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A Study on Consumer Perception Towards Digital Payment

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ABSTRACT: The digital economy, electronic commerce and electronic banking are now being used by the new technologies and the wider global network, especially internet, within and outwardly. Increasing use of internet, electronic devices and government initiative such as digital India with a vision to transforming India into digital society by cashless transaction. After demonetization in India the digital payment system emerged tremendously. In recent days many changes took place in the payment system like digital wallets, UPI, AEPS, QR code and BHIM apps for smooth shift to digital payments. The study investigates a customer's perception towards Digital payments. The structured questionnaire was used as research tool for understanding consumer perception of digital payment. Primary data was collected from respondents in Ramanagara district and Bangalore district.

Keywords: Cashless transactions, Consumer perception, Digital payment, Demonetization and Digital wallets.

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INTRODUCTION

A digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS (Point of Sales) or computer, a digital channel communications such as mobile wireless data or SWIFT (Society for the Worldwide Interbank Financial).

The Digital India is the Indian Government's flagship programme with a vision to convert India into a digitally empowered country. "Faceless, Paperless, Cashless" is one of supposed function of Digital India as part of government reforms Prime Minister Mr. Narender Modi demonetized the high value currency of Rs. 500 and 1000 in November 2016 and also launched the Digital India initiative in 2015.These initiatives have provided extensive boost up to the digital payment system in the country. Government's other initiatives like BHIM and UPI are supporting in transition and faster adoption of digital payments. 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.

Meaning of Digital Payment:

Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money.

Digital Payment Methods in India

1. **Banking cards:** Cards are among the most widely used payment methods and come with various features and benefits such as security of payments, convenience, etc. The main advantage of debit/credit or prepaid banking cards is that they can be used to make other types of digital payments. For example, customers can store card information in digital payment apps or mobile wallets to make a cashless payment.

2. **USSD:** Another type of digital payment method, *99#, can be used to carry out mobile transactions without downloading any app. These types of payments can also be made with no mobile data facility.

3. **AEPS:** Expanded as Aadhaar Enabled Payment System, AEPS can be used for all banking transactions such as balance enquiry, cash withdrawal, cash deposit, payment transactions, Aadhaar to Aadhaar fund transfers, etc. All transactions are carried out through a banking correspondent based on Aadhaar verification.

4. **Mobile Wallets:** A mobile wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account

or debit/credit card information or bank account information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services.

5. Bank pre-paid cards: A prepaid card is a type of payment instrument on to which you load money to make purchases. The type of card may not be linked to the bank account of the customer. However, a debit card issued by the bank is linked with the bank account of the customer.

6. PoS terminals: Traditionally, PoS terminals referred to those that were installed at all stores where purchases were made by customers using credit/debit cards. It is usually a hand held device that reads banking cards. However, with digitization the scope of PoS is expanding and this service is also available on mobile platforms and through internet browsers.

7. Internet Banking: Internet banking refers to the process of carrying out banking transactions online. These may include many services such as transferring funds, opening a new fixed or recurring deposit, closing an account, etc. Internet banking is also referred to as e-banking or virtual banking. Internet banking is usually used to make online fund transfers via NEFT, RTGS or IMPS.

8. Mobile Banking: Mobile banking is referred to the process of carrying out financial transactions/banking transactions through a smartphone. The scope of mobile banking is only expanding with the introduction of many mobile wallets, digital payment apps and other services like the UPI.

9. Bharat Interface for Money (BHIM) app: The BHIM app allows users to make payments using the UPI application. This also works in collaboration with UPI and transactions can be carried out using a VPA. One can link his/her bank account with the BHIM interface easily. It is also possible to link multiple bank accounts. The BHIM app can be used by anyone who has a mobile number, debit card and a valid bank account. Money can be sent to different bank accounts, virtual addresses or to an Aadhaar number.

Benefits of Digital Payments

- **Faster, easier, more convenient**
- **Economical and less transaction fee**
- **Waivers, discounts and cash backs**
- **Digital record of transactions**
- **One stop solution for paying bills**
- **Helps keep black money under control**

REVIEW OF LITERATURE:

***Shamsher Singh & Ravish Rana* : A study of consumer perception of digital payment mode.** 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.

S Fatonah, A Yulandari and F W Wibowo **:** A Review of E-Payment System in E-Commerce._The Era of Information and Communication Technology (ICT) and digital innovation lead to dynamic changes in the business environment, where business transactions continue to shift from cash-based transactions to electronic-based transactions. The e-payment system was not introduced to replace cash but as a better alternative to cash and trade barter.

K. Suma Vally and K. Hema Divya **:** A Study on Digital Payments in India with Perspective of Consumer"s Adoption. The demonetization resulted in tremendous growth in digital payments. With the government initiative such as Digital India and increased use of mobile and internet are means to exponential growth in use of digital payment. This transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy.

STATEMENT OF THE PROBLEM

The aim of this study is to know the consumer perception of Digital Payment. The study focuses on the different modes of Digital Payment System(DPS) is most preferred by the Customer as an easy payment mechanism, from how long they are using Digital Payment System. Whether Demonetization impact on DPS. Is it Digital payment system is secure and time saving and consumer aware about digital India programme initiated by govt. of India. Hence the paper is stated as "A study on consumer perception towards Digital Payment".

OBJECTIVE OF THE STUDY

- To examine the age and gender of respondents impact on digital payment.
- To analyze the impact of customers education and profession on usage of digital payment.
- To analyze the impact of demonetization on digital payment.
- To study the Digital Payment importance in consumer daily life.
- To analyze the mode of the digital payment preferred the most by consumer.

METHODOLOGY OF THE STUDY

Sources of data collected:

- **Primary data:** A study conducted in Ramanagara District and Bangalore District Karnataka. Data collected through Structured Questionnaire. A sample size of 300 was selected using the convenience sampling. Out of which 267 were responded.
- **Secondary data** has been collected from various website and journals for the analysis.
- **Techniques of analysis:** the responses from the respondents were analysed using simple statistical tools like %age, tables, graphs and charts.

DATA ANALYSIS AND INTERPRETATION

Table 1 : - Respondents Demographic Profile.

Variable	Characteristics	Frequency	Percentage
Gender	Male	113	42.30%
	Female	154	57.70%
Age Group	Below 18 Years	0	0
	18 - 25 years	202	75.70%
	25 - 30 years	43	16.10%
	30 years & above	22	8.20%
Qualification	SSLU	0	0.00%
	PUC	14	5.20%
	Under Graduate	160	59.90%
	Post Graduate	88	33%
	Other	5	1.90%
Occupation	Professional	46	17.20%
	Student	163	61%
	Employee	46	17.20%
	Others	12	4.50%

The respondent profile as displayed in Table 1 replicate the population Generally engaged in use of digital payment . Most of the respondents are female

(57.7%), in the age group of 18-25 Years (75.7%) are either under graduate (59.9%) or Student(61%) . This is the ideal profile for user of digital mode and who are educated.

Table 2 : Do you use digital payments for Electricity bill, Mobile recharge, Shopping and Ticket booking etc...

Do you use digital payments for Electricity bill, Mobile recharge, Shopping and Ticket booking etc...	Total
Maybe	12
No	22
Yes	233
Grand Total	**267**

Out of the total 267 Respondent, 233 respondents are using digital Payments to pay electricity bill, mobile recharge, shopping and ticket booking, its shows majority population mainly depends on digital payments for there daily activities.

Table 3 : Which payment mode do you prefer the most?

Which payment mode do you prefer the most.	Maybe	No	Yes	Grand Total
Banking Cards			2	2
Internet Banking			6	6
Mobile Banking	1	3	11	15
Others	3	6		9
QR Code		2	5	7
UPI (Gpay, Phonepe and Paytm etc..)	8	11	209	228
Grand Total	**12**	**22**	**233**	**267**

Out of 267 respondents, 209 respondents are using UPI Payment system for there overall Transactions, it indicates UPI Payment system is more secure and time savings for doing the transactions and the above table shows only 2 respondents are using Banking cards as a Digital Payments it indicates Cardless transactions, the usage of ATM Cards is declining day by day and Usage of UPI is increasing day by day.

Table 4 : From how many years you are using Digital Payments.

From how many years you are using Digital Payments.				
1 years	2 years	3 years	4 years and above	Grand Total
89	60	61	57	267

Out of total 267 respondents, 89 respondents are using digital payments from last one year onwards and 60 respondents are using digital payments from last 2 years , it indicates after Covid-19 pandemic the users of digital payments has been increased tremendously.

Table 5 : Do you agree that Digital Payment is important in our daily life.

Do you agree that Digital Payment is important in our daily life.	Total
Agree	127
Disagree	3
Neutral	39
Strong	2
Strongly agree	96
Grand Total	**267**

Out of total 267 respondents, 127 respondents are agreed digital payment is very important in our daily life and 96 respondents are strongly agreed its indicates that digital payments is a part of our daily life

Table 6 : Do you think Demonetization impact on Digital Payment.

Do you think Demonetization impact on Digital Payment.	Total
Maybe	85
No	73
Yes	109
Grand Total	**267**

Out of total respondents, 109 respondents are agreed Demonetization will be impact on digital Payments, it indicates the users of digital payments will be increased after Demonetization.

Table 7 : Do you believe that Digital Payment is secure and time saving.

Do you believe that Digital Payment is secure and time saving.	Total
Maybe	35
No	8
Yes	224
Grand Total	**267**

Out of total respondents, 224 respondents are agreed that digital payments is secure and time saving due to that reason only the users of digital payments increased. Only few respondents are not agreed.

Table 8 : Are you aware about Digital India Programme initiated by Govt. of India.

Are you aware about Digital India Programme initiated by Govt. of India .	Total
Maybe	21
No	68
Yes	178
Grand Total	**267**

Out of total respondents, 178 respondents are aware about the digital India Programme initiated by Govt.of India, only 68 respondents are not aware about the schemes.

LIMITATIONS OF THE STUDY

The research was carried based on primary and secondary data. The primary data for research objectives was collected from the samples based in Ramanagara and Bangalore District only. With only 267 samples selected from cities cannot be considered as a complete representation of the population of the country.

FINDINGS

In India, Now we see every small sub-district and banks even installed near villages to provide best possible digital payment service to India peoples. Digital payments are not just just through ATMs but also through online banking and UPI.

Our study found following findings:

- Out of 267 responded most of the respondents are female (57.7%), in the age group of 18-25 Years (75.7%) are either under graduate (59.9%) or Student(61%) .
- Out of the total 267 Respondent, 233 respondents are using digital Payments to pay electricity bill, mobile recharge, shopping and ticket booking, its shows majority population mainly depends on digital payments for there daily activities.
- 209 respondents are using UPI Payment system for there overall Transactions, it indicates UPI Payment system is more secure and time savings for doing the transactions
- Out of total 267 respondents, 89 respondents are using digital payments from last one year onwards and 60 respondents are using digital payments from last 2 years , it indicates after Covid-19 pandemic the users of digital payments has been increased tremendously.
- Out of total 267 respondents, 127 respondents are agreed digital payment is very important in our daily life and 96 respondents are strongly agreed its indicates that digital payments is a part of our daily life
- Out of total respondents, 109 respondents are agreed Demonetization will be impact on digital Payments, it indicates the users of digital payments will be increased after Demonetization
- Out of total respondents, 178 respondents are aware about the digital India Programme initiated by Govt.of India, only 68 respondents are not aware about the schemes .

SUGGESTIONS

- Govt. should work more on secure payment of the people.
- Propaganda and Awareness programs are needed in rural areas to adopt the same.
- Enabling Public Financial Management System (PFMS) facility in the Panchayats of the Districts. Adopting digital payment facilities at ration shops and fertiliser shops to enable digital payments.
- Private payment channel should be strictly monitored by RBI

CONCLUSION

The study examines the consumer perception towards digital payment. The E-transfer of money has been around us for few years now and the country has greatly benefited from this technological advancement. The usage, comfort ability is being wider and wider day by day govt. support e-payment system for the development. Made human life convenient as a person can pay his payments online.

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