

A STUDY on PUBLIC PERCEPTION TOWARDS EFFECTIVENESS of DIGITAL LENDING PLATFORMS WITH SPECIAL REFERENCE to COIMBATORE CITY

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Abstract:

This study examines the effectiveness and key factors driving consumer adoption of digital lending platforms. Focusing on elements such as trust, ease of access, loan disbursement speed, affordability, and demographic influences, the study explores consumer motivation and challenges. This study uses simple random sampling technique and approximately 150 respondents are collected. Data is collected to through a structured questionnaire for primary insights and secondary sources such as books, journals, and online articles for contextual support. This research contributes to understanding public behaviour in the context of digital lending, providing practical recommendations for platforms to build trust, address consumer concerns, and support sustainable growth. These insights lay a foundation for future studies on optimizing digital lending platforms to remain competitive in an evolving digital economy.

Keywords — Digital Lending, Effectiveness, Credit, Consumer, Traditional.

I. INTRODUCTION

The rapid advancement of technology has significantly transformed the financial sector, leading to the emergence of digital lending platforms as modern alternative to traditional lending methods. Digital lending platforms leverage technology to provide swift, efficient, and user-friendly loan services, often bypassing the procedures associated with the conventional banking system. These platforms have gained popularity in recent days due to their accessibility, minimal requirements, and faster disbursal of loans. Public perception plays a critical role

in determining the effectiveness and sustainability of these platforms. Factors such as trust, data security, transparency, cost efficiency, and the perceived reliability of digital platforms significantly influence their acceptance. The study will offer meaningful insights of public behaviour in the context of digital lending and will offer practical recommendations for digital lending platforms to build user trust, address consumer concerns and meet their growth. This research contributes to the larger conversation on digital lending platforms can enhancing financial inclusion and expand access to credit in a digitally connected world.

II. STATEMENT OF THE PROBLEM

In the quickly evolving financial world, digital lending platforms have emerged as a prominent alternative to traditional borrowing methods. These platforms use technologies to offer faster, more convenient borrowing experiences compared to traditional banking systems. Despite their growth, public perception regarding the effectiveness, reliability, and overall trustworthiness of digital lending platforms are mixed. And at the same time traditional methods are perceived as more secured and regulated. The objectives involve assessing the awareness, measuring the satisfaction, and its influence. The research aims to explore the public perception of effectiveness of digital lending platforms on traditional method in regarding to Coimbatore city. By examining the perceptions, the study seeks to uncover preferences, new trends, and barriers to provide insights for improving lending practices.

III. LITERATURE REVIEW

Dr. S. Theerthamalai and Dr. Elumalai D (2024)¹ “Emergency for Digital Financial Services of Fintech Its Literacy and Usage in Tamil”. The research indicates that financial landscape, offering consumers lower-cost services, greater accessibility, and personalized solutions with projections showing a substantial increase in middle- and high-income households by 2030. The findings of the study underscore the critical importance of addressing the digital financial literacy gap in Gujarat to unlock the full potential of digital financial services and drive financial inclusion. Therefore, the study advocates for concerted efforts from policymakers, educators, and financial institutions to prioritize digital literacy initiatives and ensure that all individuals in Gujarat can reap the benefits of the digital financial revolution.

Akhileshwari Asamani, Jayavani Majumdar (2024)² have explored “An Empirical Study of Digital Lending in India and the Variables Associated with its Adoption”. The digital lending platform is a significant and innovative business concept in the field of financial technology. The data was gathered using an online survey and descriptive statistics test was used. This study employs structural equation method (SEM) to investigate potential links between underlying variables. The study found that that customers attitudes towards adoption of digital lending platforms are highly influenced by trust, perceived value and perceptions of risk. The study concludes that to improve future research, it is recommended that integrating more variables to have more comprehensive understanding of the adoption intentions of digital lending platforms.

Ravikumar.T, Murugan.N and Suhashini.J (2023)³ “Digital Lending: Is It Alternative Lending Revolution?”. Digital lending is new and emerging area in the field of lending or credit. In traditional banking and other formal financial system, lending happens through offline. Over the last few years, financial technology has emerged as gamechanger in the financial segment. Fintech has completely redefined the way in which business has been carried out. The article focuses on digital lending, its conceptual framework, growth factors contributing digital lending revolutionized the field of lending across the world as well as in India. The study concludes that digital lending is started to emerge as new alternative to traditional lending due to its cost effective, less time consuming and inclusive approach.

IV. OBJECTIVE OF THE STUDY

- TO ASSESS THE AWARENESS LEVEL OF THE PUBLIC REGARDING DIGITAL LENDING PLATFORMS IN COIMBATORE CITY.
- TO EXAMINE THE FACTORS INFLUENCING THE PREFERENCE FOR DIGITAL LENDING PLATFORMS OVER TRADITIONAL LENDING METHODS.

V. SCOPE OF THE STUDY

THE STUDY ON PUBLIC PERCEPTIONS TOWARDS THE EFFECTIVENESS OF DIGITAL LENDING PLATFORMS ON TRADITIONAL LENDING PLATFORMS COVERS SEVERAL KEY ASPECTS. IT BEGINS BY EXPLORING CONSUMER ATTITUDES, FOCUSING ON THEIR AWARENESS AND PERCEPTION OF ONLINE FINANCIAL SERVICES. THE RESEARCH ALSO INVESTIGATES FACTORS INFLUENCING ADOPTION DECISIONS, SUCH AS CONVENIENCE, FAST LOAN DISBURSEMENT, COMPETITIVE INTEREST RATE AND USER-FRIENDLY TECHNOLOGY. THE STUDY DELVES INTO BEHAVIOURAL TRENDS, FREQUENCY OF USAGE, REPAYMENT HABITS, AND THE INFLUENCE OF PROMOTIONAL STRATEGIES ON CONSUMER CHOICES. IT ALSO ADDRESSES THE CHALLENGES FACED BY CONSUMERS, SUCH AS CONCERNS OVER DATA PRIVACY, HIDDEN FEES, OR DISTRUST OF DIGITAL PLATFORMS. THE RESEARCH AIMS TO PROVIDE VALUABLE INSIGHTS FOR DIGITAL LENDING PLATFORMS AND HELPS THEM TO UNDERSTAND CONSUMER MOTIVATIONS, DEVELOP EFFECTIVE STRATEGIES TO BOOST ADOPTION, ENHANCE USER SATISFACTION.

VI. LIMITATIONS OF THE STUDY

- Due to time constraints the sample is restricted to 150 respondents.
- The survey is conducted among the users of Digital lending platforms in Coimbatore city.
- Rapid technological advancements making findings potentially outdated.
- Limited awareness or experience among some respondents.
- The study is based on the view of the respondent. The study is limited to selected digital lending platforms (Paytm Loan, Bajaj Finserv, MoneyTap, Lendingkart and kredit Bee).

VII. HYPOTHETICAL STATEMENT

- HO: There is no significant association between gender group and familiarity with digital lending platforms.
- HO: There is a significant association between employment status and the source of information about digital lending platforms.

VIII. RESEARCH METHODOLOGY

This study adopts a descriptive research design to analyze the demographic characteristics of respondents and the relationship between key variables. Primary data was collected through structured questionnaire aligned with the research objectives, while secondary data was sourced from books, journals, articles, previous reports, and relevant websites. A simple random sampling techniques was employed to ensure equal representation, targeting approximately 120 respondents within Coimbatore city. The research utilizes statistical tools such as T-test and ANOVA to analyze the data and derive meaningful insights.

**DATA ANALYSIS AND INTERPRETATION
 PERCENTAGE ANALYSIS**

The percentage analysis method is a method to represent data as proportions of total sample, making it easier to identify trends and compare variables. It is commonly used for demographic data and survey responses. This approach simplifies data interpretation and highlights key insights for informed decision making.

1. GENDER OF THE RESPONDENTS

Table 1: Gender of the respondents

	Frequency	Percentage
Male	75	62.5
Female	45	37.5
Total	120	100.0

(Source: Primary data)

The above table 1 shows that out of 120 respondents, it shows that 62.5% of the respondents were male and 37.5% of the respondents were female. Most of the respondents in gender were male.

2. EMPLOYMENT STATUS THE RESPONDENTS

Table 2: Age of the respondents

	Frequency	Percentage
Full time employed	33	27.5
Self employed	15	12.5
Student	57	47.5
Homemaker	15	12.5
Total	120	100.0

(Source: Primary data)

Interpretation

It is seen from above Table 2 that, 27.5 percent of the respondents are Full time employed, 12.5 percent of the respondents are Self-employed, 47.5 percent of the respondents are Students and 12.5 percent of the respondents are in the category of Homemakers. Most of the respondents were Students.

T-test

T-test was conducted to assess whether there is a significant difference between genders in terms of the source of information about digital lending platforms.

Ho: There is no significant association between gender group and familiarity with digital lending platforms.

Gender

Table 3: Descriptive statistics

	N	MEAN	Std. deviation
Male	75	2.09	.091
Female	45	2.24	.111

(Source: Primary data)

Independent Sample test

	Levene's Test for equality of variance	T-test for Equality of Means	
	F	Sig	t
Equal variances assumed	.036	.851	-1.036
Equal variances not assumed			-1.052

(Source: Primary data)

It is noted from the table 3 that, there is no statistically significant difference in the mean scores between males and females, it is observed that the difference in mean 2.09 for male and 2,24 for female could be due to random variation rather than a true difference in population. Therefore, the null hypothesis that there is no significant association between gender group and familiarity with digital lending platforms has been accepted.

ANOVA

The following ANOVA Table reveals, whether there exists an significant difference between 'source of information about digital lending platforms' and 'employment status of the respondents' with the following null hypothesis.

Ho: There is a significant association between employment status and the source of information about digital lending platforms.

Table 4: Descriptive statistics

	N	MEAN	Std. deviation
Full time employed	33	2.24	.902
Self employed	15	1.73	.799
Student	57	2.05	.895
Homemaker	15	1.67	.724

ANOVA

	Sum of squares	df	Mean	F	Sig.
Between Groups	4.797	3	1.599	2.128	.100
Within Groups	87.169	116	.751		
Total	91.967	119			

(Source: Primary data)

It is observed from Table 4 that, the mean score is high (Mean 2.24) for the respondents who are Full time employed and the mean score (Mean 1.67) for the respondents who are students. Thus, the null hypothesis has been rejected.

IX. FINDINGS

- 62.5% of the respondents were male and 37.5% of the respondents were female.
- 47.5% of the respondents were students and 27.5% of the respondents were full time employed.
- The hypothesis that there is no significant association between gender group and familiarity with digital lending platforms has been accepted.
- The hypothesis that there is a significant association between employment status and the source of information about digital lending platforms has been rejected.

X. CONCLUSION

The study provides valuable insights into public perception towards the effectiveness of digital lending platforms in Coimbatore city. It highlights that while digital lending platforms are gaining popularity for their accessibility and efficiency, familiarity and adoption are influenced by various demographic factors. The findings show that gender does not significantly impact familiarity with these platforms, employment status does not significantly influence the source of information about them. These results suggest a need for digital lending platforms to focus on building trust, increasing awareness, and addressing concerns across all demographic groups to ensure broader acceptance and sustainable growth

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