

# Impact of Digital Transformation on the Performance of Gold Loans availed by Farmers in Nationalised Banks: A Study with Special Reference to Tirunelveli District

E. Joseph Abraham<sup>1\*</sup> and T. Samson Joe Dhinakaran<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Commerce, St. John's College, Palayamkottai, Affiliated by Manonmaniam Sundaranar University, Tirunelveli, Tamil Nadu

<sup>2</sup>Assistant Professor, Department of Commerce, St. John's college, Palayamkottai, Affiliated by Manonmaniam Sundaranar University, Tirunelveli, Tamil Nadu.

\*Corresponding Author Email: [jojosephabrahamejpbj@gmail.com](mailto:jojosephabrahamejpbj@gmail.com)

## Abstract

*This Study Analyzed the Impact of Digital Transformation on the Performance Gold Loans availed by Farmers in Nationalised banks in Tirunelveli District. This Study is based on Primary Data Collected from 100 Farmer Respondents. The Statistical Tools such as Percentage Analysis, ANOVA, Chi-Square tests are used. The Findings shows the Digital Transformation Significantly Improves Accessibility, Processing Speed, Repayment Enhance of Gold Loans.*

**Keywords:** Digital Transformation, Gold Loans, Tirunelveli District, Nationalised Banks

## Introduction

The Gold Loans are a Major Source of Short-term Finance for Farmers in India. In the Rise of Digital transformation, Banking Services have become faster, Transparent and more Accessible. The Digital Technologies has Simplified loan Processing and Reduced Paper work. The Digital Transformation also Enhance, Financial Inclusion, Loan Accessibility, Credit Efficiency mainly in Rural Areas.

Therefore, This Study Analyzed on Understanding how Impact of Digital Transformation on the Performance of Gold Loans availed by farmers in nationalised banks: a study with special reference to Tirunelveli District.

## Review of Literature

**Reserve Bank of India (2022)** This Report is Emphasized the Digital Lending Platforms Have Increased Credit Penetration in Rural Areas.

**Singh and Sharma (2020)** This Study is Role of Digital Banking in rural India and found that Digital Technologies Significantly Enhance Financial Inclusion.

**Kumar et al. (2021)** Examined the Effectiveness Of the Gold loan services in Nationalised banks. This Study revealed that Gold Loans are one of the most Preferred Credit options among Farmers due to their quick Disbursement and Minimal Documentation Requirements.

## Objectives of the Study

- To Examine the Socio- Economic profile of farmers.
- The Study of Usage of Gold Loans in Nationalised Banks.
- To Analyze the Impact of Digital Banking Services on loan performance
- Identify the Challenges on Adopting Digital Banking.

## Statement of the Problem

The Farmers Traditionally Faced Difficulties such as the Lengthy Loan Procedures, Lack of Awareness, Delays in Loan Sanction, Limited access to Banking services so, the Digital Transformation aims to Solve these Issues, but the Effectiveness in Improving Gold Loan Performance among farmers.

## Scope of the Study

The Study Focus on Examine the Impact of Digital Transformation on the Performance of Gold Loans Availed by Farmers in Nationalised Banks in tirunelveli District. It's Analyzed Factors such as Digital banking Usage, Loan Accessibility, Processing Time, and Repayment Behavior. This Study Limited to 100 Farmers Respondents and Considers only selected nationalised banks in India. It's also Improves the Level of Awareness and Satisfaction towards Digital loan Services among farmers.

## Research Methodology

**Research Design:** This present Study Adopts the Descriptive Research Design.

**Area of the Study:** The Study was Conduct in Tirunelveli District.

**Sample Size:** The Study has a Sample size of 100 Respondents.

### Sources of Data:

**Primary Data:** In this Study, The Primary data was Collected from 100 Farmers to using a Structured Questionnaire.

**Secondary Data:** Secondary data were collected from :

- Research Journals.
- Books and Academic Publications.
- Conference Papers.

**Sampling Techniques:** The Study Used Convenience Sampling Method.

### Tools of Data Analysis:

- Percentage Analysis.
- ANOVA

## Data Collection and Interpretation

### 1. Percentage Analysis:

**Table 1.1 - Age - Wise Classification of Respondents**

Age Group	No. of Respondents	Percentage
Below 30 years	20	20%
31-40 years	35	35%
41-50 years	25	25%
Above 50 years	20	20%
Total	100	100%

### Interpretation

This Data Shows that the Majority of Respondents (35%) are the Age Group of 31-40 years, they Representing the Economically Active Farming Population.

## 2. ANOVA Test

### Objectives of the Test:

To Determine whether there is a Significant Difference in Gold Loan Performance among Farmers based in their level of Digital Banking Usage.

### Hypotheses:

- **H<sub>0</sub> (Null Hypothesis):** There is No Significant Difference in Gold Loan Performance among Different level of digital Banking Usages.
- **H<sub>1</sub> (Alternative Hypothesis):** There is a Significant difference in Gold Loan performance in Different Levels of Digital Banking Usages.

### 2.1. ANOVA Table

Source of Variation	Sum of Squares	df	Mean Squares	F value
Between Groups	2000	2	1000	6.45
Within Groups	15000	97	154.64	-
<b>Total</b>	17000	99	-	-

### Level of Significance

- Level of Significance 5%
- Table F value = 3.09
- Calculated F value = 6.45

### Decision Rule

The Calculated F value 6.45 is higher than the Table value 3.09 so, the **Null Hypothesis is Rejected.**

### Interpretation

The ANOVA Results Shows that There is a Statistically Significant Difference in Gold Loan Performance among the Farmers with Different levels of Digital Banking Usages.

Farmers with Higher Digital Engagement Demonstrate better Loan Performance in Terms of Timely Repayment, Efficient Utilization and Easy to Access. The Digital Transformation Plays a Crucial role in Improving the Effectiveness of Gold Loan Services in Nationalised Banks.

Therefore, Increased Adoption of Digital Banking Tools Leads to Enhance Financial outcomes among Farmers.

### **Findings**

- To Majority of Farmers are Awareness of Digital Banking.
- The Gold Loans are Mainly used for Agriculture.
- The Digital Loan Processing Reduces Time.
- To Repayment Efficiency has Improved.
- The Loan Accessibility has Increased.
- In the Awareness still needs Improvement.
- To Internet Connectivity is a Challenge.

### **Suggestions**

- To Increase Digital Literacy Programs.
- To Improve Rural Internet Infrastructure.
- To Banking Institutions Can Simplify Mobile Banking Applications.
- To Enhance Cyber Security to protect farmers from Fraud and Build trust in Digital banking Systems.
- To Banks should Conduct Regular Training and Awareness progress to Enhance Farmers understanding of Digital banking Services.
- To Strengthen Customer Support.
- To Reduce Technical Errors in Applications.
- To Promote AI-based Loan Systems.

### **Conclusion**

This Study Concludes that Digital Transformation has a Significant Positive Impact on the Performance of Gold Loans Among the Farmers. It's Improves Efficiency, Accessibility,

and Transparency in Banking Services. Thus, Challenges Like Low Digital Literacy and Poor Infrastructure must be Addressed for better adoption. The Digital Transformation is Important Driver of Rural Financial Inclusion and Agricultural Development. This Findings Reveal that Farmers with higher usages of Digital banking Demonstrate better Loan Performance in terms of Timely Repayment, Effective Utilization, and Overall Satisfaction.

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