINTECH:** Sustainability is becoming central, with "Green Fintech" solutions tracking carbon footprints of investment. The growth is inclusive of bringing the unbanked population into the digital economy making them aware about its benefits and limitations.

**EMBEDDED & INVISIBLE FINANCE:** Financial services are being integrated smoothly into everyday platforms like shopping apps, ride-hailing and social media. The invisible finance means payments and lending which happens in the background, reducing frictions for background.

How does it help?

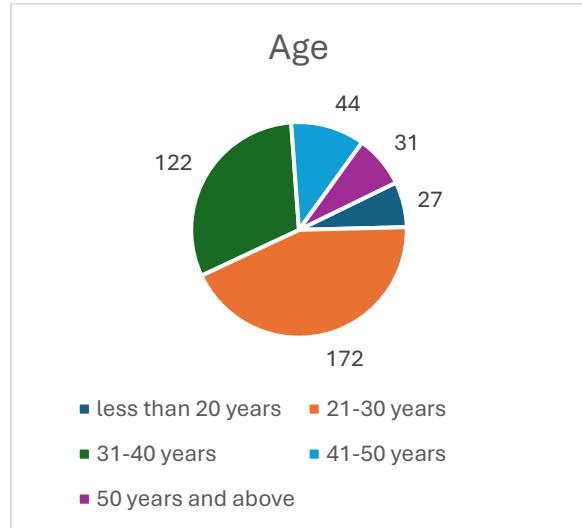
**Individuals:** they can expect more control over their finances through multiple apps which integrates savings, investment, and payments in one place.

**BUSINESSES:** Opportunities lie in inheriting financial services into customer journeys, leveraging AI for efficient use, and aligning it with sustainability goals.

**INVESTORS:** they can watch for Fintech startups innovating in green finance, and embedded services.

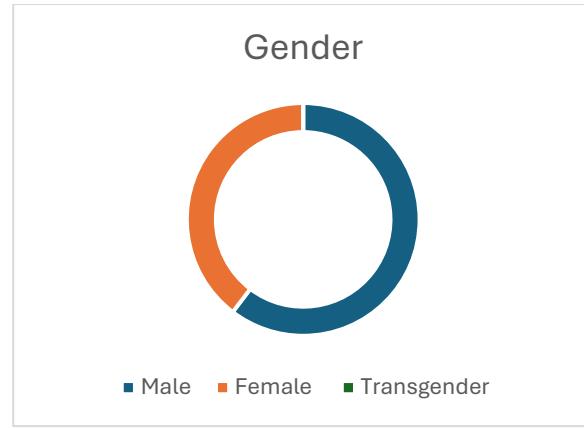
Now let's have a look at consumer study at Bhavnagar city:

#### 1. AGE WISE DISTRIBUTION OF THE RESPONDENT:



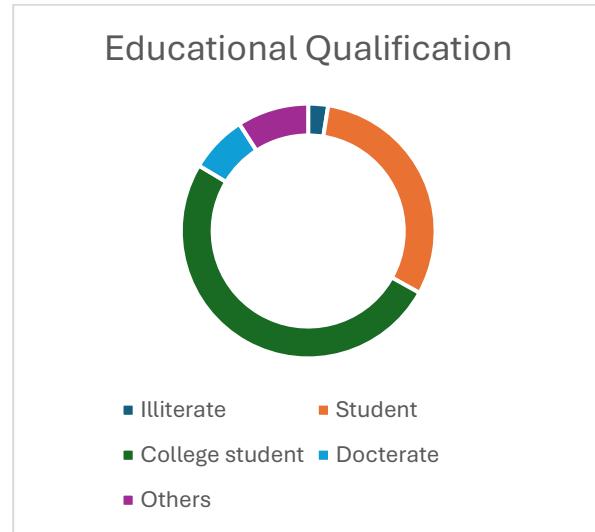
As we can see that the major distribution lies in the age group of 21-30 years where the respondents were 172 which is nearly about 43.43%

#### 2. GENDER WISE DISTRIBUTION:



It is clearly visible that the Male respondent is 60% as compared with Female at 40% and no respondent is Transgender 0%.

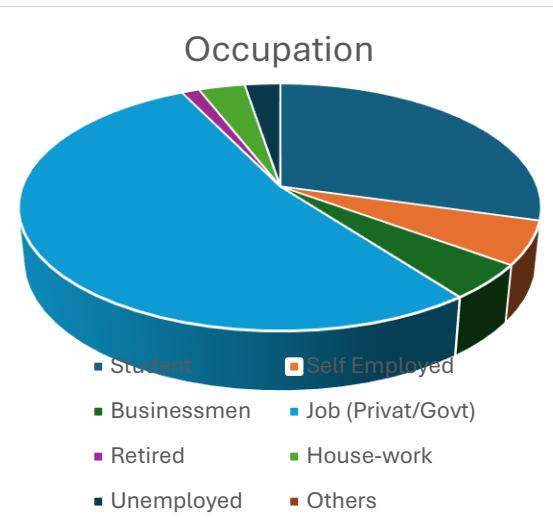
#### 3. EDUCATION QUALIFICATION:



The majority of respondents is college student with 200 respondents with the highest proportion in comparison with the other qualifications.

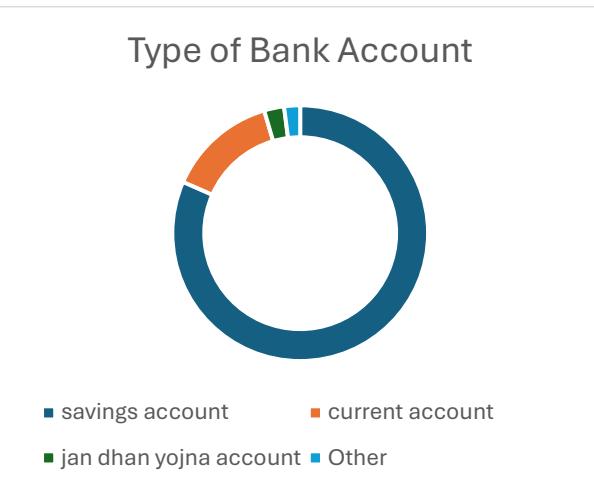
The monthly income is divided into range starting from Rs 20,000 till Rs 1,00,000 and more... and the highest response gains the range of upto Rs 20,000 as monthly income which has 154 respondents i.e. 38.89%

#### 4. WHAT OCCUPATION DO YOU HAVE?



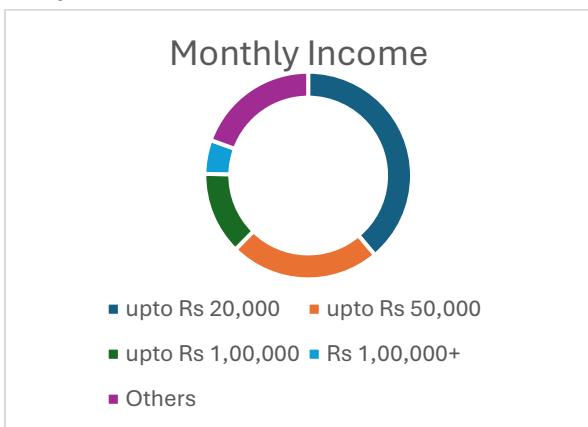
The occupation is divided into each sector where the major area is covered by the Job going people either in Private sector or Government sector job with 206 respondents i.e. 52.02% as compared with businessmen and others.

#### 6. WHAT TYPE OF BANK ACCOUNT DO YOU HAVE?



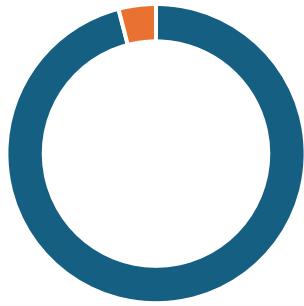
Types of Bank account are listed below where you have to mention which among the following do you have and the major respondents are using savings accounts with 323 respondents and 81.57%

#### 5. WHAT IS YOUR MONTHLY INCOME?



7. DO YOU KNOW ABOUT DIGITAL TECHNOLOGY?

Do you know about digital technology?

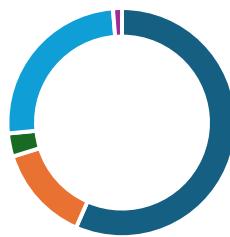


■ Yes ■ No

It ensures the awareness regarding Digital Technology where you get to notice that majority respondents 380 (95.96%) people are aware about it in comparison with the others.

8. HOW FREQUENTLY DO YOU USE DIGITAL FINANCIAL SERVICE?

How frequently do you use Digital Financial service?

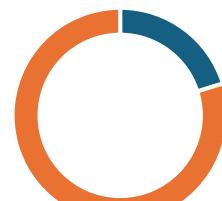


■ daily ■ once in a week  
■ once in a month ■ time interval  
■ Others

The majority respondents use the digital Financial Services on a daily basis. 224 respondents 56.57%

9. HAVE YOU EVER EXPERIENCED CYBER FRAUD?

Have you experienced Cyber Fraud?

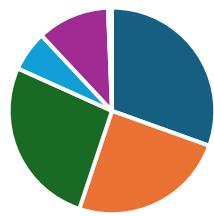


■ yes ■ no

Majority of respondent has not experienced any cyber fraud but to be taken into consideration is that 80 respondents has still faced the cyber fraud.

10. FOR WHAT FINANCIAL PURPOSE DO YOU  
USE DIGITAL FINANCIAL SERVICES?

For what purpose do you  
use Digital Financial  
Service?



- money transfer
- bill payment
- online shopping
- loan application
- investment and trading
- others

**There are various reasons the respondents are using the Digital Financial Services. From the data we can say that 339 respondents use for Money transfer, whereas 296 respondents use for online shopping and 274 respondents use for bill payment.**

### III. CONCLUSION

The study on “Digital Platforms in Promoting Financial Inclusion: A Consumer Study in Bhavnagar City” highlights that digital platforms have emerged as a powerful driver of financial inclusion in India, transforming the way consumers access, use, and perceive financial services. The integration of finance and technology has significantly reduced transaction costs, improved speed and convenience, enhanced transparency, and empowered consumers by minimizing dependence on traditional intermediaries. Innovations such as UPI, Aadhaar-enabled payment

systems, Jan Dhan accounts, Digi Locker, and Account Aggregator frameworks have collectively strengthened India’s digital financial ecosystem and expanded access to formal financial services.

From a consumer perspective, digital platforms have improved ease of use, accessibility, and trust in financial transactions, particularly in urban areas like Bhavnagar City. The shift towards cashless transactions has not only enhanced efficiency but also contributed to reduced risks associated with cash handling, such as theft and leakages. Moreover, government-led initiatives under the Digital India mission have played a pivotal role in fostering digital literacy, strengthening digital infrastructure, and ensuring the direct transfer of benefits to citizens, thereby supporting inclusive growth.

However, the study also reveals that financial inclusion through digital platforms is not without challenges. Issues such as cyber fraud, data breaches, privacy concerns, limited awareness, and low digital literacy continue to affect consumer confidence. The digital divide between urban and rural areas—driven by inadequate internet connectivity and limited smartphone penetration—remains a major barrier to achieving universal financial inclusion. These challenges underline that technological adoption alone is insufficient without parallel efforts in education, awareness, cybersecurity, and regulatory safeguards. Looking ahead, the future of digital financial inclusion in India appears promising, with emerging technologies such as artificial intelligence, blockchain, and embedded finance poised to redefine financial services. If supported by robust cybersecurity frameworks, inclusive policies, and targeted awareness programs, these technologies can further enhance trust, accessibility, and efficiency in the financial system. Expanding digital infrastructure in rural areas and promoting financial literacy among all sections of society will be crucial to ensuring equitable participation in the digital economy.

In conclusion, digital platforms have significantly contributed to advancing financial inclusion in India, and their impact is clearly visible in urban consumer behaviour as observed in Bhavnagar City. A balanced approach that combines technological innovation with consumer education, regulatory oversight, and inclusive infrastructure development is essential for

building a secure, trusted, and truly inclusive digital financial ecosystem.

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